

Agenda Date: 6/29/16 Agenda Item: 2B

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

# ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – 2014 ANNUAL TRUE-UP	) ) ) )	ORDER APPROVING STIPULATION DOCKET NO. E014090972
IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – 2015 ANNUAL TRUE-UP	) ) ) )	DOCKET NO. ER15090996
IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – LOW INCOME AUDIT II PROGRAM 2015 ANNUAL TRUE-UP	) ) ) )	DOCKET NO. ER15040424

# Parties of Record:

Margaret Comes, Esq., 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 "Signatory Parties") intended to resolve the Company's 2014 and 2015 True-Up proceedings associated with the Company's Energy Efficiency Stimulus Program and the Low Income Audit II Program 2015 Annual True-Up in Docket Nos. EO14090972, ER15090996, and ER15040424, respectively.

# BACKGROUND/PROCEDURAL HISTORY

By Order dated November 23, 2009 in Docket Nos. EO09010056 and EO09010061, the Board approved a stipulation establishing an Energy Efficiency Stimulus Program ("2009 EES Program") with three energy efficiency components to be implemented for one year ending December 31, 2010.<sup>1</sup> ("November 2009 Order") The 2009 EES Program included three subprograms: (1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; (2) an On-Line Energy Audit Sub-Program, where the Company selected a vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and (3) a Low Income Audit and Install Sub-Program ("Low Income Audit | Program") where the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency measures at no cost to the The November 2009 Order authorized the Company to recover all revenue customer. requirements associated with the 2009 EES Program through a non-bypassable surcharge on all distribution customers ("RGGI surcharge"). The RGGI surcharge included both the amortization of the regulatory asset and the incremental operating and maintenance expenses associated with the 2009 EES Program. Pursuant to the November 2009 Order, the Company is required to submit annual cost recovery filings to establish future RGGI surcharge rates.

By Order dated March 20, 2013 ("March 20 Order"), the Board authorized the Company to extend the Low Income Audit I Program portion of the 2009 EES Program through December 31, 2013 or until all remaining funds were expended, with a close-out period to end March 31, 2014 ("EES Program").<sup>2</sup> RECO agreed to submit a filing pursuant to <u>N.J.S.A.</u> 48:3-98.1 that complied with the Minimum Filing Requirements set out in Appendix A of the Board's May 12, 2008 Order in Docket No. EO08030164 within ninety days of the effective date of the March 20 Order. By petition dated June 21, 2013, the Company filed for authorization to implement a Low Income Audit and Direct Install Energy Efficiency II Program ("Low Income Audit II Program"). By Order dated April 24, 2014, the Board approved the Low Income Audit II Program, which was similar to the Low Income Audit I Program.<sup>3</sup>

# **EES Cost Recovery Petitions**

By petition dated August 28, 2014, the Company filed its 2014 true-up for the EES Program in Docket No. EO14090972. The 2014 true-up proposed an increase in the EES Program rate to 0.0465 cents per kWh, including Sales and Use Tax ("SUT") (0.0435 cents per kWh, excluding SUT).

By petition dated September 1, 2015, the Company filed its 2015 true-up for the EES Program in Docket No. ER15090996. The 2015 true-up proposed a decrease in the EES Program rate to 0.0184 cents per kWh, including SUT (0.0172 cents per kWh, excluding SUT). On October 19,

<sup>&</sup>lt;sup>1</sup> In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. E009010056 and E009010061, Order dated November 23, 2009.

<sup>&</sup>lt;sup>2</sup> In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery Mechanism – Extension Request, BPU Docket No. EO12121073, Order dated March 20, 2013.

<sup>&</sup>lt;sup>3</sup> In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535, Order dated April 24, 2014.

2015, in response to discovery in Docket No. ER15090996, the Company updated its actual expenses and revenues for the EES Program through September 30, 2015, and its projected expenses and revenues for the remainder of 2015. As a result of the update, the proposed EES Program rate decreased from its current rate of 0.0307 cents per kWh, including SUT, to 0.0179 cents per kWh, including SUT (0.0168 cents per kWh, excluding SUT).

# Low Income Audit II Program Cost Recovery Petition

By petition dated January 30, 2015, the Company filed its 2015 true-up for the Low Income Audit II Program in Docket No. ER15040424. The 2015 true-up proposed a decrease in the Low Income Audit II Program component rate of the RGGI surcharge to 0.0015 cents per kWh, including SUT (0.0014 cents per kWh, excluding SUT). On April 21, 2015 the Company updated its actual expenses and revenues through February 28, 2015 and its projected expenses and revenues for the remainder of 2015. As a result of the updates, the proposed Low Income Audit II Program component of the RGGI Surcharge rate decreased from the current rate of 0.0083 cents per kWh to 0.0013 cents per kWh, including SUT (0.0012 cents per kWh, excluding SUT).

As a result of the updates to the EES Program and the Low Income Audit II Program, the Company's current composite RGGI Surcharge of 0.0390 cents per kWh, including SUT (0.0365 cents per kWh, excluding SUT), decreases to a composite rate 0.0192 cents per kWh, including SUT (0.0180 cents per kWh, excluding SUT).

# **STIPULATION**

Following discovery, the Signatory Parties reached a settlement of all issues in the above three dockets and on May 18, 2016 executed the Stipulation. The Stipulation provides the following:<sup>4</sup>

The Signatory Parties agree that the Company will implement a RGGI Surcharge 11. of 0.0192 cents per kWh, including SUT (0.0180, excluding SUT), to be effective the first day of the month following service of the Board Order approving the Stipulation. As set forth in Appendix A and Appendix B attached to the Stipulation, the RGGI Surcharge contains two components: (1) an EES Program surcharge of 0.0179 cents per kWh, including SUT (0.0168, excluding SUT), and (2) a Low Income Audit II Program surcharge of 0.0013 cents per kWh, including SUT (0.0012 cents per kWh, excluding SUT). The updated rate for the EES Program is based on the actual program costs and recoveries from January 2014 to September 2015, estimated program costs and recoveries from October 2015 to December 2015, and an estimated revenue requirement for calendar year 2016. The rate for the Low Income Audit II Program is based on actual program costs and recoveries from June 2014 to December 2014, and an estimated revenue requirement for calendar year 2015. Currently, the EES Program trueup is required to be filed annually by September 1 with actual data from January through July, and estimated data from August through December. The Low Income Audit II Program true-up is required to be filed annually by February 1 with actual data from January through December of the prior year. The Signatory

<sup>&</sup>lt;sup>4</sup> 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.

Parties further agree that going forward, RECO will file one annual petition to review both the EES Program and the Low Income Audit II Program true-ups.

- 12. The Signatory Parties agree that the future annual filings referred to in paragraph 11 of the Stipulation will be filed annually by February 1, commencing 2017. When filing future petitions, RECO will provide electronic files supporting its petition with all formulas intact via email to Board Staff and Rate Counsel. The filings will contain actual data for January through December of the prior year for both components of the Company's RGGI Surcharge. The Company will not be required to make a true-up filing for the EES Program in 2016. The 2017 filing will contain actual data from October 1, 2015 through December 31, 2016 for the EES. The Signatory Parties note that there is currently a cost recovery petition pending with respect to the Low Income Audit II Program which was filed by RECO on January 29, 2016 and assigned Docket No. ER16020097. A clean and redline version of the RGGI Surcharge tariff showing the change in filing dates and rates is attached to the Stipulation as Exhibit C.
- 13. The Signatory Parties agree that the proposed rate, as set forth in Appendix B, attached to the Stipulation, is just and reasonable and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which the Board Order approving the Stipulation is served on the parties of record.
- 14. If the Board approves the Stipulation, a RGGI Surcharge will be set at 0.0192 cents per kWh, including SUT (0.0180 cents per kWh excluding SUT), as set forth in Appendix B to the Stipulation, which would be in effect until changed by the Board. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will decrease \$0.13 from \$115.41 to \$115.28, or 0.11%.

# **DISCUSSION AND FINDING**

The Board has carefully reviewed the records in these matters. Accordingly, the Board is satisfied and <u>HEREBY</u> <u>FINDS</u> that the Stipulation represents a fair and reasonable resolution of the issues and is in public interest. The Board <u>HEREBY</u> <u>ADOPTS</u> the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein. The Board <u>HEREBY</u> <u>DIRECTS</u> the Signatory Parties to comply with the terms and conditions incorporated within the Stipulation.

