



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY

IN THE MATTER OF ROCKLAND ELECTRIC)
COMPANY'S ANNUAL SOCIETAL BENEFITS) ORDER ADOPTING
CHARGE FILING) STIPULATION
)
) DOCKET NO. ER11040196

Parties of Record:

Margaret Comes, Esq., Senior Attorney, for the Petitioner, Rockland Electric Company

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

In accordance with the July 22, 2002 Order of the New Jersey Board of Public Utilities ("Board") in Docket Nos. EO97070464, EO97070465 and EO97070466, on March 31, 2011, the Rockland Electric Company ("RECO" or "Company") filed its annual reconciliation of any over-recovered or under-recovered balances collected through its Societal Benefits Charge ("SBC") for approval by the Board and for authorization to collect from customers sufficient funds to provide for current program cost recovery. The reconciliation and the current program costs relate to the Company's demand-side management programs and the Company's share of the costs of the Clean Energy program ("DSM/CEP"). The matter was assigned Docket No. ER11040196 ("2011 SBC Filing").

BACKGROUND/PROCEDURAL HISTORY

The Company is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. ("O&R"), a New York utility. O&R is a subsidiary of Consolidated Edison, Inc. ("CEI"). RECO provides electric distribution service to approximately 70,000 customers in portions of Bergen, Passaic and Sussex Counties.

Pursuant to N.J.S.A. 48:3-60, the SBC was established to recover the costs incurred by the

electric and gas public utilities for expenditures related to social programs including Board-approved energy efficiency and renewable energy programs, and the funding of two statewide low-income energy bill payment assistance programs, the Universal Service Fund ("USF") and Lifeline programs. The SBC also includes a component to refund or recover over- or under-collections based on the prior year's SBC recoveries against program costs.

In RECO's 2011 SBC Filing, RECO filed a proposed tariff leaf and supporting calculations proposing a decrease in the rate component of the SBC relating to the DSM/CEP. The SBC includes current costs and any refund or recovery of prior period over- or under-collection balances relating to RECO's DSM/CEP costs during the reconciliation period of August 1, 2010 through July 31, 2011. The result of the reconciliation of this SBC rate component is a proposed decrease from the currently effective rate as of March 31, 2011 of 0.4055 cent per kWh to 0.3546 cent per kWh, including sales and use tax ("SUT"). The proposed rate of 0.3546 cent per kWh was derived from (1) a rate component of 0.3635 cent/kWh, including SUT, reflecting \$5,573,697 in projected DSM/CEP spending for the twelve-month period ending July 31, 2012; and (2) a reconciliation adjustment credit of 0.0089 cent/kWh, including SUT, reflecting an over-collection for the period of August 1, 2010 through July 31, 2011. The projected DSM/CEP program costs reflect RECO's Board-approved 2011-2012 Clean Energy Program spending level. The reconciliation adjustment was determined based on actual data for the period of August 1, 2010 through February 28, 2011, and estimated data for the period March 1, 2011 through July 31, 2011. The 2011 SBC Filing did not propose any changes to the USF and Lifeline rate components of the SBC as these components are separately reviewed and set in a statewide proceeding.

On August 1, 2011, the SBC rate component pertaining to DSM/CEP was decreased from 0.4055 cent/kWh to 0.3237 cent/kWh, including SUT, due to the expiration of the Reconciliation Adjustment of 0.0492 cent/kWh and Temporary Rate Adjustment of 0.0326 cent/kWh in accordance with the Board's September 16, 2010 Order in Docket Nos. ER09040287 and ER10030242. On September 13, 2011, the Company updated Exhibit A attached to its 2011 SBC Filing with actual data through July 31, 2011. The Company proposed a revised SBC rate component pertaining to DSM/CEP of 0.3635 cent/kWh, subject to a Reconciliation Adjustment credit of 0.0150 cent/kWh. This is equivalent to a proposed rate increase from 0.3237 cent/kWh to 0.3485 cent/kWh, including SUT.

As stated in the attached Stipulation of Settlement ("Stipulation"), throughout the course of the proceeding, the Staff of the Board ("Staff") and the Division of the Rate Counsel ("Rate Counsel") propounded numerous discovery requests, which were responded to by the Company. On November 17, 2011, two public hearings were held in Mahwah, New Jersey. No members of the public attended the hearings or submitted comments.

