



Agenda Date: 1/27/16
Agenda Item: 2G

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 ROCKLAND ELECTRIC)
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE)
FILING (2015))
)
) ORDER ADOPTING
STIPULATION
)
) DOCKET NO. ER15040399

Parties of Record:

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

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 2015 Societal Benefits Charge ("SBC") Filing in Docket No. ER15040399.

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 April 1, 2015, RECO filed its annual cost recovery of over-recovered or under-recovered cost balances collected through its SBC for the reconciliation period from August 1, 2014 through July 31, 2015 and of projected spending during the

projected period from August 1, 2015 through July 31, 2016 for approval by the Board, and for authorization to collect from customers sufficient funds 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 (“SBC DSM/CEP Component Programs”) of the SBC rate. The matter was assigned Docket No. ER15040399 (“2015 Filing”).

In its 2015 Filing, RECO proposed an increase in the rate for the SBC DSM/CEP Component Programs to 0.3286 cents per kilowatt hour (“¢/kWh”), including Sales and Use Tax (“SUT”), which reflected an increase over the previously existing rate of 0.2547 ¢/kWh, including SUT, for all classes of customers effective August 1, 2015 resulting in a total SBC rate of 0.6017 ¢/kWh, including SUT. The proposed increase in the DSM/CEP rate components was the result of a prior period over-collection of program costs of \$1,638,187 for the period August 1, 2013 through July 31, 2014, an anticipated over-collection of \$578,322 for the period August 1, 2014 through July 31, 2015, and projected costs of \$5,558,777 for the period August 1, 2015 through July 31, 2016. The Company, in calculating the SBC, reflected a projected decrease in kWh usage as compared to the kWh used to calculate the current SBC rate.

Since the 2015 Filing, the Board increased the USF rate and decreased the Lifeline rate components of the SBC, and the Company’s SBC rate on October 1, 2015 was 0.5503 ¢/kWh, including SUT. The Company also recalculated the DSM and Clean Energy Components of the SBC based on actual data for the period August 1, 2014 through July 31, 2015. As a result of these factors, the SBC DSM/CEP Components of the SBC are increasing to 0.3269 ¢/kWh and the Company’s proposed total SBC rate is increasing from 0.5503 ¢/kWh to 0.6225 ¢/kWh, including SUT.

The rate includes the actual over-collections of \$586,908 for the period August 1, 2014 through July 31, 2015 and projected DSM/CEP anticipated spending for the twelve-month period ending July 31, 2016, in the amount of \$5,540,628.¹ The Company’s recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

Staff and Rate Counsel propounded numerous discovery requests, which were responded to by the Company. On January 7, 2016, after notice in newspapers in general circulation in the Company’s service territory, two public hearings were held in Mahwah, New Jersey for the 2015 Filing. No members of the public attended the hearings or submitted comments.

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 January 8, 2016, the Parties entered into the attached Stipulation resolving all issues in this proceeding.

STIPULATION²

The Parties have agreed to the following salient terms:

¹ The projected spending includes a credit for SESCO administrative costs in August 2015 which was not included for the period August 1, 2014 through July 31, 2015.

² 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.

1. The Company shall be allowed to implement an SBC rate of 0.6225 ¢/kWh (“Revised SBC”), including SUT. As set forth on Page 1 of 4 of Exhibit A attached to the Stipulation, this rate includes: a 0.3269 ¢/kWh rate for SBC Component Programs, including SUT, relating to the Company’s over-collection of \$586,908, including interest, for prior period DSM and CEP costs for the period August 1, 2014 through July 31, 2015 (“2014-2015 Recovery Period”) and projected SBC Component Programs costs of \$5,540,628 for the period August 1, 2015 through July 31, 2016. The Revised SBC also includes the 0.2232 ¢/kWh and 0.0724 ¢/kWh rate components, including SUT, relating to the Company’s USF and Lifeline programs, respectively.³ All SBC component rates are subject to audit by the Board.
2. As a result of the increase in the SBC to 0.6225 ¢/kWh, including SUT, a typical residential customer with an average monthly usage of 925 kWh will see an increase in their monthly bill of \$0.67, or 0.40 percent.
3. Interest on under and over-recoveries 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
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 the Stipulation or as soon thereafter as possible (“Effective Date”), in accordance with N.J.S.A. 48:2-40.
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 to the Stipulation, approved by the Parties in the Stipulation, as soon as possible.

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.

³ These USF and Lifeline Rates were approved by the Board in its September 11, 2015 Order in Docket No. ER15060732 effective October 1, 2015 and were not the subject of this proceeding.

⁴ In the Matter of the 2008/2009 Annual Compliance Filings for the Universal Service Fund Program Factor Within the Societal Benefits Charge Rate Pursuant to Section 12 of the 1999 Electric Discount and Energy Competition Act, Docket No. ER08060455, Order dated October 21, 2008.

