



Agenda Date: 6/22/18
Agenda Item: 2K

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES' CONSIDERATION OF THE TAX CUTS AND JOBS ACT OF 2017))))	DECISION AND ORDER APPROVING STIPULATION
IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF REVISED RATES (EFFECTIVE ON AN INTERIM BASIS APRIL 1, 2018) TO REFLECT THE REDUCTION UNDER THE TAX CUTS AND JOBS ACT OF 2017)))))))	DOCKET NO. AX18010001 AND DOCKET NO. ER18030236

Parties of Record:

Margaret Comes, Esq. for Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a Stipulation of Settlement ("Stipulation") entered into by Rockland Electric Company ("RECO" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively, "Parties") which seeks to resolve all issues related to this matter.

BACKGROUND

By Order¹ ("Generic TCJA Order") dated January 31, 2018, the Board directed affected utilities² to file petitions proposing new rates reflecting the impacts from the Federal Tax Cuts and Jobs Act (the "2017 Act") signed into law on December 22, 2017. The effective date of the 2017 Act is January 1, 2018. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code ("Tax Code"), including a reduction in the maximum corporate tax rate from thirty-five percent (35%) to twenty-one percent (21%). The Board is charged with the authority to ensure that the

¹ See In re the New Jersey Board of Public Utilities Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001 (Order dated January 31, 2018).

² The affected utilities are investor owned gas, electric, water and wastewater companies under the jurisdiction of the Board. In addition, affected utilities shall be those with 2017 revenues equal to or greater than \$4.5 million.

regulated utilities' rates charged to ratepayers are just and reasonable. When the Board sets rates in base rate cases and in certain annual/periodic clauses, utilities are permitted to gross up their revenue requirement as well as set other rate factors, including, the accumulated deferred income tax, based on the then existing thirty-five percent (35%) corporate tax rate.

The Board issued the Generic TCJA Order which set all affected utility rates as interim and established a proceeding to consider the implications of the 2017 Act. Based upon the Board's review of the 2017 Act, the Board found in its Generic TCJA Order that the changes to the Tax Code will provide savings to the affected utilities and will result in an over-collection of tax revenue by the affected utilities that will not be paid in federal income taxes. The affected utilities were required to file amended tariffs reflecting a reduction in rates resulting from the reduction in the corporate tax rate effective April 1, 2018, as well as a plan to address other rate factors and to refund any over collection in rates.

RECO FILING

On March 2, 2018, the Company filed its petition pursuant to the Generic TCJA Order, including proposed tariffs as well as a proposed plan. Specifically, RECO's petition stated that the 2017 TCJA would result in an annual revenue requirement reduction for the Company of approximately \$2.868 million, as of April 1, 2018. The Company decreased its net deferred tax liabilities by \$45 million, decreased its regulatory asset of future income tax by \$17 million and accrued a regulatory liability for future income tax of \$28 million. RECO calculated its new interim rates effective April 1, 2018 using billing determinants underlying the distribution rates established in RECO's 2016 Base Rate Case. The Company calculated the current level of revenue based on the currently effective rates and allocated the distribution decrease among the service classifications in proportion to the relative contribution made by each class to the total current level of revenue.

The Company proposed to return to ratepayers the amounts deferred pursuant to the Generic TCJA Order for the period of January 1, 2018 until the effective date of the Company's new rates, by means of a sur-credit. The Company proposed to employ a short-term borrowing rate to accrue interest on the deferred amounts until the Company's returns such amount to ratepayers. The Company would return this total deferral amount over twelve (12) consecutive calendar months, commencing with the month immediately following when the Board issues an order approving the Company's new rate. The sur-credit would be applied to all service classifications on an equal per kWh basis for the twelve (12) month period. According to the petition, the Company's final effective rates reflect the proposed refund of the full amount of the excess accumulated deferred federal income tax liability to ratepayers.

According to RECO, there will be no impact on RECO's operations for the interest limitation as well as their treatment of Contributions in Aid of Construction. Under the rate normalization requirements continued by the 2017 TCJA, \$16 million of the net regulatory liability related to certain accelerated tax depreciation benefits would be amortized over the remaining lives of the related assets using the average rate assumption method ("ARAM"). The Company proposed to amortize the net regulatory liability associated with the "Unprotected Property" category over the remaining lives of the related assets using ARAM. The Company proposed to amortize the net regulatory liability over the remaining lives of the related assets using a straight-line methodology, primarily due to these temporary differences being long-lived liabilities related to pension and other post-retirement employee benefits.

The Company indicated that it would not accrue a carrying charge on the excess deferred income taxes related to protected and unprotected property, as the balance of excess deferred income taxes included as a regulatory liability continues to reduce rate base.

The currently effective Clean Energy Program and Demand Side Management components of the Societal Benefits Charge are not affected by the tax rate at this time. The only tax implications will be in the next true-up filing being made on or before April 1, 2018 on the calculation of interest on over- or under- recoveries for 2018 balances. The Universal Service Fund/Lifeline filing on July 1, 2018 will reflect a change on the carrying charge effective January 1, 2018. For any other surcharge mechanisms, net of tax or revenue requirement calculations would only pertain to the forecasted quantities contained in their mechanisms.

The Company's proposed tariffs, include an across-the-board rate reduction reflecting the reduction in the corporate tax rate from thirty-five percent (35%) to twenty-one (21%). As a result, an average customer using 925 kWh per month would receive a reduction in their monthly bill of \$2.10 or 1.2%. This represents an annual decrease of \$26.84.

The Generic TCJA Order set the deadline for the filing of motions to intervene or participate on February 20, 2018. No party filed a motion seeking to intervene or participate in this proceeding prior to the expiration of the February 20, 2018 deadline.

By Order dated March 26, 2018, the Board directed the Company to implement its proposed base rate reduction on an interim basis, effective April 1, 2018. As a result of the March 26, 2018 Order, an average residential customer using 925 kWh received a reduction of \$2.10 or 1.2% on their monthly bill. This represented an annual decrease of \$26.84.

STIPULATION

Following a review of discovery and discussions, the Parties executed the Stipulation, which provides for the following:³

I. BASE RATE REDUCTION

10. The Parties agree that the Company's reduction in the Company's annual revenue requirement, relating to the 2017 Tax Cut Act, is \$2.868 million (gross up amount).
11. The Parties agree that the Protected Excess Deferred Income tax balance, based on the Company's Accumulated Deferred Income Taxes ("ADIT") from the Company's last base rate case and the associated balances as of December 31, 2017 with the effects of the 2017 Tax Cut Act, is currently estimated to be approximately \$14.4 million (gross up amount). The Parties agree that the Protected Excess Deferred Income tax balance is to be amortized over the remaining lives of the related assets using the average rate assumption method ("ARAM"). The Parties further agree that any change in the Protected Excess Deferred Income tax balance will be addressed in the Company's next base rate case.

³ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order.