Representatives of the Company, Staff and the Rate Counsel (collectively "the Parties"), have engaged in substantive discussions in an attempt to resolve all the outstanding issues and to finalize the Company's SBC charge. As a result of those discussions, on November 18, 2011, the Parties entered into the attached Stipulation resolving all issues in this proceeding.

STIPULATION

Under the terms of the Stipulation, the Parties have agreed to the following salient terms:

- 1 The Company shall be allowed to implement an SBC of 0.6727 cent per kWh,

including SUT ("Revised SBC"). As set forth on Page 1 of Exhibit A attached to the Stipulation, this rate includes a 0.3483 cent per kWh rate component relating to projected DSM/CEP costs of \$5,573,697 for the period of August 1, 2011 through July 31, 2012 and a reconciliation adjustment credit of 0.0142 cent per kWh, including SUT, due the Company's over-collection of \$232,474 including interest for prior period DSM/CEP costs for the period of August 1, 2010 through July 31, 2011. As agreed by the Parties, the prior period DSM/CEP costs were reduced by \$2,000, pertaining to DSM administrative expenses. The Revised SBC also reflects the current 0.2567 cent per kWh and 0.0677 cent per kWh rate components, including SUT, relating to the Company's USF and Lifeline programs, respectively¹. The Revised SBC is increased to 0.6727 cent per kWh, including SUT. This represents an increase of 0.0246 cent per kWh from the current SBC as of November 1, 2011 of 0.6481 cent per kWh, including SUT.

2. In accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, the interest rate on the SBC recoveries shall be the interest rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.

3. The revised tariff leaves relating to the Revised SBC shall become effective on the first day of the month following the service of the Board's written authorization approving this Stipulation or as soon thereafter as possible ("Effective Date"), pursuant to N.J.S.A. 48:2-40.

DISCUSSION AND FINDINGS

The Board has carefully reviewed the record in this matter. Accordingly, the Board is satisfied and HEREBY FINDS that the Stipulation represents a fair and reasonable resolution of the issues and is in public interest. The Board FURTHER FINDS that: (1) the parties have voluntarily agreed to the Stipulation; and (2) the Stipulation fully disposes of all issues in controversy and is consistent with the law. Therefore, the Board HEREBY ADOPTS the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein. The Board HEREBY DIRECTS the Parties to comply with the terms and conditions incorporated within the Stipulation.

The Board recognizes that the Stipulation is responsive to and balances the respective needs of both the utility and its customers. The Board also recognizes that the impact of the SBC rate change on the average monthly bill of a typical residential customer using 925 kWh translates to less than a 1% increase on a monthly basis.


The Board HEREBY FURTHER DIRECTS the Company to file revised tariff sheets reflecting the terms and provisions of this Order within ten (10) days of the service of this Order.

¹ On October 13, 2011, the Board approved the changes in the USF and Lifeline rates for service rendered on and after November 1, 2011, in Docket No. ER11070397.

The rate authorized herein, which is subject to the Board audit, shall be implemented for service rendered on the first day of the month following the date of service of this Board Order or as soon thereafter as possible.

DATED: 11/30/11

BOARD OF PUBLIC UTILITIES
BY:



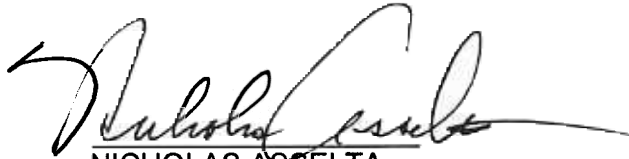
LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



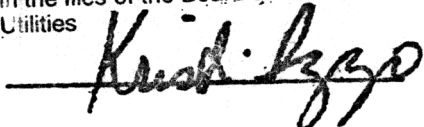
NICHOLAS ASSELTA
COMMISSIONER

ATTEST:



KRISTI IZZO
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 ROCKLAND ELECTRIC COMPANY'S ANNUAL
SOCIETAL BENEFITS CHARGE FILING**
Docket Nos. ER11040196

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

**I/M/O Rockland Electric Company Annual Societal
Benefits Charge Filing.**

:
: BPU Docket No. ER11040196
:
:

STIPULATION OF SETTLEMENT

APPEARANCES:

Margaret Comes, Esq., Senior Attorney, for Petitioner Rockland Electric Company

Diane Schulze, Assistant Deputy Rate Counsel, for the Division of Rate Counsel
(Stefanie A. Brand, Esq., Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public
Utilities (Paula T. Dow, Attorney General of New Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT (“Stipulation”) is made as of
November 18, 2011 by and among Rockland Electric Company (“RECO” or the
“Company”), Staff of the Board of Public Utilities (“Staff”), and the New Jersey Division
of Rate Counsel (“Rate Counsel”) (collectively referred to herein as the “Signatory
Parties”).

