



Agenda Date: 10/22/14
Agenda Item: 2B

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)	ORDER ADOPTING
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE)	STIPULATION
FILING - 2013)	
)	DOCKET NO. ER13060537
IN THE MATTER OF ROCKLAND ELECTRIC)	
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE)	
FILING - 2014)	DOCKET NO. ER14050439

Parties of Record:

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

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Rockland Electric Company ("RECO" or the "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, the "Parties") intended to resolve the Company's 2013 and 2014 Societal Benefits Charge ("SBC") Filings in Docket Nos. ER13060537 and ER14050439.

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 accordance with the July 22, 2002 Order of the Board in Docket Nos. EO97070464, EO97070465 and EO97070466, on June 21, 2013, RECO filed its annual reconciliation of over-recovered or under-recovered balances collected through its 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 ("DSM") and the Company's share of the costs of the Clean Energy program ("CEP"). The matter was assigned Docket No. ER13060537 ("2013 SBC Filing").

In its 2013 SBC Filing, RECO proposed an increase in the DSM and CEP rate components of the SBC to 0.3715 cents per kilowatt hour ("kWh"), including Sales and Use Tax ("SUT"), which reflected an increase over the previously existing rate of 0.3483 cents per kWh, including SUT, for all classes of customers effective August 1, 2013.¹ The proposed increase in the DSM and CEP rate components was the result of a prior period under-collection of program costs of \$123,333 for the period August 1, 2011 through July 31, 2012, an anticipated over-collection of \$306,282 for the period August 1, 2002 through July 31, 2013, and a projected decrease in kWh usage as compared to the kWh used in the calculation of the current SBC.

On May 15, 2014, RECO filed its 2014 SBC Filing with the Board which was assigned Docket No. ER14050439. In its 2014 SBC Filing, RECO proposed a decrease in the DSM and CEP rate components of the SBC to 0.3155 cents per kWh, including SUT, which reflected a decrease over the previously existing rate of 0.3914 cents per kWh, including SUT, for all classes of customers effective August 1, 2014.² The proposed decrease in the DSM and CEP rate components was the result of a prior period over-collection of program costs of \$386,104 for the period August 1, 2012 through July 31, 2013, an anticipated over-collection of \$705,507 for the period August 1, 2013 through July 31, 2014, and a projected increase in kWh usage as compared to the kWh used in the calculation of the current SBC.

Since the submission of 2013 and 2014 SBC Filings, the Company represents that it has re-calculated the DSM and CEP components of the SBC based on actual data through July 31, 2014. As a result of the re-calculation, the Company's proposed DSM and CEP rate components of the SBC rate is a decrease from the current rate of 0.3914 cents per kWh to 0.2547 cents per kWh, including SUT.

The rate includes an over-collection of \$1,638,187 for the period August 1, 2013 through July 31, 2014, in addition to the projected DSM/CEP spending for the twelve-month period ending July 31, 2015. The Company's recalculation 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.

Staff and Rate Counsel propounded numerous discovery requests, which were responded to by the Company. On September 29, 2014, after notice in newspapers in general circulation in the Company's service territory, two public hearings were held in Mahwah, New Jersey for the 2013

¹ On November 30, 2011, the Board approved the changes in the DSM and CEP rate components of the SBC in Docket No. ER11040196.

² On August 21, 2013, the Board approved the changes in the DSM and CEP rate components of the SBC in Docket No. ER12030293.

and 2014 SBC Filings. No members of the public attended the hearings or submitted comments on the 2013 or 2014 SBC Filing.

Representatives of the Company, Staff and 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 October 10, 2014, the Parties entered into the attached Stipulation resolving all issues in these proceedings.