12. The Parties agree that the Company will reclassify the \$14.4 million (gross up amount) of its rate base related deferred income taxes as a regulatory liability. The reclassification has no effect on rate base for purposes of this filing and any changes will be reflected in future rate cases. This regulatory liability is subject to the Internal Revenue Service ("IRS") normalization rules and will be amortized and returned to ratepayers over approximately 42 years utilizing ARAM. Such amount will be reflected in the rates resulting from the Company's next rate case. The first year amortization will be approximately \$343,000 (gross up amount).
13. The Parties agree that the interim rates that became effective April 1, 2018 using the billing determinants approved in the Company's last base rate case (BPU Docket No. ER16050428) to determine the \$2.868 million (gross up amount) revenue requirement reduction to the Company's rate classifications and associated base rates will become effective on a final basis as of July 1, 2018 or as of the effective date specified in the Board Order. The rate design showing the proof of the \$2.868 million (gross up amount) revenue requirement reduction is set forth in Attachment A to the Stipulation.

II. REFUND OF STUB PERIOD OVER-COLLECTION

14. The Parties agree that the Company will refund the Stub Period over-collection using the January 1, 2018 through March 31, 2018 billing determinants and applying the difference between the July 1, 2018 rates and the January 1, 2018 rates including sales tax. The Company will apply the refunds to customer accounts in a lump sum payment in July 2018 or as soon as possible after the receipt of a Board Order addressing the refunds in this proceeding.
15. The total rate refund relating to the Stub Period over-collection is estimated to be approximately \$1.019 million (gross up amount). This results in an estimated one-time refund for a typical residential customer of \$6.56 or 3.2%. The actual refund amount for an individual active customer will be calculated by dividing the customer's total kWh usage, as shown on the customer's bills from January through March 2018, by the total kWh usage of all active residential customers, as shown on their bills from January through March 2018. This percentage will then be applied to the total rate refund.

III. REFUND OF UNPROTECTED EXCESS DEFERRED INCOME TAX

16. The Parties agree that the Company will refund customer accounts for the net regulatory liability associated with the unprotected accumulated deferred income taxes of approximately \$10.6 million (gross up amount), inclusive of SUT, as of December 31, 2017, over three years, commencing with the month following the month in which the Board approves this Settlement via a per kWh credit to customer bills. Such credit will be 0.235 ¢/kWh, including SUT. Such credit will be removed three years after initial inclusion on customers' bills. Any under- or over-credited amounts will be reconciled in the Company's base rate case filed after the expiration of the credit. The Parties further agree that any change in this amount will be addressed in the Company's next base rate case. The impact on a typical residential customer using 925 kWh on average would be a monthly bill decrease of approximately \$2.20, or 1.3%. The Company includes as Attachment B to the Stipulation the draft tariffs related to this credit.

IV. INTEREST ON REFUNDS

17. The Parties agree that the interest on the over-collection during the Stub Period will be at a short-term borrowing rate.

V. ANNUAL/PERIODIC CLAUSES

18. The Parties agree that the Company will modify its annual/periodic clauses for any associated changes resulting from the 2017 Tax Cut Act and any changes that are reflected in the annual/periodic clauses' (such as the Societal Benefit Charge) deferred balances. Any changes will be incorporated in the Company's upcoming filings addressing the annual/periodic clauses, where necessary.

DISCUSSION AND FINDINGS

Staff and Rate Counsel have reviewed the Company's filing, exchanged discovery and reached a resolution on all issues in this matter. The one-time refund of \$6.56 for the stub period over collection and the monthly bill reduction of \$2.20 related to the three year amortization of the unprotected ADIT are in addition to the monthly decrease of \$2.10 pursuant to the Board's March 26, 2018 Order. The Stipulation further addresses the other effects of the 2017 Act on RECO's rate base, including protected and unprotected deferred income taxes. Finally, the Stipulation appropriately provides that additional review of any related refunds and rates may occur, as necessary, in future proceedings.

The Board has reviewed the record in this proceeding, including the petition and the Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY APPROVES** the interim rates set forth in the Board's March 26, 2018 Order in this docket as final, effective July 1, 2018:

RECO is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to July 1, 2018.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Order shall be effective June 29, 2018.

DATED: 6/22/18

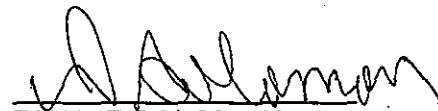
BOARD OF PUBLIC UTILITIES
BY:




JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



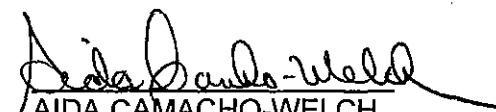
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

**IN THE MATTER OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES' CONSIDERATION
OF THE TAX CUTS AND JOBS ACT OF 2017
DOCKET NO. AX18010001**

**IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF REVISED RATES (EFFECTIVE ON AN INTERIM BASIS APRIL 1, 2018) TO
REFLECT THE REDUCTION UNDER THE TAX CUTS AND JOBS ACT OF 2017
DOCKET NO. ER18030236**

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE NEW JERSEY)
BOARD OF PUBLIC UTILITIES') BPU DOCKET NO. AX18010001
CONSIDERATION OF THE TAX)
CUTS AND JOBS ACT OF 2017)

IN THE MATTER OF THE PETITION OF)
ROCKLAND ELECTRIC COMPANY) BPU DOCKET NO. ER18030236
FOR THE ADJUSTMENT OF BASE)
RATES AND REFUNDS ASSOCIATED)
WITH THE TAX CUTS AND JOBS)
ACT OF 2017)

SETTLEMENT FOR FINAL RATES

APPEARANCES:

Margaret Comes, Esq., Associate Counsel, for Rockland Electric Company

Brian Lipman, Esq., Litigation Manager, **Ami Morita, Esq.**, Managing Attorney – Electric, **Diane Schulze, Esq.**, Assistant Deputy Rate Counsel, for New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau, Esq. and Renee Greenberg, Esq., Deputy Attorney General, for Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

This Stipulation is made as of June 11, 2018 by and among Rockland Electric Company (“RECO”, the “Company”, or “Petitioner”), the Staff of the Board of Public Utilities (“Board Staff”) and the New Jersey Division of Rate Counsel (“Rate Counsel”) the only parties to this proceeding (collectively, the “Parties”).

1. On March 2, 2018, the Company filed a petition (“Tax Rate Adjustment Filing”) pursuant to the New Jersey Board of Public Utilities’ (“Board” or “BPU”) Order (“Generic TCJA Order”) regarding the Tax Cuts and Jobs Act of 2017 (“2017 Tax Cut Act”), in Docket Nos. AX18010001 and ER18030236. The Tax Rate Adjustment Filing requested that the Board

approve RECO's petition to implement: (1) a reduction in base rates of \$2.868 million to be effective April 1, 2018; (2) a refund to customers, by means of a sur-credit, for the difference between the April 1, 2018 effective rates and the current rates for the period commencing January 1, 2018 and ending March 31, 2018 ("Stub Period"); and (3) amortize the net regulatory liability related to excess accumulated deferred taxes over the remaining lives of the related assets using the average rate assumption method ("ARAM"). The Company proposed to employ a short-term borrowing rate to accrue interest on Stub Period deferred amounts until the Company returns them to ratepayers.