As a result of the Board's approval of the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will decrease \$0.13 from \$115.41 to \$115.28, or 0.11%.

The Board <u>HEREBY</u> <u>DIRECTS</u> the Company to file, within five (5) 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 August 1, 2016.

This Board Order shall be effective on July 9, 2016. DATED: BOARD OF PUBLIC UTILITIES 6 BY: RICHARD S. MROZ PRESIDENT IOSEPH L. FIORDALISO M COMMISSIONER COMMISSIONER DIANNE SOLOMON **UPENDRA J. CHIVUKULA** COMMISSIONER COMMISSIONER ATTEST: IRENE KIM KSBURI 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 VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – 2014 ANNUAL TRUE-UP BPU DOCKET NO. EO14090972

# IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – 2015 ANNUAL TRUE-UP BPU DOCKET NO. ER15090996

# IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – LOW INCOME AUDIT II PROGRAM 2015 ANNUAL TRUE–UP BPU DOCKET NO. ER15040424

## SERVICE LIST

Jerome May, Director Division of Energy Board of Public Utilities 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314 Post Office Box 350 Trenton, NJ 08625-0350 Jerome.may@bpu.state.nj.us

Irene Kim Asbury, Esq. Secretary of the Board Board of Public Utilities 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314 Post Office Box 350 Trenton, NJ 08625-0350 Irene.asbury@bpu.state.nj.us

Andrea Reid Division of Energy Board of Public Utilities 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314 Post Office Box 350 Trenton, NJ 08625-0350 <u>Andrea.reid@bpu.state.nj.us</u>

Diane Schulze, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003 dschulze@rpa.state.nj.us Stacy Peterson Division of Energy Board of Public Utilities 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314 Post Office Box 350 Trenton, NJ 08625-0350 <u>Stacy.peterson@bpu.state.nj.us</u>

Rachel Boylan, Esq. Counsel's Office Board of Public Utilities 44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314 Post Office Box 350 Trenton, NJ 08625-0350 Rachel.boylan@bpu.state.nj.us

Stefanie A. Brand, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003 <u>sbrand@rpa.state.nj.us</u>

Ami Morita, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003 amorita@rpa.state.nj.us James Glassen, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003 jglassen@rpa.state.nj.us

Christopher Psihoules, Esq. Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029 Christopher.psihoules@dol.lps.state.nj.us

Alex Moreau, Esq. Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029 Alex.moreau@dol.lps.state.nj.us Geoffrey Gersten, Esq. Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029 <u>Geoffrey.gersten@dol.lps.state.nj.us</u>

Caroline Vachier, Esq. Division of Law 124 Halsey Street Post Office Box 45029 Newark, NJ 07101-45029 Caroline.vachier@dol.lps.state.nj.us

Margaret Comes, Esq. Rockland Electric Company 4 Irving Place – Room 1815-S New York, NY 10003-0987 <u>COMESM@coned.com</u>

# STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

I/M/O THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – 2014 ANNUAL TRUE-UP	STIPULATION BPU DOCKET NO. E014090972
I/M/O THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY - 2015 ANNUAL TRUE-UP	BPU DOCKET NO. ER15090996
I/M/O THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – LOW INCOME AUDIT II PROGRAM 2015 ANNUAL TRUE-UP	BPU DOCKET NO. ER15040424

#### **APPEARANCES:**

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Brian O. Lipman, Litigation Manager, Felicia Thomas-Friel, Deputy Rate Counsel and Kurt S. Lewandowski, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanic A. Brand, Director)

Alex Moreau and Christopher Psihoules, Deputy Attorneys General, for Staff of the New Jersey Board of Public Utilities (Robert Lougy, Acting Attorney General of New Jersey)

# TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, as of the 18<sup>th</sup> day of May 2016, by and among Rockland Electric

Company ("RECO" or the "Company"), the Staff of the New Jersey Board of Public Utilities

("Staff"), and the Division of Rate Counsel ("Rate Counsel") (referred to collectively as the "Signatory Parties") to execute this Stipulation of Settlement ("Stipulation") and join in recommending that the New Jersey Board of Public Utilities (the "Board") issue a Final Decision and Order approving this Stipulation, including the attachments and proposed sheets of the Company's electric service tariff as set forth herein.

#### **BACKGROUND**

1. By this Stipulation, the Company establishes a revised rate for its Regional Greenhouse Gas Initiative ("RGGI") Surcharge, which currently has two components: (1) the Energy Efficiency Stimulus Program ("EES Program") component, and (2) the Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit II Program") component.

2. The EES Program was established by the Board in its Decision and Order Approving Stipulation dated November 23, 2009 ("November 2009 Order") in Docket Nos. EO09010056 and EO09010061, and was approved as a one-year program. The 2009 EES Program included three sub-programs: (1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; (2) an On-Line Energy Audit Sub-Program ("On-Line Sub-Program"), where the Company selected a vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and, (3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program") where the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency measures at no cost to the customer.

3. The Company implemented the three sub-programs, but after the first year of the EES Program the company found a lack of customer interest in the Residential Enhanced Rebate Sub-

Program and spending was less than anticipated. There was, however, continued interest in the Low Income Audit I Program component of the original EES Program sub-components. The Company requested, and the Board approved, extensions of the Low Income Audit I Program portion of the EES Program through December 31, 2013 or until all remaining funds were expended, with a close-out period to end March 31, 2014.<sup>1</sup>

4. On June 21, 2013, the Company filed a Verified Petition in Docket No. ER13060535 ("Petition") seeking Board approval to administer a new energy efficiency program called the Low Income Audit and Direct Install Program Energy Efficiency II Program ("Low Income Audit II"), which was similar to the Low Income Audit I program. The Low Income Audit II Program was approved by Board Order dated April 24, 2014 in Docket No. ER13060535.

5. The Company has since filed 2014 and 2015 true-ups for the EES Program component of the RGGI Surcharge, and a 2015 true-up for the Low Income Audit II Program component of the RGGI Surcharge.

6. By petition dated August 28, 2014, the Company filed its 2014 true-up for the EES Program in Docket No. EO14090972. The 2014 true-up proposed an increase in the EES Program rate to 0.0465 cents per kWh, including Sales and Use Tax ("SUT") (0.0435 cents per kWh, excluding SUT).

7. By petition dated September 1, 2015, the Company filed its 2015 true-up for the EES Program in Docket No. ER15090996. The 2015 true-up proposed a decrease in the EES Program rate to 0.0184 cents per kWh, including SUT (0.0172 cents per kwh, excluding SUT). In response to discovery in Docket No. ER15090996, on October 19, 2015, the Company updated its actual

<sup>&</sup>lt;sup>1</sup> See Decision and Order Approving Stipulation, Docket No. EO10120987 (March 30, 2011); Decision and Order Approving Stipulation, Docket No. EO12020115 (March 12, 2012); and Decision and Order Approving Stipulation, Docket No. EO12121073 (March 20, 2013).

expenses and revenues for the EES Program through September 30, 2015, and its projected expenses and revenues for the remainder of 2015. As a result of the update, the proposed EES Program rate decreased from its current rate<sup>2</sup> of 0.0307 cents per kWh, including SUT, to 0.0179 cents per kWh, including SUT (0.0168 cents per kWh, excluding SUT).

8. By petition dated January 30, 2015, the Company filed its 2015 true-up for the Low Income Audit II Program in Docket No. ER15040424. The 2015 true-up proposed a decrease in the Low Income Audit II Program component rate of the RGGI surcharge to 0.0015 cents per kWh, including SUT (0.0014 cents per kWh, excluding SUT). On April 21, 2015 the Company updated its actual expenses and revenues through February 28, 2015 and its projected expenses and revenues for the remainder of 2015. As a result of the updates, the proposed Low Income Audit II Program component of the RGGI Surcharge rate decreased from the current rate of 0.0083<sup>3</sup> cents per kWh to 0.0013 cents per kWh, including SUT (0.0012 cents per kWh, excluding SUT).

9. As a result of the updates to the EES Program and the Low Income Audit II Program, the Company's current RGGI Surcharge of 0.0390 cents per kWh, including SUT (0.0365 cents per kWh, excluding SUT), decreases to 0.0192 cents per kWh, including SUT (0.0180 cents per kWh, excluding SUT).

10. The Signatory Parties have now agreed to submit this Stipulation to the Board for its review and approval, the terms of which are set forth herein. Specifically, the Signatory Parties hereby STIPULATE AND AGREE as follows:

#### STIPULATED MATTERS

<sup>&</sup>lt;sup>2</sup> Rate effective November 1, 2014 as approved in NJBPU Docket No. ER12080795 (Board Order dated October 22, 2014.