STIPULATION

The Parties have agreed to the following salient terms³:

1. The Company shall be allowed to implement an SBC of 0.5278 cents per kWh ("Revised SBC"), including SUT. As set forth on Page 1 of 4 of Exhibit A attached to the Stipulation, this rate includes: a 0.2547 cents per kWh rate component, including SUT, relating to the Company's over-collection of \$1,638,187, including interest, for prior period DSM and CEP costs for the period August 1, 2013 through July 31, 2014 ("2013-2014 Recovery Period") and projected DSM and CEP costs of \$5,555,329 for the period August 1, 2014 through July 31, 2015. The Revised SBC also includes 0.1993 cents per kWh and 0.0738 cents per kWh rate components, including SUT, relating to the Company's USF and Lifeline programs, respectively⁴. All SBC component rates are subject to audit by the Board.
2. As a result of the decrease in the SBC to 0.5278 cents per kWh, including SUT, a typical residential customer with an average monthly usage of 925 kWh will see a decrease in their monthly bill of \$1.27 or 0.76%.
3. 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, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed Rockland Electric's BPU authorized overall rate of return effective at the time the interest is calculated.
4. 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").
5. Upon Board approval of this Stipulation and receipt of written authorization from the Board, RECO shall file the revised tariff leaf relating to the Revised SBC, in the form set forth in Exhibit B attached to the Stipulation, approved by Parties in the Stipulation, as soon as possible.

³ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

⁴ These USF and Lifeline Rates were approved by the Board in its September 30, 2014 Order in Docket No. ER14060613 effective October 1, 2014, and were not the subject of this proceeding.

DISCUSSION AND FINDING

The Board has carefully reviewed the records in these matters. 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.

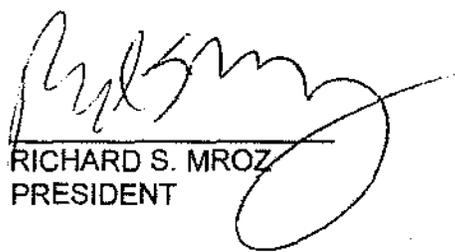
The Board recognizes that the Stipulation is responsive to and balances the respective needs of both the utility and its customers. The Board also recognizes that the impact of the SBC rate change on the average monthly bill of a typical residential customer using 925 kWh translates to a decrease of \$1.27 or 0.76% on a monthly basis.

The Board **HEREBY DIRECTS** the Company to file within seven (7) days of the effective date of this Order, the appropriate revised tariff sheets consistent with the terms of this Order.

The rates authorized herein, which remain subject to Board audit, shall be effective for service rendered on or after the later of November 1, 2014 and the date of service of this Order.

DATED: 10/22/14

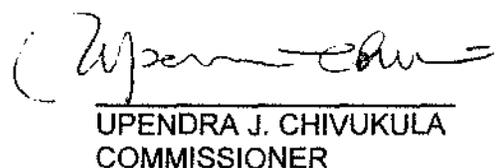
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

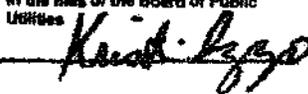

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within documents 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 - 2013
DOCKET NO. ER13060537

IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL
SOCIETAL BENEFITS CHARGE FILING - 2014
DOCKET NO. ER14060439

SERVICE LIST

Jerome May, Director
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Alice Bator
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Kristi Izzo, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Bethany Rocque-Romaine, Esq.
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Andrea Reid
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Stefanie A. Brand, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Diane Schulze, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Ami Morita, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Alex Moreau, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Babette Tenzer, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Carolyn McIntosh, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Caroline Vachier, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Margaret Comes, Esq.
Rockland Electric Company
4 Irving Place – Room 1815-S
New York, NY 10003-0987



Rockland Electric Company

Rockland Electric Company
4 Irving Place
New York NY 10003-0987
www.oru.com

April 1, 2013

Honorable Kristi Izzo, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, New Jersey 08625-0350

Re: Rockland Electric Company's Annual
Societal Benefits Charge Filing

Dear Secretary Izzo:

Rockland Electric Company ("RECO" or "the Company") hereby submits for filing an original and ten copies of Leaf No. 56 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric tariff") in draft format. This filing is submitted in accordance with General Information Section No. 33 of the Electric tariff, which requires the submission of 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.