BACKGROUND

2. On December 22, 2017, the 2017 Tax Cut Act was signed into law with an effective date of January 1, 2018. The 2017 Tax Cut Act sets forth changes to the Federal Internal Revenue Tax Code ("Tax Code"). One significant change is the reduction in the maximum corporate tax rate from 35% to 21%, which took effect on January 1, 2018.

3. The Board issued the Generic TCJA Order on January 31, 2018 in response to the 2017 Tax Cut Act. See, *In the Matter of the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017*, BPU Docket No. AX18010001 (January 31, 2018). Based on the Board's review of the 2017 Tax Cut Act, these changes to the Tax Code will provide savings to New Jersey public utilities and result in an over-collection of tax revenue by the public utilities that will not be paid in federal income taxes. *Id.* The Board stated: "To ensure that ratepayers receive the appropriate benefit from the reduction in taxes collected in rates that will no longer be paid; it is necessary for rates to be adjusted so that utility rates reflect the effective federal corporate tax rate." *Id.* The Board went on to state that: "First, the new tax rate will have a direct impact on the grossing up of the revenue requirement established and approved by the

Board in setting rates. In addition, the change in the tax rate may have an impact on other rate factors, including the accumulated deferred income tax." *Id.*

4. In order that ratepayers receive the appropriate reduction in tax expense, the Board directed the utilities to defer, with interest, the effects of the 2017 Tax Cut Act on the books and records effective January 1, 2018, which is consistent with the effective date of the 2017 Tax Cut Act. The Generic TCJA Order stated the interest shall be calculated using the Company's short-term debt on the deferral related to the revenue requirement adjustment from the tax rate of 35% to the tax rate of 21%. Interest on the deferral related to the accumulated deferred income tax adjustment and other rate factors shall be at the Company's overall allowed weighted average cost of capital. According to the Board, "This will preserve the effect and ultimately pass the reduction in the revenue requirement to ratepayers for expenses relating to taxes reflected in rates but no longer owed. The deferral shall be the difference between a tax rate of 35% and 21% and its impact on both expense and on the flowback of excess accumulated deferred taxes." *Id.*

5. Pursuant to the Generic TCJA Order, each affected public utility was directed to submit to the Board, by no later than March 2, 2018, a petition with a detailed calculation of the impact resulting from the 2017 Tax Cut Act on the revenue requirement by comparing the latest Board-approved test year data and supporting data attached to settlements under the old and new tax laws, and on the revenue requirements collected through annual/periodic clauses comparing the annual data under the old and new tax laws. The affected utilities were further directed to base the calculation upon the criteria set forth in the Generic TCJA Order (pages 2-3).

6. The Board also gave flexibility to the utilities to submit filings that proposed alternative means of returning the benefits back to their customers. Specifically, the Board

stated: "The parties are free to examine the amounts of the deferrals and rate adjustment mechanism and the appropriateness of applying the allowed overall weighted average cost of capital on the portion of the deferral related to the accumulated deferred income taxes and short term debt on the portion related to the revenue requirement not being adjusted as of January 1, 2018." *Id.*

7. The Company has received and responded to all discovery requests that have been propounded in this proceeding.

8. On March 26, 2018, the BPU issued an Order in the current dockets directing the Company to implement its proposed base rate reduction on an interim basis effective April 1, 2018.

9. Upon review of the Tax Rate Adjustment Filing, conducting and reviewing responses to discovery, and discussing the facts and issues in settlement conferences, the Parties **STIPULATE AND AGREE** as follows:

SETTLEMENT ISSUES

I. BASE RATE REDUCTION

10. The Parties agree that the Company's reduction in the Company's annual revenue requirement, relating to the 2017 Tax Cut Act, is \$2.868 million (gross up amount).

11. The Parties agree that the Protected Excess Deferred Income tax balance, based on the Company's Accumulated Deferred Income Taxes from the Company's last base rate case and the associated balances as of December 31, 2017 with the effects of the 2017 Tax Cut Act, is currently estimated to be approximately \$14.4 million (gross up amount). The Parties agree that the Protected Excess Deferred Income tax balance is to be amortized over the remaining lives of

the related assets using the average rate assumption method ("ARAM"). The Parties further agree that any change in the Protected Excess Deferred Income tax balance will be addressed in the Company's next base rate case.

12. The Parties agree that the Company will reclassify the \$14.4 million (gross up amount) of its rate base related deferred income taxes as a regulatory liability. The reclassification has no effect on rate base for purposes of this filing and any changes will be reflected in future rate cases. This regulatory liability is subject to the Internal Revenue Service ("IRS") normalization rules¹ and will be amortized and returned to ratepayers over approximately 42 years utilizing ARAM. Such amount will be reflected in the rates resulting from the Company's next rate case. The first year amortization will be approximately \$343,000 (gross up amount).

13. The Parties agree that the interim rates that became effective April 1, 2018 using the billing determinants approved in the Company's last base rate case (BPU Docket No. ER16050428) to determine the \$2.868 million (gross up amount) revenue requirement reduction to the Company's rate classifications and associated base rates will become effective on a final basis as of July 1, 2018 or as of the effective date specified in the Board Order. The rate design showing the proof of the \$2.868 million (gross up amount) revenue requirement reduction is set forth in Attachment A to this Settlement.

II. REFUND OF STUB PERIOD OVER-COLLECTION

14. The Parties agree that the Company will refund the Stub Period over-collection using the January 1, 2018 through March 31, 2018 billing determinants and applying the

¹ IRC Sec 168(i)(9).

difference between the July 1, 2018 rates and the January 1, 2018 rates including sales tax. The Company will apply the refunds to customer accounts in a lump sum payment in July 2018 or as soon as possible after the receipt of a Board Order addressing the refunds in this proceeding.

15. The total rate refund relating to the Stub Period over-collection is estimated to be approximately \$1.019 million (gross up amount). This results in an estimated one-time refund for a typical residential customer of \$6.56 or 3.2%. The actual refund amount for an individual active customer will be calculated by dividing the customer's total kWh usage, as shown on the customer's bills from January through March 2018, by the total kWh usage of all active residential customers, as shown on their bills from January through March 2018. This percentage will then be applied to the total rate refund.

III. REFUND OF UNPROTECTED EXCESS DEFERRED INCOME TAX

16. The Parties agree that the Company will refund customer accounts for the net regulatory liability associated with the unprotected accumulated deferred income taxes² of approximately \$10.6 million (gross up amount), inclusive of SUT, as of December 31, 2017, over three years, commencing with the month following the month in which the Board approves this Settlement via a per kWh credit to customer bills. Such credit will be 0.235 ¢/kWh, including SUT. Such credit will be removed three years after initial inclusion on customers' bills. Any under- or over-credited amounts will be reconciled in the Company's base rate case filed after the expiration of the credit. The Parties further agree that any change in this amount will be addressed in the Company's next base rate case. The impact on a typical residential customer using 925 kWh on average would be a monthly bill decrease of approximately \$2.20,

² Certain excess deferred income taxes are referred to as "unprotected" and are not covered under IRS normalization rules.

or 1.3%. The Company includes as Attachment B to this Settlement the draft tariffs related to this credit.