In accordance with the Board of Public Utilities (the “Board”) Final Decision and
Order dated July 22, 2002, in the Board’s Docket Nos. EO97070464 et al., Leaf No. 57 of
the Company’s Schedule for Electric Service B.P.U. No. 3 – Electricity (“Electric

Tariff”) requires the Company to submit to the Board an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge (“SBC”) and to provide for current program cost recovery. Accordingly, as described below, the Company filed revisions to the Demand Side Management (“DSM”) and Clean Energy Program (“CEP”) components of the SBC rate on March 31, 2011 (“2011 SBC Filing”). However, the revised SBC rate proposed in this filing was never implemented and the SBC remained at the level approved by the Board on September 16, 2010.¹

In its 2011 SBC Filing, RECO proposed a decrease in the SBC from the then effective rate of 0.6644 cent per kWh to 0.6262 cent per kWh, including sales and use tax (“SUT”), for all classes of customers effective August 1, 2011. The SBC includes a proposed rate of 0.3546 cent per kWh derived from (1) a rate component of 0.3635 cent/kWh, including SUT, reflecting \$5,573,697 in projected DSM/CEP spending for the twelve-month period ending July 31, 2012; and (2) a reconciliation component credit of 0.0089 cent per kWh effective through July 31, 2012. The reconciliation component of this SBC was calculated to credit the over-collection attributable to the period August 1, 2010 through July 31, 2011. The reconciliation component of this SBC was determined based on actual data for the period August 1, 2010 through February 28, 2011 and estimated data for the period March 1, 2011 through July 31, 2011. The RECO 2011 SBC Filing did not propose any changes to the Universal Service Fund (“USF”) and Lifeline rate components of the SBC.

¹ The Temporary Rate Adjustment and Reconciliation Adjustment approved by the Board on September 16, 2010 in Docket Nos. ER09040287 and ER10030242 expired on August 1, 2011. On that date, the SBC rate pertaining to DSM/CEP costs was reduced to 0.3237 cent per kWh, including SUT.

The Company subsequently recalculated the SBC based on actual data for the period August 1, 2010 through July 31, 2011 submitted by RECO in response to RCR-SBC-14 on September 13, 2011. The result was a proposed SBC rate of 0.6201 cent per kWh, including SUT, from the currently effective rate of 0.5953 cent per kWh, including SUT, as of August 1, 2011. The rate also included a Reconciliation Adjustment credit of 0.0150 cent per kWh, in addition to the projected DSM/CEP spending for the twelve-month period ending July 31, 2012. The Company recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

Since RECO's submission of the RECO 2011 SBC Filing, Rate Counsel and Staff have propounded, and the Company has responded to detailed discovery requests. The Signatory Parties also have engaged in discussions in an attempt to resolve all outstanding issues. On November 17, 2011 two public hearings were held in Mahwah, New Jersey, pursuant to a duly published notice. No members of the public attended the hearings or submitted comments.

Given the completeness of the record and the intention of the Signatory Parties to reasonably, fully and finally resolve all open issues relating to the RECO 2011 SBC Filing, and in consideration of the recitals and mutual promises and covenants set forth herein, the Signatory Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. SBC Rate. The Company shall be allowed to implement an SBC of 0.6727 cent per kWh ("Revised SBC"), including SUT. As set forth on Page 1 of 4 of Exhibit A attached hereto, this rate includes: a 0.3483 cent per kWh rate component, including

SUT, relating to the Company's over-collection of \$232,474, including interest, for prior period DSM and CEP costs for the period August 1, 2010 through July 31, 2011 ("2010-2011 Recovery Period") and projected DSM and CEP costs of \$5,573,697 for the period August 1, 2011 through July 31, 2012. The Signatory Parties agreed to a general settlement reduction of prior period costs in the amount of \$2,000, pertaining to DSM administrative expenses which is included in the over-collection of \$232,474 noted above. This is reflected in Exhibit A, Page 3 of 4. The Revised SBC also includes the 0.2567 cent per kWh and 0.0677 cent per kWh rate components, including SUT, relating to the Company's USF and Lifeline programs, respectively.² All SBC component rates are subject to audit by the Board.