Specifically, paragraphs (1) and (2) of General Information Section No. 33 provide that the SBC shall include current costs and any refund or recovery of prior period over- or under-collection balances relating to (a) the Company's demand-side management programs ("DSM Programs") and (b) the Clean Energy Program. In accordance with General Information Section No. 33 of the Electric tariff, the rate component of the SBC relating to the DSM Programs and the Clean Energy Program is to be reflected in the SBC effective August 1, 2013. As noted in General Information Section No. 33, the SBC also provides for the recovery of costs relating to the Universal Service Fund and Lifeline. In contrast to the rate components of the SBC relating to the DSM Programs and the Clean Energy Program, the Universal Service Fund and Lifeline rate components of the SBC of 0.2428 and 0.0638¢/kWh, including SUT, which became effective on October 1, 2012, remain unchanged.

Enclosed are the Company's workpapers detailing the reconciliation and calculation of the rate component of the SBC relating to the DSM Programs and Clean Energy Program. The result of this reconciliation is an increase in this rate component of the SBC from the currently effective rate of 0.3483 ¢/kWh to 0.3715¢/kWh, including Sales and Use Tax ("SUT"). The increase in this rate component is the result of a prior period under-collection of program costs of \$123,333 for the period August 1, 2011 through July 31, 2012¹, an anticipated over-collection of \$306,282 for the period August 1, 2002 through July 31, 2013, and a project decrease in kWh usage as compared to the kWh used in the calculation of the current SBC.

¹ On March 30, 2012, the Company made its annual filing to set the SBC for the period August 1, 2011 - July 31, 2012. This filing is pending in BPU Docket No. ER12030293.

JB

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

I/M/O Rockland Electric Company Annual Societal Benefits Charge Filing: 2013 and 2014	:	BPU Docket
	:	Nos. ER13060537 and
	:	ER14050439

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)

Carolyn McIntosh and Alex Moreau, Deputy Attorneys General, for the Staff of the New
Jersey Board of Public Utilities (John J. Hoffman, Acting Attorney General of New
Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT ("Stipulation") is made as of October
9, 2014 by and among Rockland Electric Company ("RECO" or the "Company"), Staff
of the New Jersey 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 (together, "SBC Component Programs") of the SBC rate on April 1, 2013 ("2013 Filing") and April 1, 2014 ("2014 Filing").

In its 2013 Filing, RECO proposed an increase in the rate for the SBC Component Programs to 0.3715 ¢/kWh, including SUT, which reflected an increase over the previously existing rate of 0.3483 ¢/kWh, including sales and use tax ("SUT"), for all classes of customers effective August 1, 2013.

In its 2014 Filing, RECO proposed a decrease in the rate for the SBC Component to 0.3155 ¢/kWh, including SUT, which reflected a decrease over the previously existing rate of 0.3914 ¢/kWh, including sales and use tax ("SUT"), for all classes of customers effective August 1, 2014.

Since the 2013 Filing and the 2014 Filing, the Company has re-calculated the DSM and Clean Energy components of the SBC based on actual data through July 31, 2014. As a result of the re-calculation, the Company's proposed rate for the SBC Component Programs is a decrease from the current rate of 0.3914 ¢/kWh to 0.2547 ¢/kWh, including SUT.

The rate includes an over-collection of \$1,638,187 for the period August 1, 2013 through July 31, 2014 and the projected DSM/CEP spending for the twelve-month period ending July 31, 2015. The Company's recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

Since RECO's submission of the 2013 Filing and the 2014 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. No public hearings were required because both filings result in a decrease in rates.

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 2013 Filing and the 2014 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 0.5278 ¢/kWh ("Revised SBC"), including SUT. As set forth on Page 1 of 4 of Exhibit A attached hereto, this rate includes: a 0.2547 ¢/kWh rate component, including SUT, relating to the Company's over-collection of \$1,638,187, including interest, for prior period DSM and CEP costs for the period August 1, 2013 through July 31, 2014 ("2013-2014 Recovery Period") and projected DSM and CEP costs of \$5,555,329 for the period August 1, 2014 through July 31, 2015. The Revised SBC also includes the 0.1993 ¢/kWh and 0.0738 ¢/kWh rate components, including SUT, relating to the Company's USF and

Lifeline programs, respectively.¹ All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the decrease in the SBC to 0.5278 ¢/kWh, including SUT, a typical residential customer with an average monthly usage of 925 kWh will see a decrease in their monthly bill of \$1.27, or 0.76 percent.