<sup>&</sup>lt;sup>3</sup> Rate effective June 1, 2014 as approved in NJBPU Docket No. ER13060535 (Board Order dated April 24, 2013).

#### A. RGGI Surcharge

11. The Signatory Parties agree that the Company will implement a RGGI Surcharge of 0.0192 cents per kWh, including SUT (0.0180, excluding SUT), to be effective the first day of the month following service of the Board Order approving this Stipulation. As set forth in Appendix A and Appendix B attached to this Stipulation, the RGGI Surcharge contains two components: (1) an EES Program surcharge of 0.0179 cents per kWh, including SUT (0.0168, excluding SUT), and (2) a Low Income Audit II Program surcharge of 0.0013 cents per kWh. including SUT (0.0012 cents per KWh, excluding SUT). The updated rate for the EES Program is based on the actual program costs and recoveries from January 2014 to September 2015, estimated program costs and recoveries from October 2015 to December 2015, and an estimated revenue requirement for calendar year 2016. The rate for the Low Income II Program is based on actual program costs and recoveries from June 2014 to December 2014, and an estimated revenue requirement for calendar year 2015. Currently, the EES Program true-up is required to be filed annually by September 1 with actual data from January through July, and estimated data from August through December. The Low Income Audit II Program true-up is required to be filed annually by February 1 with actual data from January through December of the prior year. The Signatory Parties further agree that going forward, RECO will file one annual petition to review both the EES Program and the Low Income Audit II Program true-ups.

12. The Signatory Parties agree that the future annual filings referred to in paragraph 11 above will be filed annually by February 1, commencing 2017. When filing future petitions, RECO will provide electronic files supporting its petition with all formulas intact via email to Board Staff and Rate Counsel. The filings will contain actual data for January through December of the prior year for both components of the Company's RGGI Surcharge. The

Company will not be required to make a true-up filing for the EES Program in 2016. The 2017 filing will contain actual data from October 1, 2015 through December 31, 2016 for the EES. The Signatory Parties note that there is currently a cost recovery petition pending with respect to the Low Income Audit II Program which was filed by RECO on January 29, 2016 and assigned Docket No. ER16020097. A clean and redline version of the RGGI Surcharge tariff showing the change in filing dates and rates is attached as Exhibit C.

13. The Signatory Parties agree that the proposed rate, as set forth in Appendix B, attached hereto, is just and reasonable and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which the Board Order approving this Stipulation is served on the parties of record.

#### **B.** Rate Impact

14. If the Board approves this Stipulation, a RGGI Surcharge will be set at 0.0192 cents per kWh, including SUT (0.0180 cents per kWh excluding SUT), as set forth in Appendix B, which would be in effect until changed by the Board. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will decrease \$0.13 from \$115.41 to \$115.28, or 0.11%.

## CONCLUSION

15. This Stipulation 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 Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.

16. More particularly, in the event this Stipulation 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 Stipulation as though this Stipulation had not been signed. It is the intent of the Signatory Parties that the provisions hereof be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, the Board, its 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 and, in total or by specific item.

17. The Signatory Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

# ROCKLAND ELECTRIC COMPANY

By:

Margaret Comes Attorney for Rockland Electric Company

DIVISION OF RATE COUNSEL STEFANIE A. BRAND, DIRECTOR

By:

Kurt S. Lewandowski, Esq.

Asst. Deputy Rate Counsel

# STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES ROBERT LOUGY, ACTING ATTORNEY-GENERAL OF N<u>EW J</u>ERSEY

By: Christopher M Psihoules Deputy Attorney General

Appendix A Schedule 1 Page 1 of 17

#### ROCKLAND ELECTRIC COMPANY

# Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge

# Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

EES Program Recoveries (January 1, 2015 - December 31, 2015)	\$474,385
EES Program Revenue Requirement	161,722
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>485,216</u>
EES Program (Over)/Under Recovery Balance	172,553
Interest (Over)/Under Recovery Balance	<u>2,415</u>
Total EES Program (Over)/Under Recovery Balance for 12 ME 12/31/2015 <sup>1</sup>	174,968
Revised Projected Sales (kWh) 12 months ending December 31, 2016	1,639,187,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000107
Sales and Use Tax ("SUT")	1.07
EES Program Reconciliation Adjustment	\$0.000114

#### Determination of Forecast EES Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2016	\$100,112
Revised Projected Sales (kWh) 12 months ending December 31, 2016	1,639,187,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000061
Sales and Use Tax ("SUT")	1.07
EES Program Charge	\$0.000065

#### RGGI Surcharge

Proposed EES Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000168
Proposed EES Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000179

Notes: <sup>1</sup> Amount reflects actuals from January through September 2015, and estimates from October throught December 2015.

Appendix A Schedule 1 Page 2 of 17

# **ROCKLAND ELECTRIC COMPANY**

.....

-----

.....

.

\_\_\_\_\_

# **Determination of RGGI Surcharge**

.

RGGI Rate Components	Excl. SUT <u>(¢/kWh)</u>	lnci. SUT <u>(¢/kWh)</u>
EES Program	0.0168	0.0179

Appendix A Schedule 1 Page 3 of 17

i.

#### ROCKLAND ELECTRIC COMPANY

#### Calculation of Over/Under Recovery Associated with EES Program Component of RGGI Surcharge

	<u>Jan-15</u> Actual	<u>Feb-15</u> Actual	<u>Mar-15</u> Actual	<u>Apr-15</u> Actual	<u>May-15</u> Actual	<u>Jun-15</u> Actual	<u>Jul-15</u> Actual	<u>Aug-15</u> Actual	<u>Sep-15</u> Actual	<u>Oct-15</u> Estimate	<u>Nov-15</u> Estimale	<u>Dec-15</u> Estimate	Total
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement @ WACC =7.83%	\$14,272	\$14,202	\$14,125	\$14,043	\$13,965	\$13,869	\$13,788	\$13,531	\$13,341	\$13,226	\$12,313	\$11,047	\$161,722
Prior Period Reconciliation Adj. <sup>1</sup>	485,216												\$485,216
Monthly Recoveries	40,869	38,641	37,153	32,500	33,016	41,046	47,233	49,756	47,210	36,376	32,650	37,936	\$474,385
(Over)/Under Recovery	\$ <u>458,619</u>	( <b>\$24.4</b> 39)	(\$23,028)	( <u>\$18,457</u> )	( <b>\$19,051</b> )	(\$27,177)	(\$33,445)	(\$36,224)	(\$33,869)	(\$23,150)	(\$20,337)	(\$26,889)	\$ <u>172,553</u>
•													
2. Determination of Interest													
(Over)/Under Recovery	\$ <u>458,619</u>	(\$24,439)	(\$23,028)	(\$18,457)	( <u>\$19,051</u> )	(\$27,177)	(\$33,445)	(\$36,224)	(\$33,869)	(\$23,150)	(\$20,337)	( <b>\$</b> 26,889)	\$ <u>172,553</u>
Beginning Balance - (Over)/Under Recovery Ending Balance (Over)/Under Recovery	\$485,216 \$458,619	\$458,619 \$434,179	\$434,179 \$411,152	\$411,152 \$392,695	\$392,695 \$373,643	\$373,643 \$346,467	\$346,467 \$313,022	\$313,022 \$276,798	\$276,798 \$242,929	\$242,929 \$219,779	\$219,779 \$199,442	\$199,442 \$172,553	
Average Batance (Over)/Under Average Balance (Over)/Under - Net of Tax	\$471,917 \$279,139	\$446,399 \$264,045	\$422,665 \$250.007	\$401,923 \$237,737	\$383,169 \$226,644	\$360,055 \$212,973	\$329,744 \$195.044	\$294,910 \$174,439	\$259,863 \$153,709	\$231,354 \$136,846	\$209,610 \$123,984	\$185,997 \$110,017	
Interest Rate (Annual) 2	3279,139	a∠04,045 1.09%	\$250,007 1.26%	\$237,737 1.15%	\$226,644 1.20%	1.24%	1.29%	3174,439 1.28%	\$155,709	\$130,040 1.24%	3123,964 1.24%	1.24%	
Interest Rate (Monthly)	0.11%	0.09%	0.11%	0.10%	0.10%	0.10%	0.11%	0.11%	0.11%	0.10%	0.10%	0.10%	
Interest (To Customer) /To Company	\$293	\$240	\$263	\$228	\$227	\$220	\$210	\$186	\$167	\$141	\$128	\$114	\$ <u>2,415</u>

Total (Over)/Under Collection Including Interest \$174,968

.

