CH ENERGY GROUP INC Form U-3A-2/A March 05, 2002

New York ("Phoenix")

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C.

FORM U-3A-2/A

Statement by Holding Company Claiming Exemption Under Rule U-3A-2 from the Provisions of the Public Utility Holding Company Act of 1935

To Be Filed Annually Prior to March 1

CH ENERGY GROUP, INC.

hereby files with the Securities Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935 ("Act") and submits the following information:

1. NAME, STATE OF ORGANIZATION, LOCATION AND NATURE OF BUSINESS OF CLAIMANT AND EVERY SUBSIDIARY THEREOF, OTHER THAN ANY EXEMPT WHOLESALE GENERATOR (EWG) OR FOREIGN UTILITY COMPANY IN WHICH CLAIMANT DIRECTLY OR INDIRECTLY HOLDS AN INTEREST.

The following response is as of December 31, 2001:

CH Energy Group, Inc. ("Claimant") is a corporation organized and existing under the laws of the State of New York. Claimant is a holding company which acquires businesses and holds securities and/or interests in other corporations, partnerships and/or businesses. Claimant's principal place of business is 284 South Avenue, Poughkeepsie, New York 12601-4879. Claimant, as of December 31, 2001, has the following subsidiaries other than any EWG:

NAME AND LOCATION OF COMPANY	STATE OF ORGANIZATION	NATURE OF BUSINESS
1. Central Hudson Gas & Electric Corporation, Poughkeepsie, New York ("Central Hudson")	New York	Generation, transmission and distribution of electricity and the transmission and distribution of natural gas in New York State. Central Hudson's "franchise territory" generally extends about 85 miles along the Hudson River and about 25 to 40 miles east and west of such River. The southern end of that territory is about 25 miles north of New York City and the northern end is about 10 miles south of the City of Albany, N.Y.
2. Phoenix Development Company, Inc., Poughkeepsie,	New York	Real estate holding company for Central Hudson.

3. Central Hudson Energy Services, Inc., Poughkeepsie, New York ("Services")	New York	Invests in energy related business; currently owns, directly or indirectly, the affiliates referred to in 4-10 below.
4. Central Hudson Enterprises Corporation, Poughkeepsie, New York ("CHEC")	New York	Markets electric, gas and oil related services, and conducts energy audits and provides related services.
5. Greene Point Development Corporation, Poughkeepsie, New York ("Greene Point")	New York	Develops and evaluates business opportunities for Services.
6. Prime Industrial Energy Services, Inc., Poughkeepsie, New York ("Prime Industrial")	New York	Engages in project construction and providing services for electric generation and HVAC equipment.
7. Scasco, Inc., Winsted, Connecticut ("Scasco")	Connecticut	Engages in the distribution of fuel oil, gasoline, diesel, kerosene, propane and natural gas and the installation and maintenance of electrical services and HVAC equipment in the States of Connecticut, Massachusetts and Rhode Island.
	(2)	
8. Griffith Energy Services, Inc., Poughkeepsie, New York ("Griffith Energy")	New York	Engages in the distribution of fuel oil, gasoline, diesel, kerosene, propane, natural gas and the installation and maintenance of HVAC equipment in the states of Virginia, West Virginia, Maryland, Delaware, and Pennsylvania and in Washington, D.C.
9. CH Niagara Properties, Inc., Niagara Falls, New York ("CH Niagara")	New York	Owns real property interests on which an affiliate (CH Resources, Inc.), an EWG, operates an "eligible facility".
10. CH Syracuse Properties, Inc., Syracuse, New York ("CH Syracuse")	New York	Owns real property interests on which an affiliate (CH Resources, Inc.), an EWG,

2. A BRIEF DESCRIPTION OF THE PROPERTIES OF CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES USED FOR THE GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE, OR FOR THE PRODUCTION, TRANSMISSION,

Resources, Inc.), an EWG, operates an "eligible facility".