IV. INTEREST ON REFUNDS

17. The Parties agree that the interest on the over-collection during the Stub Period will be at a short-term borrowing rate.

V. ANNUAL/PERIODIC CLAUSES

18. The Parties agree that the Company will modify its annual/periodic clauses for any associated changes resulting from the 2017 Tax Cut Act and any changes that are reflected in the annual/periodic clauses' (such as the Societal Benefit Charge) deferred balances. Any changes will be incorporated in the Company's upcoming filings addressing the annual/periodic clauses, where necessary.

19. This Settlement represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Settlement is not accepted and approved in its entirety by the Board, any party aggrieved thereby shall not be bound to proceed with this Settlement and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Settlement is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Settlement as though this Settlement has not been signed.

20. The Parties agree that they consider the Settlement to be binding on them for all purposes herein.

21. It is specifically understood and agreed that this Settlement represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Settlement is in no way binding on them in any other proceeding, except to enforce the terms of this Settlement. The Parties further acknowledge that a Board Order approving this Settlement will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto respectively submit this Settlement and request that the Board issue a Decision and Order approving it in its entirety in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

By Margaret Comes
Margaret Comes, Esq.
Associate Counsel

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW
JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

By Renee Greenberg 6/8/2018
Alex Moreau, Esq. Renee Greenberg, Esq.
Deputy Attorney General

NEW JERSEY DIVISION OF RATE COUNSEL

By Brian O. Lipman
Brian O. Lipman, Esq.
Litigation Manager 6/8/18

ATTACHMENT A

Attachment A

Proof of Revenues for Rates Effective April 1,
2018

ROCKLAND ELECTRIC COMPANY

Proof of Revenue Summary

<u>Service Classification</u>	<u>Change (\$000s)</u>
SC1 Res Svc	(\$1,542.9)
SC2 Sec Non Dmd Billed	(\$15.7)
SC2 Sec Dmd Billed	(890.0)
SC2 Space Heating	(37.0)
SC2 Pri	(115.8)
SC3 Res TOD Heating	(0.4)
SC4 Public Street Lighting	(39.3)
SC5 Res Space Heating	(32.6)
SC6 POL - Dusk to Dawn	(16.7)
SC6 POL - Energy Only	(3.5)
SC7 Pri	(157.7)
SC7 High Voltage	(7.3)
SC7 Space Heating	<u>(8.2)</u>
	(\$2,867.3)
Proposed Increase/(Decrease)	(\$2,868.0)
Over/(Under)	\$0.7

ROCKLAND ELECTRIC COMPANY

Calculation of Revenue Ratios

<u>Service Classification</u>	<u>Test Year Distribution Revenue (\$000s) (1)</u>	<u>Distribution Revenue Based On Historic Billing Determinants (\$000s) (2)</u>	<u>Revenue Ratio (3)</u>
SC1 Res Svc	\$39,041.2	\$39,041.2	1.000000
SC2 Sec Non Dmd Billed	\$398.1	\$398.1	1.000000
SC2 Sec Dmd Billed	\$22,599.4	\$22,599.4	1.000000
SC2 Space Heating	\$939.8	\$939.8	1.000000
SC2 Pri	\$2,920.3	\$2,920.3	1.000000
SC3 Res TOD Heating	\$11.2	\$11.2	1.000000
SC4 Public Street Lighting	\$988.0	\$988.0	1.000000
SC5 Res Space Heating	\$826.7	\$826.7	1.000000
SC6 POL - Dusk to Dawn	\$421.4	\$421.4	1.000000
SC6 POL - Energy Only	\$89.0	\$89.0	1.000000
SC7 Pri	\$4,044.9	\$4,044.9	1.000000
SC7 High Voltage	\$187.9	\$187.9	1.000000
SC7 Space Heating	\$208.3	\$208.3	1.000000
	\$72,676.1	\$72,676.1	1.000000

(1) Excludes Sales and Use Tax

(2) Historic Billing Determinants (Twelve Months Ended December 2016) Priced at Current Rates

(3) Historic Year Revenue / Test Year Revenue

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 1

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills	748,612	\$4.25	\$3,181,602
kWh:			
First 600 kWh - Summer	131,308,834	0.04714	6,189,898
First 600 kWh - Winter	241,307,884	0.04714	11,375,254
Over 600 kWh - Summer	178,005,050	0.05938	10,569,940
Over 600 kWh - Winter	155,685,633	0.04714	7,339,021
Water Heating - Summer	2,592,112	0.05938	153,920
Water Heating - Winter	4,004,118	0.04714	188,754
Space Heating - Winter	<u>908,105</u>	0.04714	<u>42,808</u>
Total	713,811,735		\$39,041,196

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills	748,612	\$4.25	\$3,181,602
kWh:			
First 600 kWh - Summer	131,308,834	0.04511	5,923,341
First 600 kWh - Winter	241,307,884	0.04511	10,885,399
Over 600 kWh - Summer	178,005,050	0.05683	10,116,027
Over 600 kWh - Winter	155,685,633	0.04511	7,022,979
Water Heating - Summer	2,592,112	0.05683	147,310
Water Heating - Winter	4,004,118	0.04511	180,626
Space Heating - Winter	<u>908,105</u>	0.04511	<u>40,965</u>
Total	713,811,735		\$37,498,248

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$39,041,196	\$39,041,196
Revenue at Proposed Rates	<u>\$37,498,248</u>	<u>\$37,498,248</u>
Increase/(Decrease)	(\$1,542,948)	(\$1,542,948)
Target Increase/(Decrease)	<u>(\$1,542,948)</u>	<u>(\$1,542,948)</u>
Difference	\$0	\$0
Proposed Inc/(Dec) (\$000s)	(\$1,542.9)	

(1) Excluding SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 2 Secondary Non-Demand Billed

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills (Unmetered)	10,316	\$9.91	\$102,236
kWh: All kWh - Summer	1,318,779	0.04232	55,811
All kWh - Winter	<u>2,721,382</u>	0.03835	<u>104,365</u>
Number of Bills (Non Demand Metered)	7,743	\$11.50	\$89,048
kWh: All kWh - Summer	319,244	0.04232	\$0
All kWh - Winter	<u>864,219</u>	0.03835	<u>33,143</u>
Total	5,223,623		\$398,113

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills (Unmetered)	10,316	\$9.91	\$102,236
kWh: All kWh - Summer	1,318,779	0.03911	51,577
All kWh - Winter	<u>2,721,382</u>	0.03544	<u>96,446</u>
Number of Bills (Non Demand Metered)	7,743	\$11.50	\$89,048
kWh: All kWh - Summer	319,244	0.03911	12,486
All kWh - Winter	<u>864,219</u>	0.03544	<u>30,628</u>
Total	5,223,623		\$382,421.26
Rev Ratio	1.000000		