Notes: ' Under recovery for the prior period as seen on Page 10 of 19.

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

Appendix A Schedule 1 Page 4 of 17

.

## ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the EES Program Component of the RGGI Surcharge

. .

.

•

SC No.	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	Aug-15	<u>Sep-15</u>	<u>Total</u>
1	\$19,449.58	\$17,523.61	\$15,945.40	\$14,014.88	\$14,317.50	\$20,343.75	\$25,298.99	\$27,834.47	\$25,350.01	\$180,078.19
2	17,109.78	17,208.50	16,608.58	14,934.65	14,887.15	16,326.71	18,507.20	18,081.72	18,625.02	\$152,289.31
3	10.26	10.43	9.00	6.72	5.36	6.99	7.13	6.80	7.68	\$70.37
4	207.50	170.84	170.18	144.79	131.80	118.56	127.09	141.48	156.31	\$1,368.54
5	601.87	599.12	516.88	398.43	272.98	338.47	404.99	513.56	433.59	\$4,079.89
6	170.69	137.58	125.04	133.05	131.37	121.35	123.79	114.79	140.00	\$1,197.67
7	<u>6,180.47</u>	<u>5,696.12</u>	<u>6,378.37</u>	<u>5,142.26</u>	<u>5,580.93</u>	<u>6,663.39</u>	<u>6,069.62</u>	<u>6,545.70</u>	<u>5,801.96</u>	<u>\$54,058.82</u>
Total	\$43,730.14	\$41,346.20	\$39,753.46	\$34,774.78	\$35,327.08	\$43,919.22	\$50,538.82	\$53,238.53	\$50,514.56	\$393,142.79
Total Excluding SUT	\$40,869.30	\$38,641.30	\$37,152.80	\$32,499.80	\$33,016.00	\$41,046.00	\$47,232.50	\$49,755.60	\$47,209.90	\$367,423.20

.

Appendix A Schedule 1 Page 5 of 17

# ROCKLAND ELECTRIC COMPANY

# EES Program Component of RGGI Surcharge Basic Assumptions

# Effective August 1, 2014

Amortization Period	60 Months
Equity Ratio	50.35%
Return on Equity	9.75%
Equity Component	4.91%
After-Tax WACC	7.83%
Effective Tax Rate	40.85%
Interest Expense	2.92%

.....

.....

Appendix A Schedule 1 Page 6 of 17

#### ROCKLAND ELECTRIC COMPANY

#### EES PROGRAM COMPONENT OF RGGI SURCHARGE PROGRAM SPENDING

	<u>Jan-15</u> <u>Actual</u>	Feb-15 Actual	<u>Mar-15</u> Actual	<u>Apr-15</u> <u>Actual</u>	<u>May-15</u> <u>Actual</u>	Jun-15 Actual	<u>Jul-15</u> Actual	<u>Aug-15</u> <u>Actual</u>	<u>Sep-15</u> <u>Actual</u>	<u>Oct-15</u> Estimate	<u>Nov-15</u> Estimate	<u>Dec-15</u> Estimate	<u>Total</u>	
Program Implementation Spending														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	
Program Incentive (Customer)														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	0 0 <u>0</u>	0 0 0	0 0 <u>0</u>	0 0 <u>0</u>	0 0 0	0 0 <u>0</u>	0 . 0 <u>0</u>	0 0 <u>0</u>	0 0 <u>0</u>	0 0 0	0 0 <u>0</u>	0 0 <u>0</u>	\$0 D O	
Total Program Spending	Đ	0	0	0	0	0	0	0	0	0	0	0	\$0	
O&M Spending														
Administration														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$D 0 0	\$0 0 0	\$0 0 0	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 0	\$0 0 Q	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 .0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 0	
Total	٥	0	0	0	. 0	0	0	0	0	0	o	0	\$0	
Marketing														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 0	
Total	0	0	0	0	0	0	0	0	0	0	0	0	\$0	
Evaluation														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$D 0 0	\$0 0 0	
Total	0	0	0	0	Û	0	0	0	0	0	0	0	\$0	
<u>Total O&amp;M</u>														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	
Total	0	0	0	0	0	0	0	0	0	0	0	0	\$0	
Total Spending														
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line Total	\$0 0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0 0	.\$0 0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0	\$0 0 0 \$0	

Appendix A Schedule 1 Page 7 of 17

# Case ER13111135

# Rockland Electric Company Electric Service Settlement Agreement Consolidated Capital Structure For Twelve Months Ending March 31, 2014 (000's)

					Weighted	Weighted
	1	Amount		Cost	Average	Average
	(\$00		Ratio	Rate	Ratio	Ratio
Long Term Debt	\$	603.6	49.65%	5.89%	2.92%	2.92%
Common Equity		612	50.35%	9.75%	4.91%	8.31%
Total	\$	1,215.8	100%	-	7.83%	11.24%

Appendix A Schedule 1 Page 8 of 17

## ROCKLAND ELECTRIC COMPANY

# EES Program Component of RGGI Surcharge 2015 Revenue Requirement Revenue Requirement For Use in Calculation of (Over)/Under Collection

	<u>Jan-15</u> <u>Actual</u>	Feb-15 Actual	<u>Mar-15</u> <u>Actual</u>	<u>Apr-15</u> <u>Actual</u>	May-15 Actual	<u>Jun-15</u> <u>Actual</u>	<u>Jul-15</u> <u>Actual</u>	<u>Aug-15</u> <u>Actual</u>	Sep-15 Actual	<u>Oct-15</u> Estimate	<u>Nov-15</u> Estimate	<u>Dec-15</u> Estimate
1. Program Spending 2. Cumulative Spending	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983
3. 4.												
5. Gross Expenditures	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	469,570	482,236	494,896	507,543	<u>520,182</u>	<u>532,795</u>	545,397	557,810	570,102	582,346	593,740	603,925
7. Net Expenditures	290,413	277,747	265,087	252,440	239,801	227,188	214,586	202,173	189,881	177,637	166,243	156,058
8. Accumulated Deferred Tax	<u>118,735</u>	<u>113,561</u>	108,389	103,223	98,060	92,907	<u>87,759</u>	<u>82,688</u>	77,667	72,666	<u>68,011</u>	63,851
<ol><li>Under/(Over) Recovery Balance</li></ol>	171,679	164,186	156,698	149,218	141,741	134,281	126,827	119,484	112,214	104,972	98,232	92,207
10.												
11. Return Requirement	1,121	1,072	1,023	974	925	877	828	780	733	685	641	602
12. Equity Portion	702	672	641	610	580	549	519	489	459	429	402	377
13.												
14.												
15. Revenue	14,272	14,202	14,125	14,043	13,965	13,869	13,788	13,531	13,341	13,226	12,313	11,047
16.												
17. Expenses:												
18. Amortization	12,666	12,666	12,659	12,647	12,639	12,613	12,602	12,414	12 292	12,244	11,394	10,185
19. Administrative Costs					- / <b>-</b>							
20. Interest Expense	418	400	382	364	345	327	309	291	273	256	239	225
21. Deferred Expenses	Ō	0	<u>0</u>	<u>0</u>	0	0	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	<u>0</u>
22. Taxable income	1,187	1,136	1,084	1,032	980	929	877	826	776	726	679	638
23. Federal and State Taxes	<u>485</u> 702	<u>464</u> 672	<u>443</u> 641	<u>422</u> 610	<u>400</u> 580	<u>379</u> 549	<u>358</u> 519	<u>338</u> 489	<u>317</u> 459	<u>297</u> 429	<u>278</u> 402	<u>261</u> 377
24. Net Income	102	0/2	041	610	300	349	219	409	459	423	402	3//
25. 26.												
20. 27. Deferred Cost Recovery (from 15 above)	14,272	14,202	14,125	14.043	13,965	13,869	13,788	13,531	13,341	13,226	12,313	11,047
28. O&M	<u>14,272</u>	14,202 <u>0</u>	1-1,120	0	13,805 <u>0</u>	13,009 0	13,788 Q	<u>0</u>	10,041 Q	0	12,515 <u>0</u>	0
29. Total Revenue Requirement	14,272	14,202	14,125	14,043	13.965	13.869	13,788	13,531	13,341	13,226	12,313	11,047
zo. Total (torondo ricidali Gilicita	17,212	17,202		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.0,000	10,000	10,100				,010	,
									12	Month Total		161,722

.