2. SBC Interest Rate. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, but not to exceed Rockland Electric's overall rate of return, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455.

3. Effective Date. The revised tariff leaf relating to the Revised SBC shall become effective on the first day of the month following the Board's service of written authorization approving this Stipulation or as soon thereafter as possible ("Effective Date"), pursuant to N.J.S.A. 48:2-40.

4. Tariff. Upon Board approval of this Stipulation and receipt of written authorization from the Board, RECO shall file the revised tariff leaf relating to the

² These USF and Lifeline Rates were approved by the Board in its October 13, 2011 Order in Docket No. ER11070397.

Revised SBC, in the form set forth in Exhibit B hereto, approved by Signatory Parties in this Stipulation, as soon as possible.

5. Voluntariness. The Signatory Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein.

6. Expeditious Board Approval. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its approval without modification or condition.

7. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully and finally resolve all issues relating to the RECO 2011 SBC Filing. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Signatory Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Signatory Parties are not waiving any legal or procedural rights, arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Signatory Party aggrieved thereby, exercised by written notice to the other Parties within ten days after receipt of any such adverse decision, be null and void in which case the Signatory Parties shall be placed in the same position that they were in immediately prior to its execution.

8. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of this proceeding. Although

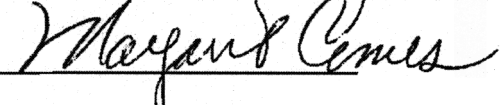
binding on the Signatory Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Signatory Parties and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Signatory Parties agree that the unique resolution of the issues relating to the RECO 2011 SBC Filing shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Signatory Parties or of the Board with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

9. Captions. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.


10. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

11. Execution. This Stipulation may be executed in one or more counterparts. Each Signatory Party has caused its duly authorized representative to execute below and deliver this Stipulation.

ROCKLAND ELECTRIC COMPANY

By : 
Margaret Comes, Esq.

PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

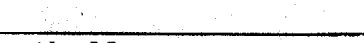
By: 
Alex Moreau
Deputy Attorney General

11/18/2011


STATE OF NEW JERSEY, DIVISION OF RATE COUNSEL
STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: _____
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Asst. Deputy Rate Counsel

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Diane Schulze
Asst. Deputy Rate Counsel

ROCKLAND ELECTRIC COMPANY

**Determination of Societal Benefits Charge ("SBC") in
BPU Docket Number ER11040196**

<u>SBC Rate Components</u>	Rate Excl. SUT (¢/kWh)	Rate Incl. SUT (¢/kWh)
DSM/Clean Energy Programs	0.3255	0.3483
Universal Service Fund	0.2399	0.2567
Lifeline	<u>0.0633</u>	<u>0.0677</u>
Total	0.6287	0.6727

ROCKLAND ELECTRIC COMPANY

**Determination of Societal Benefits Charge ("SBC")¹ in
BPU Docket Number ER11040196**

Reconciliation of SBC for the Period August 1, 2010 - July 31, 2011

SBC Recoveries: (08/01/10 - 07/31/11) - See Page 3	\$5,713,562
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/10 - 07/31/11) - See Page 3	4,756,853
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	723,336
Settlement Adjustment - See Page 3	(2,000)
Total SBC Costs to be Recovered (08/01/10 - 07/31/11)	5,478,189
SBC (Over)/Under Recovery Balance	(235,374)
Interest (Over)/Under Recovery Balance - See Page 3	<u>2,900</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2011	(\$232,474)

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2012	1,640,714,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000142)
Projected Spending - 12 months ending July 31, 2012 - See Page 4	\$5,573,697
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.003397
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003255
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC Including SUT (\$ per kWh)</u>	0.003483

Notes: 1 Rate component of SBC relating to recovery of demand-side management ("DSM") and the Clean Energy Program as described in paragraphs (1) and (2) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include the costs and the associated rate components of the SBC relating to the Universal Service Fund and Lifeline.