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$398,113	\$398,113
Revenue at Proposed Rates	<u>\$382,421</u>	<u>\$382,421</u>
Increase/(Decrease)	(\$15,692)	(\$15,692)
Target Increase/(Decrease)	<u>(\$15,711)</u>	<u>(\$15,711)</u>
Difference	\$19	\$19
Proposed Inc/(Dec) (\$000s)	(\$15.7)	

(1) Excluding SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 2 Secondary Demand Billed

	Billing Units	Current Delivery Charge (1)	Current Delivery Revenue (1)
<u>Blocking</u>			
Number of Bills	86,532	\$15.35	\$1,328,266
Demand Charge:			
First 5 kW - Summer	104,547	1.89	197,595
First 5 kW - Winter	214,670	1.58	339,179
Over 5 kW - Summer	497,776	3.77	1,876,614
Over 5 kW - Winter	<u>890,808</u>	3.19	<u>2,841,876</u>
Subtotal	1,707,801		5,255,064
Metered Usage Charges:			
First 4,920 kWh - Summer	57,266,090	0.03663	2,097,657
First 4,920 kWh - Winter	107,271,332	0.03433	3,682,625
Over 4,920 kWh - Summer	126,245,074	0.03071	3,876,986
Over 4,920 kWh - Winter	<u>210,834,266</u>	0.03016	<u>6,358,761</u>
Subtotal	501,616,762		16,016,029
Total			22,599,359

	Billing Units	Proposed Delivery Charge (1)	Proposed Delivery Revenue (1)
<u>Blocking</u>			
Number of Bills	86,532	\$15.35	\$1,328,266
Demand Charge:			
First 5 kW - Summer	104,547	1.81	189,231
First 5 kW - Winter	214,670	1.51	324,152
Over 5 kW - Summer	497,776	3.61	1,796,970
Over 5 kW - Winter	<u>890,808</u>	3.06	<u>2,725,871</u>
Subtotal	1,707,801		5,036,224
Metered Usage Charges:			
First 4,920 kWh - Summer	57,266,090	0.03509	2,009,467
First 4,920 kWh - Winter	107,271,332	0.03289	3,528,154
Over 4,920 kWh - Summer	126,245,074	0.02942	3,714,130
Over 4,920 kWh - Winter	<u>210,834,266</u>	0.02890	<u>6,093,110</u>
Subtotal	501,616,762		15,344,862
Total			21,709,351

Rev Ratio 1.000000

Revenue Summary

	Test Year Distribution Revenue	Distribution Revenue Based On Historic Billing Determinants
Revenue at Current Rates	\$22,599,359	\$22,599,359
Revenue at Proposed Rates	<u>\$21,709,351</u>	<u>\$21,709,351</u>
Increase/(Decrease)	(\$890,008)	(\$890,008)
Target Increase/(Decrease)	<u>(\$891,834)</u>	<u>(\$891,834)</u>
Difference	\$1,826	\$1,826
Proposed Inc/(Dec) (\$000s)	(\$890.0)	

(1) Excluding SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 2 Space Heating

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
kWh: Space Heating - Summer	8,490,654	0.04747	403,051
Space Heating - Winter	<u>18,834,243</u>	0.02850	<u>536,776</u>
Total	27,324,897		\$939,827

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
kWh: Space Heating - Summer	8,490,654	0.04560	387,174
Space Heating - Winter	<u>18,834,243</u>	0.02738	<u>515,682</u>
Total	27,324,897		\$902,855

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$939,827	\$939,827
Revenue at Proposed Rates	<u>\$902,855</u>	<u>\$902,855</u>
Increase/(Decrease)	(\$36,972)	(\$36,972)
Target Increase/(Decrease)	<u>(\$37,088)</u>	<u>(\$37,088)</u>
Difference	\$116	\$116
Proposed Inc/(Dec) (\$000s)	(\$37.0)	

(1) Excluding SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 2 Primary

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills	1,038	\$80.00	\$83,029
kW:			
All kW - Summer	77,730	7.35	571,313
All kW - Winter	<u>143,717</u>	6.29	<u>903,981</u>
Subtotal	221,447		1,475,294
kWh:			
All kWh - Summer	29,682,168	0.01581	469,275
All kWh - Winter	<u>56,461,902</u>	0.01581	<u>892,663</u>
Subtotal	86,144,071		1,361,938
Total			\$2,920,261

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills	1,038	\$80.00	\$83,029
kW:			
All kW - Summer	77,730	7.05	547,994
All kW - Winter	<u>143,717</u>	6.03	<u>866,614</u>
Subtotal	221,447		1,414,608
kWh:			
All kWh - Summer	29,682,168	0.01517	450,278
All kWh - Winter	<u>56,461,902</u>	0.01517	<u>856,527</u>
Subtotal	86,144,071		1,306,806
Total			\$2,804,443

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$2,920,261	\$2,920,261
Revenue at Proposed Rates	<u>\$2,804,443</u>	<u>\$2,804,443</u>
Increase/(Decrease)	(\$115,818)	(\$115,818)
Target Increase/(Decrease)	<u>(\$115,242)</u>	<u>(\$115,242)</u>
Difference	(\$576)	(\$576)
Proposed Inc/(Dec) (\$000s)	(\$115.8)	

(1) Excluding SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 3

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills	199	\$6.10	\$1,214
kWh:			
Peak - Summer	33,297	0.06474	2,156
Peak - Winter	64,870	0.05808	3,768
Off Peak - Summer	53,556	0.02332	1,249
Off Peak - Winter	<u>118,635</u>	0.02332	<u>2,767</u>
Total	270,358		\$11,153

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills	199	\$6.10	\$1,214
kWh:			
Peak - Summer	33,297	0.06187	2,060
Peak - Winter	64,870	0.05551	3,601
Off Peak - Summer	53,556	0.02229	1,194
Off Peak - Winter	<u>118,635</u>	0.02229	<u>2,644</u>
Total	270,358		\$10,713

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$11,153	\$11,153
Revenue at Proposed Rates	<u>\$10,713</u>	<u>\$10,713</u>
Increase/(Decrease)	(\$439,635)	(\$439,635)
Increase/(Decrease) Target	<u>(\$440,117)</u>	<u>(\$440,117)</u>
Difference	\$0	\$0
Proposed Inc/(Dec) (\$000s)	(\$0.4)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 4