.

.

.

Appendix A Schedule 1 Page 9 of 17

#### ROCKLAND ELECTRIC COMPANY

# EES Program Component of RGGI Surcharge 2016 Projection of Revenue Requirement Revenue Requirement For Use in Calculation of (Over)/Under Collection

	<u>Jan-16</u> Estimate	<u>Feb-16</u> Estimate	<u>Mar-16</u> Estimate	<u>Apr-16</u> Estimate	<u>May-16</u> Estimate	<u>Jun-16</u> Estimate	<u>Jul-16</u> Estimate	<u>Aug-16</u> Estimate	<u>Sep-16</u> Estimate	<u>Oct-16</u> Estimate	<u>Nov-16</u> Estimate	Dec-16 Estimate
1. Program Spending 2. Cumulative Spending	0 759,983	0 759,963	0 759,983	0 759,983								
3. 4.												
5. Gross Expenditures	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	<u>614,119</u>	623,034	631,730	<u>639,685</u>	<u>647,577</u>	655,235	663,055	<u>670,417</u>	677,563	684,230	<u>691,117</u>	<u>697,273</u>
<ol><li>Net Expenditures</li></ol>	145,864	136,949	128,253	120,298	112,406	104,748	96,928	89,566	82,420	75,753	68,866	62,710
8. Accumulated Deferred Tax	<u>59,686</u>	<u>56,045</u>	<u>52,492</u>	<u>49,243</u>	<u>46,019</u>	42,890	<u>39.696</u>	36,688	<u>33,770</u>	<u>31,046</u>	28,233	25,718
9. Under/(Over) Recovery Balance	86,178	80,905	75,761	71,055	66,387	61,857	57,232	52,877	48,651	44,707	40,633	36,992
10.												
11. Return Requirement	563	528	495	464	433	404	374	345	318	292	265	241
12. Equity Portion	353	331	310	291	272	253	234	216	199	183	166	151
13.												
14.												
15. Revenue	11,000	9,671	9,405	8,619	8,513	8,236	8,356	7,857	7,600	7,086	7,267	6,502
16.												
17. Expenses:												
18. Amortization	10,194	8,914	8,696	7,955	7,892	7,658	7,820	7,362	7,145	6,668	6,887	6,156
19. Administrative Costs 20. Interest Expense		407	185	173	162	1 <del>5</del> 1	139	129	119	109	00	00
20. Interest Expense 21. Deferred Expenses	210	197									99	90
21. Dererred Expenses 22. Taxable Income	<u>0</u> 596	<u>D</u> 560	<u>0</u> 524	<u>0</u> 491	<u>0</u> 459	<u>0</u> 428	<u>0</u> 396	<u>0</u> 366	<u>0</u> 336	<u>0</u> 309	<u>0</u> 281	<u>0</u> 256
23. Federal and State Taxes		229		<u>201</u>	459 <u>188</u>	426 <u>175</u>			<u>137</u>	<u>126</u>	<u>115</u>	
23. Pederarand State Taxes 24. Net Income	<u>243</u> 353	331	<u>214</u> 310	<u>201</u> 291	272	253	<u>162</u> 234	<u>149</u> 216	199	183	166	<u>105</u> 151
25.	333	331	310	231	212	200	234	210	155	105	100	151
26.												
27. Deferred Cost Recovery (from 15 above)	11,000	9,671	9,405	8,619	8,513	8,236	8,356	7,857	7,600	7,086	7,267	6,502
28. O&M	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	Q	Q	Q	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
29. Total Revenue Requirement	11,000	9,671	9,405	8,619	8,513	8,236	8,356	7,857	7,600	7,086	7,267	6,502

.

•

.

12 Month Total

.

100,112

.

Appendix A Schedule 1 Page 10 of 17

#### ROCKLAND ELECTRIC COMPANY

#### Calculation of Over/Under Recovery Associated with EES Program Component of RGGI Surcharge

	<u>Jan-14</u> Actual	<u>Feb-14</u> Actual	<u>Mar-14</u> Actual	<u>Apr-14</u> Actual	<u>May-14</u> Actual	<u>Jun-14</u> Actual	<u>Jul-14</u> Actual	<u>Aug-14</u> Actual	<u>Sep-14</u> Actual	<u>Oct-14</u> Actual	<u>Nov-14</u> Actual	<u>Dec-14</u> Actual	<u>Total</u>
1. Determination of (Over)/Under Recovered B	alance												
Revenue Requirement 1	\$15,228	\$15,155	\$15,081	\$15,008	\$14,935	\$14,861	\$14,788	\$14,623	\$14,552	\$14,482	\$14,412	\$14,342	\$177,468
Prior Period Reconciliation Adj. <sup>2</sup>	299,503												\$299,503
Monthly Recoveries	(6,115)	(5,616)	(5,244)	(4,678)	(4,749)	(5,686)	(6,808)	(6,812)	(6,269)	(4,822)	12,741	38,423	(\$5,635)
(Over)/Under Recovery	\$ <u>320,846</u>	\$ <u>20,771</u>	\$ <u>20,325</u>	\$ <u>19,686</u>	\$ <u>19,684</u>	\$ <u>20,548</u>	\$ <u>21,596</u>	\$ <u>21,434</u>	\$ <u>20,822</u>	\$ <u>19,304</u>	\$ <u>1,672</u>	(\$24,081)	\$ <u>482,605</u>
•													
2. Determination of interest													
Revenue Requirement @ WACC = 8.21%	\$15,228	\$15,155	\$15,081	\$15,008	\$14,935	\$14,861	\$14,788	\$14,715	\$14,641	\$14,568	\$14,494	\$14,421	\$177,895
Prior Period Reconciliation Adj. <sup>2</sup>	\$299,503												\$299,503
Monthly Recoveries	(6,115)	(5,616)	(5,244)	(4,678)	(4,749)	(5,686)	(6,808)	(6,812)	(6,269)	(4,822)	12,741	38,423	(5,635)
(Over)/Under Recovery	\$ <u>320,846</u>	\$ <u>20,771</u>	\$ <u>20,325</u>	\$ <u>19,686</u>	\$ <u>19,684</u>	\$ <u>20,548</u>	\$ <u>21,596</u>	\$ <u>21,526</u>	\$ <u>20,910</u>	\$ <u>19,390</u>	\$ <u>1,754</u>	(\$24,002)	\$ <u>483,032</u>
Beginning Balance - (Over)/Under Recovery Ending Balance (Over)/Under Recovery	\$299,503 \$320,846	\$320,846 \$341,617	\$341,617 \$361,941	\$361,941 \$381,627	\$381,627 \$401,311	\$401,311 \$421,859	\$421,859 \$443,454	\$443,454 \$464,981	\$464,981 \$485,891	\$485,891 \$505,281	\$505,281 \$507,034	\$507,034 \$483,032	
Average Balance (Over)/Under Average Balance (Over)/Under - Net of Tax	\$310,174 \$183,468	\$331,231 \$195,923	\$351,779 \$208,077	\$371,784 \$219,910	\$391,469 \$231.554	\$411,585 \$243,452	\$432,657 \$255,916	\$454,218 \$268,670	\$475,436 \$281,220	\$495,586 \$293,139	\$506,157 \$299,392	\$495,033 \$292,812	
Interest Rate (Annual) 3	0.99%	0.90%	0.92%	1.04%	1.01%	0.99%	1.07%	1.07%	1.13%	1.13%	1.13%	1.13%	
Interest Rate (Monthly)	0.08%	0.08%	0.08%	0.09%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
interest (To Customer) /To Company	\$151	\$147	\$160	\$191	\$195	\$201	\$228	\$240	\$265	\$276	\$282	\$276	\$ <u>2,610</u>

Total (Over)/Under Collection Including Interest \$485,216

Notes: <sup>1</sup> Based on WACC of 8.21% through July 31, 2014 and a WACC of 7.83% effective August 1, 2014

<sup>2</sup> Under recovery for the period January 1, 2013 through December 31, 2013.

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

Appendix A Schedule 1 Page 11 of 17

.

.