3. 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, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed Rockland Electric's BPU authorized overall rate of return effective at the time the interest is calculated.

4. 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").

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

¹ These USF and Lifeline Rates were approved by the Board in its September 30, 2014 Order in Docket No. ER14060613 effective October 1, 2014, and were not the subject of this proceeding.

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

7. 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.

8. 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 2013 Filing and the 2014 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.

9. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. 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

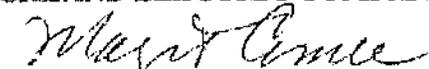
way binding upon the Signatory Parties (or non-signatories) and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Signatory Parties agree that the unique resolution of the issues relating to the 2013 Filing and the 2014 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 with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

10. 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.

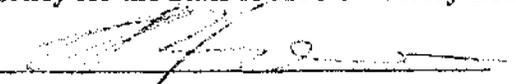
11. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

12. 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.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By: 
Alex Moreau
Deputy Attorney General

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

By 
Diane Schulze
Asst. Deputy Rate Counsel

ROCKLAND ELECTRIC COMPANY

Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
BPU Docket Nos. ER1306053 and ER14050439

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT <u>(\$/kWh)</u>	Rate Incl. RA & SUT <u>(\$/kWh)</u>
DSM/Clean Energy Programs	0.2380	0.2547
Universal Service Fund	0.1863	0.1993
Lifeline	<u>0.0690</u>	<u>0.0738</u>
Total	0.4933	0.5278

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")¹
BPU Docket Nos. ER1306053 and ER14050439**

Reconciliation of SBC for the Period August 1, 2013 - July 31, 2014

SBC Recoveries: (08/01/13 - 07/31/14) - See Page 3	\$5,813,152
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/13 - 07/31/14) - See Page 3	4,565,944
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	(385,484)
Total SBC Costs to be Recovered (08/01/13 - 07/31/14)	4,180,460
SBC (Over)/Under Recovery Balance	(1,632,691)
Interest (Over)/Under Recovery Balance - See Page 3	(5,496)
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2014	(\$1,638,187)

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2015	1,645,811,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000995)
Projected Spending - 12 months ending July 31, 2015 - See Page 5	\$5,555,329
\$ per kWh Projected Spending to be Surcharged	\$0.003375
Proposed SBC Excluding SUT (\$ per kWh)	\$0.002380
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC Including SUT (\$ per kWh)</u>	\$0.002547

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 Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2013 through July 2014 Cost Recovery Period**

<u>RECD</u>	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SBC Recoveries	\$552,179	\$523,928	\$450,851	\$411,796	\$489,980	\$532,340	\$485,738	\$456,445	\$409,840	\$413,325	\$494,595	\$592,135	\$5,813,152
Prior Period Reconciliation Adj. ¹	(\$385,484)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$385,484)
Legacy Program Costs	\$24,775	\$19,317	(\$30,001)	\$56,950	\$34,116	\$24,327	\$34,116	(\$4,895)	\$57,483	\$29,221	\$29,221	\$31,668	\$306,278
CEP Program Costs ²	\$539,652	\$500,066	\$404,334	\$369,255	\$413,062	\$460,233	(\$460,233)	\$460,233	\$430,956	\$383,301	\$376,497	\$382,301	\$4,259,667
Total Program Costs	\$178,949	\$519,383	\$374,333	\$426,215	\$447,178	\$484,560	(\$426,118)	\$455,338	\$488,419	\$412,522	\$405,718	\$413,969	\$4,180,460
Interest - (Over)/Under Recovery	(\$175)	(\$192)	(\$208)	(\$202)	(\$214)	(\$259)	(\$640)	(\$655)	(\$700)	(\$680)	(\$710)	(\$661)	(\$5,496)
Total Program Costs Incl. Adjs. & Interest	\$178,768	\$519,191	\$374,125	\$426,013	\$446,964	\$484,301	(\$426,758)	\$454,683	\$487,719	\$411,842	\$405,008	\$413,108	\$4,174,964
(Over)/Under Recovery	(\$373,410)	(\$4,738)	(\$76,726)	\$14,216	(\$43,016)	(\$48,038)	(\$912,495)	(\$1,762)	\$77,879	(\$1,483)	(\$89,587)	(\$179,027)	(\$1,638,187)
Interest Rate (%) ³	0.95%	1.03%	0.93%	0.93%	0.90%	0.99%	0.90%	0.92%	1.04%	1.01%	0.99%	1.07%	

Notes: ¹ Over recovery for the period August 1, 2012 through July 31, 2013 per Exhibit A, Page 4 of 5

² Amount Feb. 2014 was updated to reflect actual program costs for months.