<u>Luminaires</u>	<u>Monthly No. Lights</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
5,800 SV	1,988	\$8.06	\$16,023
9,500 SV	1,228	8.75	10,745
16,000 SV	241	10.65	2,567
27,500 SV	217	13.59	2,949
46,000 SV	352	22.03	7,755
16,000 SV - Post Top - Off Set	91	21.52	1,958
27,500 SV - Off Road	0	17.96	0
46,000 SV - Off Road	0	25.26	0
1,000 OBI	227	5.33	1,210
2,500 OBI	0	7.13	0
6,000 OBI	0	10.96	0
4,000 MV	3,066	7.23	22,167
7,900 MV	1,437	8.51	12,229
12,000 MV	52	11.08	576
22,500 MV	234	14.05	3,288
40,000 MV	20	21.37	427
59,000 MV	10	27.01	270
4,000 MV - Post Top	0	10.99	0
7,900 MV - Post Top	1	13.46	13
7,900 MV - Post Top - Off Set	0	15.81	0
3,400 IN	2	8.42	17
5,950 IN	1	8.59	9
8,500 IN	0	9.69	0
12,750 IN	0	12.12	0
21,250 IN	0	15.75	0
5,890 LED	0	9.23	0
9,365 LED	0	11.33	0
Total	9,167		\$82,203
15 Foot Brackets	258	0.50	129
Undrg - Co. Owned	0	18.39	0
Undrg - Cust. Owned	0	4.47	0
Total Monthly Revenue			\$82,332
Annual Total			\$987,985

Service Classification No. 4 (Continued)	Monthly No. Lights	Proposed Distribution Rates (1)	Proposed Distribution Revenue (1)
<u>Luminaires</u>			
5,800 SV	1,988	\$7.74	\$15,387
9,500 SV	1,228	8.40	10,315
16,000 SV	241	10.23	2,465
27,500 SV	217	13.05	2,832
46,000 SV	352	21.16	7,448
16,000 SV - Post Top - Off Set	91	20.67	1,881
27,500 SV - Off Road	0	17.25	0
46,000 SV - Off Road	0	24.26	0
1,000 OBI	227	5.12	1,162
2,500 OBI	0	6.85	0
6,000 OBI	0	10.53	0
4,000 MV	3,066	6.94	21,278
7,900 MV	1,437	8.17	11,740
12,000 MV	52	10.64	553
22,500 MV	234	13.50	3,159
40,000 MV	20	20.53	411
59,000 MV	10	25.94	259
4,000 MV - Post Top	0	10.56	0
7,900 MV - Post Top	1	12.93	13
7,900 MV - Post Top - Off Set	0	15.19	0
3,400 IN	2	8.09	16
5,950 IN	1	8.25	8
8,500 IN	0	9.31	0
12,750 IN	0	11.64	0
21,250 IN	0	15.13	0
5,890 LED	0	8.87	0
9,365 LED	0	10.88	0
Total	9,167		\$78,929
15 Foot Brackets	258	0.48	124
Undrg - Co. Owned	0	17.66	0
Undrg - Cust. Owned	0	4.29	0
Total Monthly Revenue			\$79,053
Annual Total			\$948,635
Rev Ratio	1.000000		

Revenue Summary

	Test Year Distribution Revenue	Distribution Revenue Based On Historic Billing Determinants
Revenue at Current Rates	\$987,985	\$987,985
Revenue at Proposed Rates	<u>\$948,635</u>	<u>\$948,635</u>
Increase/(Decrease)	(\$39,349)	(\$39,349)
Target Increase/Decrease	<u>(\$38,989)</u>	<u>(\$38,989)</u>
Difference	(\$361)	(\$361)
Proposed Inc/(Dec) (\$000s)	(\$39.3)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 5

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills	20,473	\$4.25	\$87,012
kWh:			
First 600 kWh - Summer	3,111,643	0.04802	149,421
Over 600 kWh - Summer	1,926,737	0.05835	112,425
All kWh - Winter	<u>9,951,490</u>	0.04802	<u>477,871</u>
Total	14,989,870		\$826,729

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills	20,473	\$4.25	\$87,012
kWh:			
First 600 kWh - Summer	3,111,643	0.04590	142,824
Over 600 kWh - Summer	1,926,737	0.05578	107,473
All kWh - Winter	<u>9,951,490</u>	0.04590	<u>456,773</u>
Total	14,989,870		\$794,083

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$826,729	\$826,729
Revenue at Proposed Rates	<u>\$794,083</u>	<u>\$794,083</u>
Increase/(Decrease)	(\$32,646)	(\$32,646)
Target Increase/(Decrease)	<u>(\$32,625)</u>	<u>(\$32,625)</u>
Difference	(\$21)	(\$21)
 Proposed Inc/(Dec) (\$000s)	 (\$32.6)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 6 Dusk to Dawn

<u>Dusk to Dawn</u>	<u>Monthly</u>	<u>Current</u>	<u>Current</u>
<u>Luminaires</u>	<u>No. Lights</u>	<u>Distribution</u>	<u>Distribution</u>
		<u>Rates (1)</u>	<u>Revenue (1)</u>
5,800 SV	5	\$5.66	\$28
9,500 SV	2	6.80	14
16,000 SV	4	7.30	29
5,800 SV	27	7.88	213
9,500 SV	58	8.64	501
16,000 SV	37	10.63	393
27,500 SV	314	13.63	4,280
46,000 SV	799	22.49	17,970
27,500 SV	0	13.63	0
46,000 SV	0	22.49	0
4,000 SV	29	8.80	255
7900 MV	28	10.16	284
22,500 MV	4	16.20	65
16,000 SV	11	20.92	230
4,000 MV	18	9.66	174
7,900 MV	47	11.06	520
22,500 MV	408	17.16	7,001
1,000 Inc.	1	7.85	8
2,500 Inc.	0	10.13	0
12,000 MV	24	13.90	334
40,000 MV	7	25.15	176
59,000 MV	80	31.32	2,506
3,400 IN	0	8.47	0
5,950 IN	0	8.65	0
8,500 IN	0	9.75	0
12,750 IN	0	12.20	0
21,250 IN	0	15.86	0
5,890 LED	0	9.29	0
9,365 LED	8	11.41	91
Total	1,911		\$35,072
15 Foot Brackets	76	0.56	43
Total Monthly Revenue			\$35,114
Total Annual Revenue			\$421,370

Service Classification No. 6 (Continued)

<u>Dusk to Dawn</u>		Proposed	Proposed
<u>Luminaires</u>	Monthly	Distribution	Distribution
	No. Lights	Rates (1)	Revenue (1)
5,800 SV	5	\$5.44	\$27
9,500 SV	2	6.53	13
16,000 SV	4	7.01	28
5,800 SV	27	7.57	204
9,500 SV	58	8.30	481
16,000 SV	37	10.21	378
27,500 SV	314	13.09	4,110
46,000 SV	799	21.60	17,258
27,500 SV	0	13.09	0
46,000 SV	0	21.60	0
4,000 SV	29	8.45	245
7900 MV	28	9.76	273
22,500 MV	4	15.56	62
16,000 SV	11	20.09	221
4,000 MV	18	9.28	167
7,900 MV	47	10.62	499
22,500 MV	408	16.48	6,724
1,000 Inc.	1	7.54	8
2,500 Inc.	0	9.73	0
12,000 MV	24	13.35	320
40,000 MV	7	24.16	169
59,000 MV	80	30.08	2,406
3,400 IN	0	8.14	0
5,950 IN	0	8.31	0
8,500 IN	0	9.37	0
12,750 IN	0	11.72	0
21,250 IN	0	15.23	0
5,890 LED	0	8.92	0
9,365 LED	8	10.96	88
Total	1,911		\$33,683
15 Foot Brackets	76	0.54	41
Total Monthly Revenue			\$33,724
Total Annual Revenue			\$404,691
Rev Ratio	1.000000		