("CH Syracuse")

AND DISTRIBUTION OF NATURAL OR MANUFACTURED GAS, INDICATING THE LOCATION OF PRINCIPAL GENERATING PLANTS, TRANSMISSION LINES, PRODUCING FIELDS, GAS MANUFACTURING PLANTS, AND ELECTRIC AND GAS DISTRIBUTION FACILITIES, INCLUDING ALL SUCH PROPERTIES WHICH ARE OUTSIDE THE STATE IN WHICH CLAIMANT AND ITS SUBSIDIARIES ARE ORGANIZED AND ALL TRANSMISSION OR PIPELINES WHICH DELIVER OR RECEIVE ELECTRIC ENERGY OR GAS AT THE BORDERS OF SUCH STATE.

The following response is as of December 31, 2001:

GENERATING STATION, LOCATION AND PERCENT OWNERSHIP	FUEL	(MW) NET CAPABILITY SUMMER	(2000-2001) WINTER
Neversink Hydro Station, Neversink, NY Neversink Reservoir Aqueduct Tunnel (100%)	Water	21	22
Dashville Hydro Station, Rifton, NY Wallkill River (100%)	Water	5.5	4

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Sturgeon Pool Hydro Station, Rifton, NY Wallkill River (100%)			
Groveville Mills Hydro Station, Beacon, NY - Fishkill Creek (100%)	Water	0.8	
High Falls Hydro Station, High Falls, NY Rondout Creek (100%)	Water	3	3
Coxsackie Gas Turbine, Coxsackie, New York (100%)	kerosene or natural gas	19	24
South Cairo Gas Turbine, Cairo, New York (100%)	kerosene or natural gas	18	22
	TOTAL	83.3	91.8

As of December 31, 2001, Central Hudson's electric transmission and distribution systems were comprised of 88 substations with a rated transformer capacity of approximately 4.6 million kVA, approximately 593 circuit miles of overhead transmission lines, approximately 4.2 cable miles of underground transmission lines, approximately 7,385 conductor miles of overhead distribution lines and approximately 933 cable miles of underground distribution cables. Only a part of such transmission and distribution lines is located on property owned by Central Hudson. The electric system of Central Hudson is directly interconnected with other electric utility systems in New York, Connecticut, and New Jersey, and indirectly interconnected with most of the electric utility systems in the United States. Transmission Circuit Miles include: 345, 115 and 69 kV. Distribution Conductor Miles include: 34.5, 14.4, 13.2, 4.8 and 4.16 kV. The transformer kVA value is the summation of transformers' top nameplate ratings; the summation of Summer Normal ratings would be higher. Generator step-up transformers are included; spare transformers and generation station auxiliary transformers are excluded.

Natural gas is delivered by transmission pipeline to Central Hudson at four locations: the Cedar Hill (NY) Gate Station interconnection with Tennessee Gas Pipeline Company ("Tennessee"), the Pleasant Valley (NY) Gate Station interconnection with Iroquois Gas Transmission System, L.P., the Mahopac (NY) Gate Station interconnection with Duke Energy Gas Transmission Company and the Tuxedo (NY) Gate Station interconnection with Columbia Gas Transmission Company ("Columbia"). Natural gas is distributed to approximately 63,852 industrial, commercial and residential customers through a network of 161 miles of transmission pipeline and 1,026 miles of distribution mains. Central Hudson owns and operates propane—air peaking facilities at Poughkeepsie and Newburgh, NY which are each nominally rated at 8,000 MCF per day of injection capability into the distribution system. In addition, Central Hudson has entered into long—term contracts with National Fuel Gas Corporation, Columbia, Tennessee, and Texas Eastern and CNG Transmission Corporations for a maximum total of 3.3 BCF of storage, located in various fields in the eastern United States.

(4)

3. THE FOLLOWING INFORMATION FOR THE LAST CALENDAR YEAR WITH RESPECT TO CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES:

The following responses are as of December 31, 2001:

Claimant and its subsidiaries, other than Central Hudson, are not "public utility companies" for the purposes of the Act.

(a) NUMBER OF KWH. OF ELECTRIC ENERGY SOLD (AT RETAIL OR WHOLESALE), AND MCF. OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL.