³ 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 Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2012 through July 2013 Cost Recovery Period**

<u>RECO</u>	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SBC Recovers	\$573,714	\$520,868	\$409,830	\$357,329	\$395,228	\$461,812	\$437,269	\$388,691	\$377,792	\$375,367	\$476,234	\$587,803	\$5,361,939
Prior Period Reconciliation Adj. ¹	\$123,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$123,333
Legacy Program Costs	\$19,964	\$17,824	\$29,221	\$29,221	\$26,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$54,411	\$354,190
CEP Program Costs ²	\$585,345	\$537,911	\$585,345	\$312,104	\$447,817	\$445,204	\$442,799	(\$648,378)	\$397,764	\$390,288	\$489,585	\$512,959	\$4,498,743
Total Program Costs	\$728,642	\$555,735	\$614,566	\$341,325	\$476,038	\$474,425	\$472,020	(\$619,157)	\$426,985	\$419,509	\$518,806	\$567,370	\$4,976,266
Interest - (Over)/Under Recovery	\$64	\$78	\$165	\$168	\$192	\$202	\$217	(\$210)	(\$185)	(\$161)	(\$162)	(\$179)	\$189
Total Program Costs Incl. Adjs. & Interest	\$728,706	\$555,813	\$614,731	\$341,493	\$476,230	\$474,627	\$472,237	(\$619,367)	\$426,800	\$419,348	\$518,644	\$567,191	\$4,976,455
(Over)/Under Recovery	\$154,992	\$34,945	\$204,901	(\$15,836)	\$81,002	\$12,815	\$34,968	(\$1,008,058)	\$49,008	\$43,981	\$42,410	(\$20,612)	(\$385,484)
Interest Rate (%) ³	0.84%	0.83%	0.85%	0.90%	0.85%	0.87%	0.87%	0.85%	0.83%	0.80%	0.90%	0.94%	

Notes: ¹ Under recovery for the period August 1, 2011 through July 31, 2012 per Exhibit A, Page 3 of 4 of Stipulation of Settlement dated July 9, 2013, in Docket Number ER12030293 adopted by the Board in its Order dated August 21, 2013.

² Amounts in Nov. 2012, Jan. 2013, Feb. 2013 and Mar. 2013 were updated to reflect actual program costs for respective months. Year end total for twelve months ending Jul. 2013 remains \$4,498,743 as reported in original filing.

³ Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
BPU Docket Nos. ER1306053 and ER14050439

SBC Projected Program Costs: August 2014 - July 2015 (1)

	<u>Projected Program Costs</u>		
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-14	\$456,150	\$17,517	\$473,667
Sep-14	512,959	17,824	530,783
Oct-14	539,652	29,221	568,874
Nov-14	500,066	29,221	529,287
Dec-14	404,334	29,221	433,555
Jan-15	369,265	28,221	397,486
Feb-15	413,062	29,221	442,283
Mar-15	460,233	29,221	489,454
Apr-15	430,956	29,221	460,177
May-15	383,301	29,221	412,522
Jun-15	376,497	29,221	405,718
Jul-15	<u>382,301</u>	<u>29,221</u>	<u>411,522</u>
Total	\$5,228,777	\$326,553	\$5,555,329

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.

2 At the time of this filing, there was no approved Clean Energy budget beyond June 2014. The Company's projected Clean Energy Program spending for the twelve month period ending July 2015 reflects the FY14 amounts approved by the BPU in Docket No. EO11050324V dated June 21, 2013.

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 0.6645-5279 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	0.39542389	0.39142541
Universal Service Fund	0.1863	0.1993
Lifeline	0.0690	0.0738
Total SBC	0.62141782	0.66455279

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: Timothy Cawley, President
Mahwah, New Jersey 07430