Revenue Summary

	Distribution	Distribution
	Test Year Revenue Based On	Historic Billing
	Distribution Revenue	Determinants
Revenue at Current Rates	\$421,370	\$421,370
Revenue at Proposed Rates	<u>\$404,691</u>	<u>\$404,691</u>
Increase/(Decrease)	(\$16,678)	(\$16,678)
Target Increase/(Decrease)	<u>(\$16,628)</u>	<u>(\$16,628)</u>
Difference	(\$50)	(\$50)
Proposed Inc/(Dec) (\$000s)	(\$16.7)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 6 Energy Only

Energy Only Lighting

<u>Blocking</u>	Annual <u>Bill Units</u>	Current Distribution <u>Rates (1)</u>	Current Distribution <u>Revenue (1)</u>
Number of Bills			
Metered	725	\$10.81	\$7,837
Unmetered	122	2.25	275
Energy (kWh) - Summer	528,262	0.05363	28,331
Energy (kWh) - Winter	979,745	0.05363	<u>52,544</u>
Total	1,508,007		\$88,986

<u>Blocking</u>	Annual <u>Bill Units</u>	Proposed Distribution <u>Rates (1)</u>	Proposed Distribution <u>Revenue (1)</u>
Number of Bills			
Metered	725	\$10.81	\$7,837
Unmetered	122	2.25	275
Energy (kWh) - Summer	528,262	0.05130	27,100
Energy (kWh) - Winter	979,745	0.05130	<u>50,261</u>
Total	1,508,007		\$85,473

Rev Ratio 1.000000

Revenue Summary

	Distribution Test Year nue Based On Distribution Historic Billing Revenue Determinants	
Revenue at Current Rates	\$88,986	\$88,986
Revenue at Proposed Rates	<u>\$85,473</u>	<u>\$85,473</u>
Increase/(Decrease)	(\$3,514)	(\$3,514)
Target Increase/(Decrease)	<u>(\$3,512)</u>	<u>(\$3,512)</u>
Difference	(\$2)	(\$2)
Proposed Inc/(Dec) (\$000s)	(\$3.5)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 7 Primary

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills	230	\$199.16	\$45,807
kW: Period I	122,862	3.12	383,331
Period II	120,084	0.77	92,465
Period III	220,688	2.86	631,169
Period IV	211,913	0.77	163,173
kWh: Period I	24,541,490	0.01879	461,135
Period II	37,124,440	0.01408	522,712
Period III	43,687,961	0.01879	820,897
Period IV	<u>65,637,549</u>	0.01408	<u>924,177</u>
Total	170,991,440		\$4,044,865

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills	230	\$199.16	\$45,807
kW: Period I	122,862	3.00	368,587
Period II	120,084	0.74	88,862
Period III	220,688	2.75	606,893
Period IV	211,913	0.74	156,816
kWh: Period I	24,541,490	0.01804	442,728
Period II	37,124,440	0.01352	501,922
Period III	43,687,961	0.01804	788,131
Period IV	<u>65,637,549</u>	0.01352	<u>887,420</u>
Total	170,991,440		\$3,887,167

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$4,044,865	\$4,044,865
Revenue at Proposed Rates	<u>\$3,887,167</u>	<u>\$3,887,167</u>
Increase/(Decrease)	(\$157,698)	(\$157,698)
Target Increase/(Decrease)	<u>(\$159,622)</u>	<u>(\$159,622)</u>
Difference	\$1,924	\$1,924
Proposed Inc/(Dec) (\$000s)	(\$157.7)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 7 Primary - High Voltage Distribution

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Number of Bills	12	\$2,145.95	\$25,751
kW: Period I	24,360.0	0.98	23,873
Period II	26,544.0	0.23	6,105
Period III	44,520.0	0.90	40,068
Period IV	44,016.0	0.23	10,124
kWh: Period I	5,379,921	0.00220	11,836
Period II	10,351,654	0.00165	17,080
Period III	10,116,886	0.00220	22,257
Period IV	<u>18,656,056</u>	0.00165	<u>30,782</u>
Total	44,504,517		\$187,877

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Number of Bills	12	\$2,145.95	\$25,751
kW: Period I	24,360	0.94	22,898
Period II	26,544	0.22	5,840
Period III	44,520	0.86	38,287
Period IV	44,016	0.22	9,684
kWh: Period I	5,379,921	0.00210	11,298
Period II	10,351,654	0.00157	16,252
Period III	10,116,886	0.00210	21,245
Period IV	<u>18,656,056</u>	0.00157	<u>29,290</u>
Total	44,504,517		\$180,546
Rev Ratio	1.000000		

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$187,877	\$187,877
Revenue at Proposed Rates	<u>\$180,546</u>	<u>\$180,546</u>
Increase/(Decrease)	(\$7,331)	(\$7,331)
Target Increase/(Decrease)	<u>(\$7,414)</u>	<u>(\$7,414)</u>
Difference	\$83	\$83
Proposed Inc/(Dec) (\$000s)	(\$7.3)	

(1) Excludes SUT

ROCKLAND ELECTRIC COMPANY

Proof of Revenue

Service Classification No. 7 Space Heating

<u>Blocking</u>	<u>Bill Units</u>	<u>Current Distribution Rates (1)</u>	<u>Current Distribution Revenue (1)</u>
Space Heating - Summer	2,336,891	0.04974	116,237
Space Heating - Winter	<u>2,993,266</u>	0.03077	<u>92,103</u>
Total	5,330,157		\$208,340

<u>Blocking</u>	<u>Bill Units</u>	<u>Proposed Distribution Rates (1)</u>	<u>Proposed Distribution Revenue (1)</u>
Space Heating - Summer	2,336,891	0.04778	111,657
Space Heating - Winter	<u>2,993,266</u>	0.02956	<u>88,481</u>
Total	5,330,157		\$200,138

Rev Ratio 1.000000

Revenue Summary

	<u>Test Year Distribution Revenue</u>	<u>Distribution Revenue Based On Historic Billing Determinants</u>
Revenue at Current Rates	\$208,340	\$208,340
Revenue at Proposed Rates	<u>\$200,138</u>	<u>\$200,138</u>
Increase/(Decrease)	(\$8,202)	(\$8,202)
Target Increase/(Decrease)	<u>(\$8,222)</u>	<u>(\$8,222)</u>
Difference	\$20	\$20
Proposed Inc/(Dec) (\$000s)	(\$8.2)	

(1) Excludes SUT

ATTACHMENT B

Attachment B

Clean and Redline Draft Tariff Leaves

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2. Basic Generation Service - Commercial and Industrial Energy Pricing (BGS-CIEP)	52
3. Capacity Obligation	53
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(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 36 Temporary Tax Act Credit