		ELECTRIC (Kwhrs.)	GAS (Mcf.)
Claimant		None	None
Central Hudson	Retail: Wholesale:	4,999,564,000 371,221,000	10,562,623 378,255

(b) NUMBER OF KWH. OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED.

	ELECTRIC (Kwhrs.)	GAS (Mcf.)
Claimant	None	None
Central Hudson	None	None

(c) NUMBER OF KWH. OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS SOLD AT WHOLESALE OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED, OR AT THE STATE LINE.

	ELECTRIC (Kwhrs.)	GAS (Mcf.)
Claimant	None	None
Central Hudson	None	None

(d) NUMBER OF KWH. OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS PURCHASED OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED OR AT THE STATE LINE.

- 4. THE FOLLOWING INFORMATION FOR THE REPORTING PERIOD WITH RESPECT TO CLAIMANT AND EACH INTEREST IT HOLDS DIRECTLY OR INDIRECTLY IN AN EWG OR A FOREIGN UTILITY COMPANY, STATING MONETARY AMOUNTS IN UNITED STATES DOLLARS:
- (a) NAME, LOCATION, BUSINESS ADDRESS AND DESCRIPTION OF THE FACILITIES USED BY THE EWG OR FOREIGN UTILITY COMPANY FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE OR FOR THE DISTRIBUTION AT RETAIL OF NATURAL OR MANUFACTURED GAS:

CH Resources, Inc. ("CH Resources"), a New York corporation, with offices at 110 Main Street, Poughkeepsie, New York, is an EWG because it owns and operates the following "eligible facilities" and the electricity generated thereat is sold to wholesale customers:

- (i) A 100 MW combined cycle gas turbine located at 300 Belle Isle Road, Solvay, New York.
- (ii) A 100 MW combined cycle gas turbine located at 3 Main Street, Beaver Falls, New York.
- (iii) A 50 MW coal-burning fluidized bed cogeneration plant located at 5300 Frontier Avenue, Niagara Falls, New York.

On December 21, 2001, Services entered into an agreement to sell all of its stock ownership interest in CH Resources and its subsidiaries, CH Syracuse and CH Niagara, to WPS Power Development, Inc., a Wisconsin corporation. The closing on this sale is expected to occur during the second quarter of 2002, subject to obtaining regulatory approvals.

(b) NAME OF EACH SYSTEM COMPANY THAT HOLDS AN INTEREST IN SUCH EWG OR FOREIGN UTILITY COMPANY; AND DESCRIPTION OF THE INTEREST HELD.

Claimant owns 100% of CH Resources.

(6)

(c) TYPE AND AMOUNT OF CAPITAL INVESTED, DIRECTLY OR INDIRECTLY, BY THE HOLDING COMPANY CLAIMING EXEMPTION; ANY DIRECT OR INDIRECT GUARANTEE OF THE SECURITY OF THE EWG OR FOREIGN UTILITY COMPANY BY THE HOLDING COMPANY CLAIMING EXEMPTION; AND ANY DEBT OR OTHER FINANCIAL OBLIGATION FOR WHICH THERE IS RECOURSE, DIRECTLY OR INDIRECTLY, TO THE HOLDING COMPANY CLAIMING EXEMPTION OR ANOTHER SYSTEM COMPANY, OTHER THAN THE EWG OR FOREIGN UTILITY COMPANY.

At December 31, 2001, Claimant had capital invested in CH Resources of \$25,825,003 comprised of the following:

Debt: \$ - 0 -Equity: \$25,825,003

(d) CAPITALIZATION AND EARNINGS OF THE EWG OR FOREIGN UTILITY COMPANY DURING THE REPORTING PERIOD.

CH Resources' capitalization and earnings were \$25,825,003 and \$(808,103) at December 31, 2001, respectively.

(e) IDENTIFY ANY SERVICE, SALES OR CONSTRUCTION CONTRACT(S) BETWEEN THE EWG OR FOREIGN UTILITY COMPANY AND A SYSTEM COMPANY, AND DESCRIBE THE SERVICES TO BE RENDERED OR GOODS SOLD AND FEES OR REVENUES UNDER SUCH AGREEMENT(S).