#### ROCKLAND ELECTRIC COMPANY

#### Monthly Actual Revenue Summary by Service Classification ("SC") of the EES Program Component of the RGGI Surcharge

SC No.	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	Sep-14	Oct-14	Nov-14	Dec-14	Total
1	-\$2,908.80	-\$2,468.61	-\$2,281.50	-\$1,990.29	-\$1,953.15	-\$2,339.64	-\$3,729.44	-\$3,542.81	-\$3,223.64	-\$2,130.33	\$5,688.45	\$17,865.70	-\$3,014.05
2	-2,550.17	-2,463.84	-2,322.85	-2,121.26	-2,207.42	-5,963.72	-2,511.40	-2,657.55	-2,520.77	-2,147.28	4,379.65	16,208.08	-\$6,878.55
3	-1.51	-1.29	-1.23	-0.99	-0.72	-0.13	-1.05	-1.06	-0.92	-0.67	2.65	8.25	\$1.31
4	-29.92	-25.11	-24.93	-21.02	-19.28	98.32	-19.32	-20.69	-22.82	-24.72	26.37	219.74	\$136.61
5	-93.09	-78,51	-74.65	-55.32	-41.62	-89.11	-61.73	-63.49	-59.21	-41.61	133.42	483.23	-\$41.68
6	-23.58	-22.35	-19.01	-18.78	-18.93	-25.56	-16.05	-17.38	-21.07	-22.53	65.81	180.77	\$41.34
7	<u>-935.83</u>	<u>-949.66</u>	-886.39	-797.52	-840.74	2,235.45	<u>-945.34</u>	<u>-985.52</u>	<u>-859.50</u>	<u>-792.30</u>	<u>3,335.96</u>	<u>6,147.02</u>	\$3,725.63
Total	-\$6,542.90	-\$6,009.37	-\$5,610.56	-\$5,005.18	-\$5,081.86	-\$6,084.40	-\$7,284.33	-\$7,288.50	-\$6,707.93	-\$5,159.45	\$13,632.30	\$41,112.78	-\$6,029.40
Total Excluding SUT	-\$6,114.90	-\$5,616.20	-\$5,243.50	-\$4,677.70	-\$4,749.40	-\$5,686.40	-\$6,807.80	-\$6,811.70	-\$6,269.10	-\$4,821.90	\$12,740.50	\$38,423.20	-\$5,634.90

.

.

.

Appendix A Schedule 1 Page 12 of 17

# ROCKLAND ELECTRIC COMPANY

.

# EES Program Component of RGGI Surcharge Basic Assumptions

Effective Prior to August 1, 2014

Effective August 1, 2014

.

.

.

Amortization Period	60 Months	60 Months
Equity Ratio	49.85%	50.35%
Return on Equity	10.30%	9.75%
Equity Component	5.13%	4.91%
After-Tax WACC	8.21%	7.83%
Effective Tax Rate	40.85%	40.85%
Interest Expense	3.07%	2.92%

Appendix A Schedule 1 Page 13 of 17

.

## ROCKLAND ELECTRIC COMPANY

.

.

#### EES PROGRAM COMPONENT OF RGGI SURCHARGE PROGRAM SPENDING

	<u>Jan-14</u> Actual	<u>Feb-14</u> Actual	<u>Mar-14</u> <u>Actual</u>	<u>Apr-14</u> <u>Actual</u>	May-14 Actual	<u>Jun-14</u> Actual	<u>Jul-14</u> Actual	<u>Aug-14</u> <u>Actual</u>	<u>Sep-14</u> <u>Actual</u>	<u>Oct-14</u> <u>Actual</u>	<u>Nov-14</u> Actual	Dec-14 Actual	<u>Total</u>
Program Implementation Spending													
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0
Program Incentive (Customer)													
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	(3,857) 0 <u>0</u>	0 0 <u>0</u>	0 0 <u>0</u>	0 0 0	0 0 <u>0</u>	0 0 <u>0</u>	0 0 <u>0</u>	0 0 <u>0</u>	0 0 0	0 0 <u>0</u>	0 0 <u>0</u>	0 0 0	(\$3,857) 0 0
Total Program Spending	(3,857)	0	0	0	0	0	0	0	0	0	o	0	(3,857)
O&M Spending													
Administration													
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 Q	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 0	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>
Total	. 0	0	0	0	Q	0	0	0	0	o	O	0	٥
Marketing													
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - Ол line	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 0
Total	0	0	0	0	0	0	0	0	0	O	o	O	0
Evaluation													
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	<b>\$0</b> 0 0	· \$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 0	\$0 0 <u>0</u>
Total	D	0	0	0	0	0	0	0	0	0	0	o	0
Total O&M													
USF Low Income Direct Install Enhanced HVAC Rebates Personal Energy Profile - On line	\$0 0 0 <u>0</u>	\$0 0 <u>0</u>	\$0 0 0 <u>0</u>	\$0 0 0 <u>0</u>	\$0 0 0 0	\$0 0 0 <u>0</u>	\$0 0 0	\$0 0 0 0	\$0 0 <u>0</u>	\$0 0 0 <u>0</u>	\$0 0 0 <u>0</u>	\$0 0 0 <u>0</u>	\$0 0 <u>0</u>
Total	ō	ō	Ō	ō	Ō	Ō	õ	ō	ō	ō	ō	ō	0
Total Spending													
USF Low income Direct install Enhanced HVAC Rebates Personal Energy Profile - On line Total	(\$3,857) 0 0 (3,857)	\$0 0. 0	\$0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0	\$0 0 0	\$0 0 0 0	\$0 0 0	(\$3,857) 0 <u>0</u> (3,857)

# Appendix A Schedule 1 Page 14 of 17

# Case ER09080668

# Rockland Electric Company Electric Service Settlement Agreement Consolidated Capital Structure For Twelve Months Ending December 31, 2009 (000's)

			Weighted	Weighted
Amount		Cost	Average	Average
 (\$000's)	Ratio	Rate	Ratio	Ratio
\$ 521,503	49.76%	6.16%	3.07%	3.07%
4,044	0.39%	1.50%	0.01%	0.01%
522,465	49.85%	10.30%	5.13%	8.69%
\$ 1,048,012	100%		8.21%	11.76%
\$ \$	(\$000's) \$ 521,503 4,044 522,465	(\$000's) Ratio \$ 521,503 49.76% 4,044 0.39% 522,465 49.85%	(\$000's) Ratio Rate   \$ 521,503 49.76% 6.16%   4,044 0.39% 1.50%   522,465 49.85% 10.30%	Amount Cost Average   (\$000's) Ratio Rate Ratio   \$ 521,503 49.76% 6.16% 3.07%   4,044 0.39% 1.50% 0.01%   522,465 49.85% 10.30% 5.13%

Appendix A Schedule 1 Page 15 of 17

## ROCKLAND ELECTRIC COMPANY

# EES Program Component of RGGI Surcharge 2014 Revenue Requirement Revenue Requirement For Use in Calculation of Interest