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 an increase of \$0.67 or 0.40% 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.

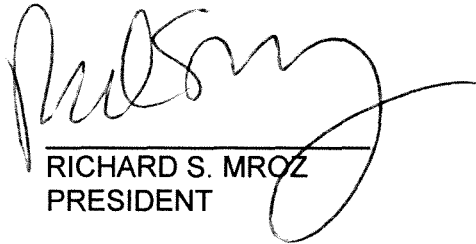
The rates authorized herein, which remain subject to Board audit, shall be effective for service rendered on or after March 1, 2016.


This Order shall be effective on February 6, 2016.

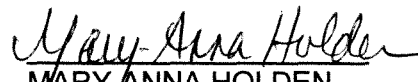
DATED:


Jan 28, 2016

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

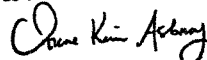

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
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 (2015) - DOCKET NO. ER15040399

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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, 2015 ("2015 Filing").

In its 2015 Filing, RECO initially proposed an increase in the rate for the SBC Component Programs to 0.3286 ¢/kWh, including sales and use tax ("SUT"), which reflected an increase over the previously existing rate of 0.2547 ¢/kWh, including SUT, for all classes of customers effective August 1, 2015, resulting in an SBC rate of 0.6017 ¢/kWh, including SUT. The proposed SBC rate of 0.6017 cents per kWh reflected Universal Service Fund ("USF") and Lifeline components of 0.1993 cents/kWh and 0.0738 cents/kWh, respectively, neither of which were addressed in this filing.

Since the 2015 Filing, the BPU increased the USF rate and decreased the Lifeline rate components of the SBC, and the Company's SBC rate on October 1, 2015 was 0.5503 ¢/kWh, including SUT. The Company has also recalculated the DSM and Clean Energy Components of the SBC based on actual data for the period August 1, 2014 through July 31, 2015. As a result of these factors, the SBC Component Programs of the SBC are increasing to 0.3269 ¢/kWh and the Company's proposed SBC rate is increasing from 0.5503 ¢/kWh to 0.6225 ¢/kWh, including SUT.

The rate includes an over-collection of \$586,908 for the period August 1, 2014 through July 31, 2015 and projected SBC Component Programs spending for the twelve-month period

ending July 31, 2016 in the amount of \$5,540,628.¹ 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 2015 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. Public hearings were held in Mahwah, New Jersey on January 7, 2016 at 4:30 P.M. and 5:30 P.M.

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 2015 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 rate of 0.6225 ¢/kWh ("Revised SBC"), including SUT. As set forth on Page 1 of 4 of Exhibit A attached hereto, this rate includes: a 0.3269 ¢/kWh rate for SBC Component Programs, including SUT, relating to the Company's over-collection of \$586,908, including interest, for prior period DSM and CEP costs for the period August 1, 2014 through July 31, 2015 ("2014-2015 Recovery Period") and projected SBC Component Programs costs of \$5,540,628 for the period August 1, 2015 through July 31, 2016. The Revised SBC also includes the 0.2232 ¢/kWh and 0.0724 ¢/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.

¹ The projected spending includes a credit for SESCO administrative costs in August 2015, which was not included for the period August 1, 2014 through July 31, 2015.

² These USF and Lifeline Rates were approved by the Board in its September 11, 2015 Order in Docket No. ER15060732 effective October 1, 2015, and were not the subject of this proceeding.

2. Customer Impact. As a result of the increase in the SBC to 0.6225 ¢/kWh, including SUT, a typical residential customer with an average monthly usage of 925 kWh will see an increase in their monthly bill of \$0.67, or 0.40 percent.

3. SBC Interest Rate. Interest on under- and over- recoveries 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. ER08060455³, 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"), in accordance with N.J.S.A. 48:2-40.

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.

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 2015 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 2015 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

³ In the Matter of the 2008/2009 Annual Compliance Filings for the Universal Service Fund Program Factor Within the Societal Benefits Charge Rate Pursuant to Section 12 of the 1999 Electric Discount

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.

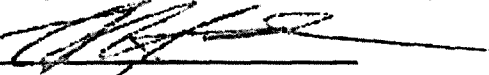
11. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

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

and Energy Competition Act, Docket No. ER08060455, Order dated October 21, 2008.