The Temporary Tax Act Credit shall be applied to the kWh usage on the bills of all customers served under this Rate Schedule. The Temporary Tax Act Credit will refund customers for the net regulatory liability associated with the unprotected accumulated deferred income taxes of \$10.6 million as of December 31, 2017. Such credit shall be set at 0.235 ¢/kWh, including sales and use tax, and will be in effect from July 1, 2018 through June 30, 2021.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charges

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.583 ¢ per kWh	1.583 ¢ per kWh

- (b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

All kWh @	0.887 ¢ per kWh	0.887 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and the Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charges (Continued)

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Secondary Voltage Service Only</u>		
All kWh@	0.552 ¢ per kWh	0.552 ¢ per kWh
<u>Primary Voltage Service Only</u>		
All kWh@	0.493 ¢ per kWh	0.493 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Surcharges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 3
RESIDENTIAL TIME-OF-DAY HEATING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charge

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Peak</u> All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday@	1.583 ¢ per kWh	1.583 ¢ per kWh
<u>Off-Peak</u> All other kWh@	1.583 ¢ per kWh	1.583 ¢ per kWh

- (b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

All kWh@ 0.539 ¢ per kWh 0.539 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(2) Additional Charge

- (a) An additional \$18.96 per luminaire per month will be charged for existing Underground Service where the Company owns and maintains the entire facilities.
- (b) An additional \$4.61 per luminaire per month will be charged for existing underground service where the customer has installed, owns and maintains the duct system complete, but not the aluminum standard or luminaire.
- (c) An additional \$0.51 per bracket per month will be charged for a fifteen foot bracket when installed.

(3) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36, respectively shall be assessed on all kWh delivered hereunder.

The charges shall be applied to the kWh estimate in the following manner:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 5
RESIDENTIAL SPACE HEATING SERVICE (Continued)**

RATE - MONTHLY (Continued)

(3) Transmission Charge

(a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.583 ¢ per kWh	1.583 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

All kWh @	0.592 ¢ per kWh	0.592 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(c) Transmission Charges for Service Types A, B, and C

A Transmission Charge of 1.280 ¢ per kWh will apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.001 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

$$\text{kWh} = (\text{Total Wattage divided by 1,000}) \text{ times Monthly Burn Hours}^*$$

(2) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36, respectively shall be assessed on all kWh delivered hereunder. For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

$$\text{kWh} = (\text{Total Wattage divided by 1,000}) \text{ times Monthly Burn Hours}^*$$

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE– MONTHLY (Continued)

(3) Transmission Charges (Continued)

(a) (Continued)

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$2.55 per kW	\$2.55 per kW
Period II	All kW @	0.67 per kW	0.67 per kW
Period III	All kW @	2.55 per kW	2.55 per kW
Period IV	All kW @	0.67 per kW	0.67 per kW

Usage Charge

Period I	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh
Period II	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh
Period III	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh
Period IV	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh

- (b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

		<u>Primary</u>	<u>High Voltage Distribution</u>
All Periods	All kWh @	0.358 ¢ per kWh	0.358 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 36 respectively, shall be assessed on all kWh delivered hereunder.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
 Mahwah, New Jersey 07430

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1. Basic Generation Service - Residential Small Commercial Pricing (BGS-RSCP)	50
2. Basic Generation Service - Commercial and Industrial Energy Pricing (BGS-CIEP)	52
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(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 36 Temporary Tax Act Credit

The Temporary Tax Act Credit shall be applied to the kWh usage on the bills of all customers served under this Rate Schedule. The Temporary Tax Act Credit will refund customers for the net regulatory liability associated with the unprotected accumulated deferred income taxes of \$10.6 million as of December 31, 2017. Such credit shall be set at 0.235 ¢/kWh, including sales and use tax, and will be in effect from July 1, 2018 through June 30, 2021.

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ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charges

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.583 ¢ per kWh	1.583 ¢ per kWh

- (b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

All kWh @	0.887 ¢ per kWh	0.887 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~and Securitization Charges,~~ and the Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 3536, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charges (Continued)

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Secondary Voltage Service Only</u>		
All kWh@	0.552 ¢ per kWh	0.552 ¢ per kWh
<u>Primary Voltage Service Only</u>		
All kWh@	0.493 ¢ per kWh	0.493 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Surcharges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 3536, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charge

(a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Peak</u>		
All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday@		
	1.583 ¢ per kWh	1.583 ¢ per kWh
<u>Off-Peak</u>		
All other kWh@		
	1.583 ¢ per kWh	1.583 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

All kWh@	0.539 ¢ per kWh	0.539 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 3536, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
 Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(2) Additional Charge

- (a) An additional \$18.96 per luminaire per month will be charged for existing Underground Service where the Company owns and maintains the entire facilities.
- (b) An additional \$4.61 per luminaire per month will be charged for existing underground service where the customer has installed, owns and maintains the duct system complete, but not the aluminum standard or luminaire.
- (c) An additional \$0.51 per bracket per month will be charged for a fifteen foot bracket when installed.

(3) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 3536, respectively shall be assessed on all kWh delivered hereunder.

The charges shall be applied to the kWh estimate in the following manner:

$kWh = (\text{Total Wattage divided by } 1,000) \text{ times Monthly Burn Hours}^*$

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 5
RESIDENTIAL SPACE HEATING SERVICE (Continued)**

RATE - MONTHLY (Continued)

(3) Transmission Charge

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.583 ¢ per kWh	1.583 ¢ per kWh

- (b) Transmission Surcharge -- This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

All kWh @	0.592 ¢ per kWh	0.592 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 3536, respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(c) Transmission Charges for Service Types A, B, and C

A Transmission Charge of 1.280 ¢ per kWh will apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.001 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

$$\text{kWh} = (\text{Total Wattage divided by } 1,000) \text{ times Monthly Burn Hours}^*$$

(2) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 3536, respectively shall be assessed on all kWh delivered hereunder. For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

$$\text{kWh} = (\text{Total Wattage divided by } 1,000) \text{ times Monthly Burn Hours}^*$$

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE– MONTHLY (Continued)

(3) Transmission Charges (Continued)

(a) (Continued)

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$2.55 per kW	\$2.55 per kW
Period II	All kW @	0.67 per kW	0.67 per kW
Period III	All kW @	2.55 per kW	2.55 per kW
Period IV	All kW @	0.67 per kW	0.67 per kW
<u>Usage Charge</u>			
Period I	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh
Period II	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh
Period III	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh
Period IV	All kWh @	0.421 ¢ per kWh	0.421 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run and Transmission Enhancement Charges.

		<u>Primary</u>	<u>High Voltage Distribution</u>
All Periods	All kWh @	0.358 ¢ per kWh	0.358 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, and Temporary Tax Act Credit as described in General Information Section Nos. 33, 34, 35, and 35-36 respectively, shall be assessed on all kWh delivered hereunder.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
 Mahwah, New Jersey 07430