	<u>Jan-14</u> <u>Actual</u>	<u>Feb-14</u> <u>Actual</u>	Mar-14 Actual	<u>Apr-14</u> <u>Actual</u>	<u>May-14</u> <u>Actual</u>	<u>Jun-14</u> <u>Actual</u>	<u>Jul-14</u> Actual	<u>Aug-14</u> <u>Actual</u>	<u>Sep-14</u> <u>Actual</u>	<u>Oct-14</u> <u>Actual</u>	<u>Nov-14</u> <u>Actual</u>	<u>Dec-14</u> <u>Actual</u>
1. Program Spending	(3,857)	0	0	0	0	0	0	0	0	0	٥	0
2. Cumulative Spending	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
3.												
4. 5. Crean Francistaria	750 000	700.000	760.000	200 000	250.000	760.000	750 000	750 000	750.000	750 000	750.000	750.000
5. Gross Expenditures 6. Accumulated Amortization	759,983 <u>317,57</u> 3	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
7. Net Expenditures	<u>317,573</u> 442,410	<u>330,239</u> 429,744	<u>342,906</u> 417,078	<u>355,572</u> 404,411	<u>368,239</u> 391,745	<u>380,905</u> 379,078	<u>393,571</u> 366,412	<u>406,238</u> 353,746	<u>418,904</u> 341,079	<u>431,571</u> 328,413	<u>444,237</u> 315,746	456,903 303,080
8. Accumulated Deferred Tax	180,825	429,744	170,477	165,303	160,128	<u>154,954</u>	149,780	333,746 144,606	<u>139,432</u>	328,413 134,257	129,083	<u>123,909</u>
9. Under/(Over) Recovery Balance	261,585	254,093	246,601	239,108	231,616	224,124	216,632	209,140	201,648	<u>194,257</u> 194,155	186,663	179,171
10.	201,000	204,085	240,001	233,100	231,010	224,124	210,032	209,140	201,040	134,155	100,003	175,171
11. Return Requirement	1,789	1,737	1,686	1,635	1,584	1,533	1,481	1,430	1,379	1,328	1,276	1,225
12. Equity Portion	1,119	1.087	1.055	1,023	991	959	927	895	863	831	799	767
13.		.,	.,	.,								
14.												
15. Revenue	15,228	15,155	15,081	15,008	14,935	14,861	14,788	14,715	14,641	14,568	14,494	14,421
16.												
17. Expenses:												
18. Amortization	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666
19. Administrative Costs												
20. Interest Expense	669	650	631	612	593	574	554	535	516	497	478	459
21. Deferred Expenses	õ	Q	<u>0</u>	<u>0</u>	<u>o</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	Q	<u>0</u>	<u>0</u>
22. Taxable Income	1,892	1,838	1,784	1,730	1,675	1,621	1,567	1,513	1,459	1,404	1,350	1,296
23. Federal and State Taxes	773	<u>751</u>	<u>729</u>	<u>707</u>	<u>684</u>	<u>662</u>	<u>640</u>	<u>618</u>	<u>596</u>	<u>574</u>	<u>552</u>	529
24. Net income	1,119	1,087	1,055	1,023	991	959	927	895	863	831	799	767
25.												
26.		45 455	45 004	45 000	44.005	44.004	44 700	44 745	44.544	44 500	44404	44.404
27. Deferred Cost Recovery (from 15 above) 28. O&M	15,228	15,155	15,081	15,008	14,935	14,861	14,788	14,715	14,641	14,566	14,494	14,421
	<u>0</u>	<u>0</u>	<u>0</u> 15,081	<u>0</u> 15,008	<u>0</u> 14,935	<u>0</u> 14,861	<u>0</u> 14,788	<u>0</u> 14,715	<u>0</u> 14,641	<u>0</u> 14,568	<u>0</u> 14,494	14,421
29. Total Revenue Requirement	15,228	15,155	19,081	10,008	14,935	14,001	14,700	14,710	14,041	(4,000	14,434	14,421
									12	Month Total		177,895

· ·

.

.

Appendix A Schedule 1 Page 16 of 17

# Case ER13111135

۰.

# Rockland Electric Company Electric Service Settlement Agreement Consolidated Capital Structure For Twelve Months Ending March 31, 2014 (000's)

					Weighted	Weighted
		Amount		Cost	Average	Average
	(	(\$000's)	Ratio	Rate	Ratio	Ratio
Long Term Debt	\$	603.6	49.65%	5.89%	2.92%	2.92%
Common Equity		612	50.35%	9.75%	4.91%	8.31%
Total	\$	1,215.8	100%	=	7.83%	11.24%

Appendix A Schedule 1 Page 17 of 17

1

## ROCKLAND ELECTRIC COMPANY

#### EES Program Component of RGGI Surcharge 2014 Revenue Requirement Revenue Requirement For Use in Calculation of (Over)/Under Collection

	<u>Jan-14</u> Actual	<u>Feb-14</u> <u>Actual</u>	<u>Mar-14</u> <u>Actual</u>	<u>Apr-14</u> <u>Actual</u>	May-14 Actual	<u>Jun-14</u> <u>Actual</u>	<u>Jul-14</u> Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	<u>Dec-14</u> <u>Actual</u>
1. Program Spending 2. Cumulative Spending	(3,857) 759,983	0 759.983	0 759.983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983	0 759,983
3.	103,300	103,365	103,300	199'999	109,900	139,903	129,963	133,363	133,965	109,963	759,983	128,803
5. Gross Expenditures	759,983	759,983	759,983	759,983	759.983	759.983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	317,573	330,239	342,906	355,572	368,239	380,905	<u>393,571</u>	406,238	418,904	431,571	444,237	456,903
7. Net Expenditures	442,410	429,744	417,078	404,411	391,745	379,078	366,412	353,746	341,079	328,413	315,746	303,080
8. Accumulated Deferred Tax	180,825	175,651	170,477	165,303	<u>160,128</u>	154,954	149,780	144,606	<u>139,432</u>	<u>134,257</u>	129,083	123,909
<ol><li>Under/(Over) Recovery Balance</li></ol>	261,585	254,093	246,601	239,108	231,616	224,124	216,632	209,140	201,648	194,155	186,663	179,171
10.												
11. Return Requirement	1,789	1,737	1,686	1,635	1,584	1,533	1,481	1,365	1,316	1,267	1,219	1,170
12. Equity Portion	1,119	1,087	1,055	1,023	991	959	927	856	825	794	764	733
13.												
14.												
15. Revenue	15,228	15,155	15,081	15,008	14,935	14,861	14,788	14,623	14,552	14,482	14,412	14,342
16.												
17. Expenses:	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
18. Amortization	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666	12,666
19. Administrative Costs	000	050	004	640	500	F74	<i>654</i>	<b>540</b>	404	470	455	407
20. Interest Expense 21. Deferred Expenses	669	650	631	612	593	574	554	510	491	473	455	437
21. Deferred Expenses 22. Taxable income	<u>0</u> 1,892	<u>0</u> 1,838	<u>0</u> 1,784	<u>0</u> 1,730	0 1.675	<u>0</u> 1.621	<u>0</u> 1.567	<u>D</u> 1,446	<u>D</u> 1,395	<u>0</u> 1,343	<u>0</u> 1,291	<u>0</u> 1,239
23. Federal and State Taxes	773		<u>729</u>		684	<u>662</u>	640	<u>591</u>	<u>570</u>	<u>549</u>	<u>527</u>	<u>506</u>
23. Federal and State Taxes 24. Net Income	1,119	<u>751</u> 1,087	1,055	<u>707</u> 1,023	991	959	927	856	825	. <u>349</u> 794	764	733
25.	1,113	1,001	1,000	1,020	551	555	<i><b>J</b>LI</i>	000	02.5	734	104	100
26. ·												
27. Deferred Cost Recovery (from 15 above)	15,228	15,155	15,081	15,008	14,935	14,861	14,788	14,623	14,552	14,482	14,412	14,342
28. O&M	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	Q	0	<u>0</u>	0	<u>0</u>	<u>0</u>	0
29. Total Revenue Requirement	15,228	15,155	15,081	15,008	14,935	14,861	14,788	14,623	14,552	14,482	14,412	14,342
								•	12	Month Total		177,468

Appendix A Schedule 2 Page 1 of 12

#### ROCKLAND ELECTRIC COMPANY

......

## Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge

## Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGSurcharge

	Low Income Audit II Program Recoveries (January 1, 2014 - December 31, 2014)	\$65,653
	Low Income Audit II Program Revenue Requirement	0
	Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>0</u>
	Low Income Audit II Program (Over)/Under Recovery Balance	(65,653)
	Interest (Over)/Under Recovery Balance	<u>(128)</u>
	Total Low Income Audit II Program (Over)/Under Recovery Balance for 12 ME 12/31/2014	(65,780)
•	Revised Projected Sales (kWh) 12 months ending December 31, 2016	1,639,187,000
	\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000040)
	Sales and Use Tax ("SUT")	1.07
	Low Income Audit II Program Reconciliation Adjustment	(\$0.000043)

## Determination of Forecast Low Income Audit II Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2015	\$85,111
Revised Projected Sales (kWh) 12 months ending December 31, 2016	1,639,187,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000052
Sales and Use Tax ("SUT")	1.07
Low Income Audit II Program Charge	\$0.000056

#### **RGGI Surcharge**

Proposed Low Income Audit II Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000012
Proposed Low Income Audit II Program Component of RGGI Surcharge Including SUT (\$ per kWh)	\$0.000013

Appendix A Schedule 2 Page 2 of 12

# **ROCKLAND ELECTRIC COMPANY**

# Determination of RGGI Surcharge

RGGI Rate Components	Excl. SUT <u>(¢/kWh)</u>	Incl. SUT <u>(¢/kWh)</u>
Low Income Audit II Program	0.0012	0.0013

~

Appendix A Schedule 2 Page 3 of 12

## ROCKLAND ELECTRIC COMPANY

.