None.

EXHIBIT A.

A CONSOLIDATING STATEMENT OF INCOME AND SURPLUS OF THE CLAIMANT AND ITS SUBSIDIARY COMPANIES FOR THE LAST CALENDAR YEAR, TOGETHER WITH A CONSOLIDATING BALANCE SHEET OF CLAIMANT AND ITS SUBSIDIARY COMPANIES AS OF THE CLOSE OF SUCH CALENDAR YEAR.

The consolidating financial statements, as of December 31, 2001, are attached hereto as Exhibit A.

EXHIBIT B.

AN ORGANIZATIONAL CHART SHOWING THE RELATIONSHIP OF EACH EWG OR FOREIGN UTILITY COMPANY TO ASSOCIATE COMPANIES IN THE HOLDING-COMPANY SYSTEM.

The Organizational Chart, as of December 31, 2001, is attached hereto as Exhibit B.

(7)

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer on the 22nd day of February, 2002.

CH ENERGY GROUP, INC.

By: /s/ Steven V. Lant

Steven V. Lant Chief Operating Officer and Chief Financial Officer

Corporate Seal

Attest:

/s/ Gladys L. Cooper

Gladys L. Cooper Corporate Secretary

Name, title and address of officer to whom notices and correspondence concerning this statement should be addressed:

Steven V. Lant
Chief Operating Officer and
Chief Financial Officer
CH Energy Group, Inc.
284 South Avenue

Poughkeepsie, New York 12601-4879

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EXHIBIT A

CONSOLIDATING FINANCIAL STATEMENTS OF CH ENERGY GROUP, INC. AS OF DECEMBER 31, 2001

CONSOLIDATED BALANCE SHEET (In Thousands)

	Deceml	oer 31,
ASSETS	2001	2000
Utility Plant	 	
Electric	\$	\$1,277,617
Gas	180,673	172,242
Common	97 , 124	99 , 353
Nuclear fuel		46,688
	862,628	1,595,900
Less: Accumulated depreciation	354,010	668,168
Nuclear fuel amortization		40,762
	 508,618	
Construction work in progress	53,139	43,882
Net Utility Plant	561,757	930,852
Other Property and Plant	48,202	42,979
Prefunded Pension Costs and Other Investments Prefunded pension costs		63,390 23,201
Total Prefunded Pension Costs and	 	
Other Investments	•	86,591
Intangible Assets	79 , 587	68,458
Current Assets	 	
Cash and cash equivalents	132,395	28,318
<pre>net of allowance for doubtful accounts; \$3.8 million in 2001 and \$3.4 million in 2000</pre>	61,540	109,403
Accrued unbilled utility revenues	11,765	
Other receivables	8,968	
Fuel, materials and supplies, at average cost	18,402	
Special deposits and prepayments	53 , 582	
Total Current Assets	286,652	215,061

EXHIBIT A (CONT'D)

CONSOLIDATED BALANCE SHEET(CONT'D)
(In Thousands)

	Decemb	oer 31,
ASSETS	2001	2000
Deferred Charges and Other Assets		
Regulatory assets	35,094	155,230
Unamortized debt expense	3 , 545	4,869
Fair value of derivative instruments	28,591	
Other Assets	60,171	26,933
Total Deferred Charges and Other Assets	127,401	187,032
TOTAL ACCITO	¢1 100 640	¢1 F20 072
TOTAL ASSETS	\$1,188,642	\$1,530,973
	=======	

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EXHIBIT A (CONT'D)

CONSOLIDATED BALANCE SHEET (CONT'D) (In Thousands)

CAPITALIZATION AND LIABILITIES	Decemb 2001	•
Capitalization Common Stock Equity		
Common stock, \$.10 par value Paid-in capital Retained earnings Treasury stock Capital stock expense	1,686 351,230 163,317 (18,766) (1,158)	
Total Common Stock Equity	496,309	480,742
Cumulative Preferred Stock Not subject to mandatory redemption	21,030 35,000	•
Total Cumulative Preferred Stock	56,030	56,030
Long-term Debt	216,124	
Total Capitalization	768,463	857 , 141
Current Liabilities		
Current maturities of long-term debt Notes payable Accounts payable Accrued interest Dividends payable	20,000 250 62,535 2,538 9,643	62,610 165,000 63,845 7,256 9,643