ROCKLAND ELECTRIC COMPANY

**Determination of Societal Benefits Charge ("SBC")
August 2010 through July 2011 Cost Recovery Period**

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Total
<u>RECO</u>	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SBC Recoveries	\$399,808	\$347,475	\$379,310	\$484,123	\$505,470								
Prior Period Reconciliation Adj. ¹	\$723,336	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$723,336
Settlement Adj.	(\$2,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,000)
Legacy Program Costs	\$23,620	\$30,397	\$31,224	\$20,653	\$30,397	\$29,221	\$30,047	\$29,221	\$29,221	\$29,221	\$418,837	(\$359,221)	\$340,840
CEP Program Costs	\$418,778	\$382,725	\$336,272	\$305,652	\$316,980	\$375,063	\$373,037	\$361,757	\$335,067	\$328,799	\$1,149,203	(\$265,350)	\$4,418,013
Total Program Costs	\$1,161,734	\$413,122	\$367,496	\$326,305	\$347,377	\$404,284	\$403,084	\$390,978	\$364,318	\$358,020	\$1,568,040	(\$624,571)	\$5,478,189
Interest - (Over)/Under Recovery	\$436	\$449	\$410	\$305	\$278	\$220	\$164	\$120	\$81	\$27	\$538	(\$128)	\$2,900
Total Program Costs Incl. Adjs. & Interest	\$1,162,170	\$413,571	\$367,906	\$326,610	\$347,655	\$404,504	\$403,248	\$391,098	\$364,399	\$358,047	\$1,568,578	(\$624,699)	\$5,481,089
(Over)/Under Recovery	\$782,362	\$66,097	(\$11,404)	(\$157,513)	(\$157,814)	(\$131,222)	(\$83,462)	(\$81,484)	(\$76,295)	(\$72,150)	\$1,005,298	(\$1,264,886)	(\$232,474)
Interest Rate (%) ²	1.16%	1.10%	1.02%	0.94%	1.13%	1.21%	1.21%	1.26%	1.40%	1.21%	1.04%	1.10%	

Notes: ¹ Under recovery for the period August 1, 2008 through July 31, 2010 per Exhibit A, Page 3 of 6 of SBC Stipulation of Settlement dated September 9, 2010, in Docket Numbers ER09040287 and ER10030242 adopted by the Board in its Order dated September 16, 2010.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.
Interest calculated on a net-of-tax basis.

ROCKLAND ELECTRIC COMPANY

Determination of Societal Benefits Charge ("SBC") in
BPU Docket Number ER11040196

SBC Projected Program Costs: August 2011 - July 2012 (1)

Projected Program Costs

<u>Month</u>	<u>Clean Energy</u>	<u>Legacy</u>	
Aug-11	\$495,021	\$19,964	\$514,985
Sep-11	455,060	17,824	
Oct-11	399,488	29,221	428,709
Nov-11	360,361	29,221	389,582
Dec-11	379,160	29,221	408,381
Jan-12	445,204	29,221	474,425
Feb-12	442,799	29,221	472,020
Mar-12	429,409	29,221	
Apr-12	397,764	29,221	426,985
May-12	390,288	29,221	419,509
Jun-12	489,585	29,221	518,806
Jul-12	<u>559,558</u>	<u>29,221</u>	<u>588,779</u>
Total	\$5,243,697	\$330,000	\$5,573,697

Notes: 1 Rate component of SBC relating to recovery of demand-side management ("DSM") and Clean Energy Program costs as described in paragraphs (1) and (2) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include costs associated with USF and Lifeline.

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM") including the costs associated with DSM programs and DSM bidding programs ;
- (2) Clean Energy Program, ("CEP"); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at 0.6727 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3255	0.3483
Universal Service Fund	0.2399	0.2567
Lifeline	0.0633	0.0677
Total SBC	0.6287	0.6727

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: William Longhi, President
Saddle River, New Jersey 07458

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM"), including the costs associated with DSM programs and DSM bidding programs ;
- (2) Clean Energy Program, ("CEP"); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at ~~0.6484~~ 0.6727 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3025 <u>0.3255</u>	0.3237 <u>0.3453</u>
Universal Service Fund	0.2399	0.2567
Lifeline	0.0633	0.0677
Total SBC	0.6057 <u>0.6287</u>	0.6484 <u>0.6727</u>

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: William Longhi, President
Saddle River, New Jersey 07458