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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**

and Energy Competition Act, Docket No. ER08060455, Order dated October 21, 2008.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
BPU Docket No. ER15040399**

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT (¢/kWh)	Rate Incl. RA & SUT (¢/kWh)
DSM/Clean Energy Programs	0.3055	0.3269
Universal Service Fund	0.2086	0.2232
Lifeline	<u>0.0677</u>	<u>0.0724</u>
Total	0.5818	0.6225

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")¹
BPU Docket No. ER15040399**

Reconciliation of SBC for the Period August 1, 2014 - July 31, 2015

SBC Recoveries: (08/01/14 - 07/31/15) - See Page 3	\$4,495,736
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/14 - 07/31/15) - See Page 3	5,555,330
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	(1,638,187)
Total SBC Costs to be Recovered (08/01/14 - 07/31/15)	3,917,142
SBC (Over)/Under Recovery Balance	(578,594)
Interest (Over)/Under Recovery Balance - See Page 3	(8,314)
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2015	(\$586,908)

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2016	1,621,553,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000362)
Projected Spending - 12 months ending July 31, 2016 - See Page 4	\$5,540,628
\$ per kWh Projected Spending to be Surcharged	\$0.003417
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003055
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC including SUT (\$ per kWh)</u>	\$0.003269

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 2014 through July 2015 Cost Recovery Period**

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Total
<u>RECO</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	
SBC Recoveries	\$592,474	\$545,280	\$419,408	\$378,001	\$318,724	\$339,015	\$320,907	\$308,188	\$289,590	\$273,871	\$340,481	\$391,799	\$4,495,736
Prior Period Reconciliation Adj. ¹	(\$1,838,187)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,838,187)
Legacy Program Costs ²	(\$2,447)	\$0	\$67,010	\$0	\$0	\$58,442	\$29,221	\$58,442	\$29,221	\$29,221	\$29,221	\$28,221	\$328,553
CEP Program Costs	\$456,150	\$512,959	\$539,952	\$500,066	\$0	\$773,599	\$413,082	\$480,233	\$430,958	\$383,301	\$376,497	\$382,301	\$5,228,777
Total Program Costs	(\$1,184,484)	\$512,959	\$606,962	\$500,066	\$0	\$832,041	\$442,283	\$518,676	\$460,177	\$412,522	\$405,718	\$410,522	\$3,917,142
Interest - (Over)/Under Recovery	(\$937)	(\$1,008)	(\$903)	(\$827)	(\$976)	(\$822)	(\$848)	(\$816)	(\$454)	(\$392)	(\$365)	(\$368)	(\$8,314)
Total Program Costs Incl. Adjs. & Interest	(\$1,185,421)	\$511,951	\$605,759	\$499,239	(\$976)	\$831,219	\$441,637	\$518,060	\$459,723	\$412,130	\$405,353	\$410,154	\$3,908,828
(Over)/Under Recovery	(\$1,777,896)	(\$33,328)	\$186,353	\$123,238	(\$319,700)	\$492,204	\$120,730	\$209,873	\$190,134	\$138,259	\$84,872	\$18,355	(\$586,908)
Interest Rate (%) ³	1.07%	1.13%	1.13%	1.12%	1.09%	1.26%	1.09%	1.26%	1.15%	1.20%	1.24%	1.29%	

Notes: ¹ Over recovery for the period August 1, 2013 through July 31, 2014 per Exhibit A, Page 3 of 5 of Stipulation of Settlement dated October 9, 2014, in Docket Numbers' ER13060537 and ER14050439 adopted by the Board in its Order dated October 22, 2014.

² Per the Company's response to RCR-SBC-9, the Company planned to deduct administrative costs (in the amount of \$1,000 from Legacy Program costs) for the true-up period ending July 2015. Although the Company, BPU Staff, and NJ Rate Counsel are all aware that the processing for this cost did not occur until August 2015, the parties agreed \$1,000 deduction still be shown in the July Legacy Program Costs so that it would be captured in the (Over)/Under Recovery balance for the true-up period.

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 No. ER15040389**

SBC Projected Program Costs: August 2015 - July 2016 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-15	\$456,150	\$19,964	\$476,114
Sep-15	511,008	17,824	528,832
Oct-15	537,600	29,221	566,822
Nov-15	498,165	29,221	527,386
Dec-15	402,796	29,221	432,018
Jan-16	367,861	29,221	397,082
Feb-16	411,492	29,221	440,713
Mar-16	458,483	29,221	487,704
Apr-16	429,317	29,221	458,538
May-16	381,843	29,221	411,064
Jun-16	375,065	29,221	404,286
Jul-16	<u>380,847</u>	<u>29,221</u>	<u>410,068</u>
Total	\$5,210,628	\$330,000	\$5,540,628

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. 58 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include costs associated with USF and Lifeline.

2 The Company's projected Clean Energy Program costs for the twelve month period ending July 2016 reflects the FY16 amounts approved by the BPU in Docket No. QO15040476 dated June 17, 2015. It should also be noted that the cost estimates for CEP reflect a two month lag from the approved schedule to reflect the months with which these amounts will be remitted to the BPU.

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 ~~0.54000~~ 0.6225 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	0.27000 <u>0.2086</u>	0.28400 <u>0.2232</u>
Universal Service Fund	0.2086	0.2232
Lifeline	0.0677	0.0724
Total SBC	0.44200 <u>0.5315</u>	0.55000 <u>0.6225</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: Timothy Cawley, President
Mahwah, New Jersey 07430