Accrued vacation	3,900 5,032 11,545	•
Total Current Liabilities	115,443	328,555
Deferred Credits and Other Liabilities		
Regulatory liabilities	235,960	118,574
Operating reserves	4,853	4,755
Other	42,563	27,120
Total Deferred Credits and		
Other Liabilities	283,376	150,449
Accumulated Deferred Income Tax	21,360	194,828
TOTAL CAPITALIZATION AND LIABILITIES	\$1,188,642 ======	\$1,530,973 =======

(iii)

EXHIBIT A (CONT'D)

CONSOLIDATED STATEMENT OF INCOME (In Thousands)

	Year	ended Decemb	er 31,
	2001	2000	1999
Operating Revenues			
Electric	\$428,416	\$531 , 820	\$427,809
Gas	110,717	107,039	94,131
Unregulated Subsidiary	189 , 298	111 , 027	45 , 157
Total Operating Revenues		749,886	
Operating Expenses			
Operation:			
Fuel used in electric			
generation and purchased			
electricity	248,949	249,338	149,016
Purchased natural gas	72,314	75,624	61,548
Purchased petroleum	89,173	35,485	4,347
Other expenses of operation	106,751	137,800	126,768
Other expenses of operation -			
unregulated subsidiaries	56,482	30,343	14,373
Depreciation and amortization	35 , 637	51 , 453	48,246
Taxes, other than income tax	50,402	54 , 151	64,510
Federal/State income tax	21,043	•	•
Total Operating Expenses		671,423	
Operating Income	47 , 680	78 , 463	

Other Income

Allowance for equity funds			
used during construction	429		
Federal/State income tax	24,381	(986)	(371)
Other - net	11,100	10,626	12,051
Total Other Income	35 , 910	9,640	11,680
Income before Interest Charges	83 , 590	88 , 103	82 , 197

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EXHIBIT A (CONT'D)

CONSOLIDATED STATEMENT OF INCOME (CONT'D) (In Thousands)

	Year ended December 31,		
		2000	
Interest Charges			
Interest on mortgage bonds	\$ 5,211	\$11,342	\$13 , 057
Interest on other long-term debt	10,446	12,864	11,094
Other interest	14,187	10,473	6,633
funds used during		.==	
construction	(319)		(390)
Total Interest Charges	29 , 525		30,394
Cumulative Preferred Stock Dividends			
of Central Hudson	3,230 	3,230 	3,230
No. 1. Tanana	¢50 025	¢50 070	¢40 F72
Net Income		\$50 , 973	
Dividends Declared on Common Stock	25 242	25 0/15	36,422
Dividends Declared on Common Stock	33,342	33, 943	30,422
Balance Retained in the Business	\$15 , 493	\$15 , 028	\$12 , 151
	======	======	======
Common Stock:			
Average shares outstanding (000s)			
Earnings per share (basic and diluted)		\$ 3.05	
Dividends Declared per share	\$ 2.16	\$ 2.16	\$ 2.16

(V)

EXHIBIT A (CONT'D)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (In Thousands)

	Year 2001 	ended Decemb 2000	er 31, 1999
Net Income	\$ 50,835	\$ 50,973	\$ 48,573
Other comprehensive income, net of tax: FAS 133 transition adjustment - cumulative effect of unrealized losses at implementation date of January 1, 2001	(1,896)		
Less: reclassification adjustment for gains realized in net income	795		
Plus: change in fair value for transition adjustment amounts			
Balance of FAS 133 transition adjustment at December 31, 2001			
Comprehensive Income	\$ 50,835 =====	\$ 50,973	\$ 48,573 ======
CONSOLIDATED STATEMENT OF RETAINED EARNINGS (In Thousands)			
	Year 2001	ended Decemb	er 31, 1999
Balance at beginning of year	\$147,824	\$132,796	\$133 , 287
Net Income	50,835	50,973	48,573
Common Stock Retirement (cancellation)			(12,642)
Dividends declared: On common stock (\$2.16 per share in 2001, 2000 and 1999)	(35, 342)	(35,945)	(36,422)
Balance at end of year		\$147,824 ======	
(vi)			
EXHIBIT A (CONT	' D)		
CONSOLIDATED STATEMENT OF CASH FLOWS (In Thousands)			
		ended Decemb 2000	
Operating Activities Net Income	\$ 50,835	\$ 50,973	\$ 48,573

Adjustments to reconcile net			
income to net cash provided			
by operating activities:			
Depreciation, amortization and			
nuclear fuel amortization	39,138	55,297	51,186
Deferred income taxes, net	2,545	2,940	4,219
Nine Mile 2 Plant deferred			
finance charges, net	22	(3,286)	(4,855)
Provisions for uncollectibles	2,614	3 , 935	2,930
Accrued/deferred pension costs	(17,304)	(13 , 789)	(10,968)
Deferred gas costs/gas refunds	(3,388)	(4,769)	3,061
Other - net	16,043	10,231	9,423
Changes in current assets and			
liabilities, net:			
Accounts receivable and unbilled			
utility revenues	54 , 951	(60,422)	(15, 474)
Fuel, materials and supplies	(6,034)	856	(7 , 898)
Special deposits and prepayments	(12,652)	(6,216)	17,291
Accounts payable	12,764	27,099	13,155
Accrued taxes and interest	(61,628)	10,209	(6,665)
Deferred taxes related to sale of			
plants and Nine Mile 2 Plant			
write-off	(259, 494)		
Other, net	3,666	780	(175)
Net cash (used in) provided by			
operating activities	(177,922)	73 , 838	103,803

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EXHIBIT A (CONT'D)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) (In Thousands)

	Year ended December 31,		
	2001	2000	1999
Investing Activities Proceeds from sale of fossil			
generation plants and nuclear plant Issuance of mortgage receivable - sale	770 , 835		
of Nine Mile 2 Plant	(29,688)		
Additions to plant	(67,818)	(58,656)	(46,495)
subsidiaries Nine Mile 2 Plant decommissioning	(17,908)	(77,543)	(11,945)
trust fund	(737)	(868)	(868)
Other - net	17,409	(855)	(589)
Net cash provided by (used in)	680 000	(105,000)	/F0 00F1
investing activities	672 , 093	(137,922)	
Financing Activities Proceeds from issuance of:			
long-term debt		47,500	176,250
short-term debt, net	(164,250)	115,000	32,000

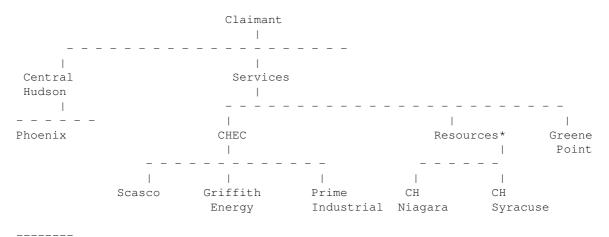
Repayment of long-term debt Dividends paid on common stock Issuance and redemption costs Defeasance of long-term debt	(35,342) (3,341)	(35,100) (36,215) (403)	(36,422) (4,530)
Purchase of treasury stock		(18,765)	
Net cash (used in) provided by financing activities		72,017	(34,020)
Net Change in Cash and Cash Equivalents	104,077	7 , 933	9,886
Beginning of Year	28,318	20,385	
Cash and Cash Equivalents at End of Year	\$132 , 395	\$ 28,318 ======	
Supplemental Disclosure of Cash Flow Information			
<pre>Interest paid Federal/State income taxes paid</pre>	•	\$ 25,904 24,300	•

(viii)

EXHIBIT B

ORGANIZATION CHART (AS OF DECEMBER 31, 2001)

Reference is made to Items 1 and 4 of this Form U-3A-2 for a description of the companies in Claimant's Holding Company System. Claimant, directly or indirectly, owns 100% of all affiliated companies.



* EWG