Calculation of Over/Under Recovery Associated with Low Income Audit II Program Component of RGGI Surcharge

	<u>Jan-14</u> Actual	<u>Feb-14</u> Actual	<u>Mar-14</u> Actual	<u>Apr-14</u> Actual	May-14 Actual	<u>Jun-14</u> Actual	<u>Jut-14</u> Actual	<u>Aug-14</u> Actual	<u>Sep-14</u> Actual	Oct-14 Actual	<u>Nov-14</u> Actual	<u>Dec-14</u> Actual	<u>Total</u>
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement '	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$</b> 0	\$0
Prior Period Reconciliation Adj.	\$0		•										\$0
Monthly Recoveries	0	0	0	0	0	4,831	12,324	12,546	11,537	9,190	7,480	7,744	\$65,653
(Over)/Under Recovery	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	( <b>\$4,831</b> )	( <u>\$12,324</u> )	(\$12,546)	( <u>\$11,537</u> )	( <u>\$9,190</u> )	(\$7,480)	( <b>\$7,744</b> )	( <u>\$65,653</u> )
2. Determination of Interest													
Revenue Requirement @ WACC = 7.93%	\$0	\$0	<b>\$</b> 0	\$0	\$0	<b>\$</b> 0	<b>\$</b> 0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Period Reconciliation Adj.	\$0												\$0
Monthly Recoveries	· 0	0	0	0	0	4,831	12,324	12,546	11,537	9,190	7,480	7,744	65,653
(Over)/Under Recovery	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	(\$4,831)	(\$12,324)	(\$12,546)	( <b>\$11</b> ,537)	( <b>\$</b> 9,190)	( <u>\$7,480)</u>	(\$7,744)	(\$65,653)
Beginning Balance - (Over)/Under Recovery Ending Balance (Over)/Under Recovery	\$0 \$0 -	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 (\$4,831)	(\$4,831) (\$17,155)	(\$17,155) (\$29,701)	(\$29,701) (\$41,238)	(\$41,238) (\$50,429)	(\$50,429) (\$57,908)	(\$57,908) (\$65,653)	
Average Balance (Over)/Under	\$0	\$0	\$0	<b>\$</b> 0	\$0	(\$2,416)	(\$10,993)	(\$23,428)	(\$35,470)	(\$45,833)	(\$54,168)	(\$61,780)	
Average Balance (Over)/Under - Net of Tax Interest Rate (Annual) <sup>2</sup>	\$0 0.99%	\$0 0.90%	\$0 0.92%	\$0 1.04%	<b>\$</b> 0 1.01%	(\$1,429) 0.99%	(\$6,502) 1.07%	(\$13,858) 1.07%	(\$20,980) 1.13%	(\$27,110) 1.13%	(\$32,041) 1.12%	(\$36,543) 1.09%	
Interest Rate (Monthly)	0.99%	0.08%	0.08%	0.09%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
Interest (To Customer) /To Company	\$0	\$0	\$0	\$0	\$0	(\$1)	(\$6)	(\$12)	(\$20)	(\$26)	(\$30)	(\$33)	( <u>\$128</u> )
									Tol	tal (Over)/Under C	ollection Including	Interest	(\$65,780)

.

Notes: <sup>1</sup> Based on WACC of 7.93% through July 31, 2014 and a WACC of 7.83% effective August 1, 2014

.

•

<sup>2</sup> Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points. Interest calculated on a net-of-tax basis. Adjusted to reflect accurate monthly amounts.

Appendix A Schedule 2 Page 4 of 12

#### ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit II Component of the RGGi Surcharge

	<u>SC No.</u> 1	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u> \$1,988	<u>Jul-14</u> \$6,751	<u>Aug-14</u> \$6,525	<u>Sep-14</u> \$5,933	<u>Oct-14</u> \$4,060	<u>Nov-14</u> \$3,340	<u>Dec-14</u> \$3,601	<u>Total</u> \$32,198
	2						\$5,067	\$4,546	\$4,895	\$4,639	\$4,093	\$2,571	\$3,267	\$29,077
	3						\$0	\$2	\$2	\$2	\$1	\$2	\$2	\$10
	4						-\$84	\$35	\$38	\$42	\$47	\$15	\$44	\$138
	5						\$76	\$112	\$117	\$109	\$79	\$78	\$97	\$668
	6						\$22	\$29	\$32	\$39	\$43	\$39	\$36	\$240
	7						<u>-\$1,899</u>	<u>\$1,711</u>	<u>\$1,815</u>	<u>\$1,582</u>	<u>\$1,510</u>	<u>\$1.958</u>	<u>\$1,239</u>	<u>\$7,917</u>
	Total	\$0	\$0	\$0	\$0	\$0	\$5,169	\$13,186	\$13,425	\$12,345	\$9,834	\$8,003	\$8,286	\$70,248
Total Exc	luding SUT	\$0	\$0	\$0	\$0	\$0	\$4,831	\$12,324	\$12,546	\$11,537	\$9,190	\$7,480	\$7,744	\$65,653

Appendix A Schedule 2 Page 5 of 12

.

## ROCKLAND ELECTRIC COMPANY

## Low Income Audit II Program Component of RGGI Surcharge Basic Assumptions

Effective Prior to August 1, 2014

Effective August 1, 2014

Amortization Period	60 Months	60 Months
Equity Ratio	49.85%	50.35%
Return on Equity	9.75%	9.75%
Equity Component	4.86%	4.91%
After-Tax WACC	7.93%	7.83%
Effective Tax Rate	40.85%	40.85%
Interest Expense	3.07%	2.92%

Appendix A Schedule 2 Page 6 of 12

1

i.

### ROCKLAND ELECTRIC COMPANY

### Low Income Audit II Program Component of the RGGI Surcharge Program Spending

	<u>Jan-14</u> <u>Actual</u>	<u>Feb-14</u> Actual	<u>Mar-14</u> Actual	<u>Apr-14</u> Actual	<u>May-14</u> Actual	<u>Jun-14</u> Actual	<u>Jul-14</u> <u>Actual</u>	<u>Aug-14</u> Actual	<u>Sep-14</u> <u>Actual</u>	<u>Oct-14</u> Actual	<u>Nov-14</u> Actual	<u>Dec-14</u> Actual	<u>Total</u>
Program Implementation Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Incentive (Customer)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$Q</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Implementation and Incentive Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	<b>\$</b> 0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Evaluation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$Q</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total O&M Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	<b>\$</b> 0	\$0	\$0	\$0	\$0	\$0
Total Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## Appendix A Schedule 2 Page 7 of 12

## Case ER09080668

## Rockland Electric Company Electric Service Consolidated Capital Structure through July 31, 2014 \* (000's)

• .				Weighted	Weighted
	Amount		Cost	Average	Average
	 (\$000's)	Ratio	Rate	Ratio	Ratio
Long Term Debt	\$ 521,503	49.76%	6.16%	3.07%	3.07%
Short Term Debt	4,044	0.39%	1.50%	0.01%	0.01%
Common Equity	 522,465	49.85%	9.75%	4.86%	8.23%
Total	\$ 1,048,012	100%	-	7.93% *	11.30%

\* Per Board Order dated April 23, 2014 in Docket No. ER13060535, the Company was directed to set the Weighted Average Cost of Capital ("WACC") to 7.93% until Board approval of new WACC in a subsuquent Rate Case.

0

#### ROCKLAND ELECTRIC COMPANY

#### Low Income Audit II Program Component of RGGI Surcharge 2014 Revenue Requirement Revenue Requirement For Use in Calculation of Interest

	Jan-14 Actual	Feb-14 Actual	<u>Mar-14</u> Actual	<u>Apr-14</u> Actual	May-14 Actual	Jun-14 Actual	Jul-14 Actual	<u>Aug-14</u> <u>Actual</u>	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual
1. Program Spending	0	0	0	0	0	0	0	0	D	0	Đ	n
2. Cumulative Spending	ō	ō	ō	0	ō	Ő	õ	ő	0	Ď.	ő	ő
3.	-	-	-	•	•	•	•	v	•		Ŷ	•
4												
5. Gross Expenditures	0	0	0	0	a	D	Q	n	n	0	0	n
6. Accumulated Amortization	0	Q	Q	ō	ā	0 0	å	õ	· <u>o</u>	ō	å	ő
7. Net Expenditures	ō	ō	ô	ō	ā	ō	ā	ō	<u>×</u>	n n	ă	ň
8. Accumulated Deferred Tax	0	Q	Q	ñ	ň	0	ő	0	ň	ñ	ě	ő
9. Under/(Over) Recovery Balance	ō	ō	0	ā	ō	5	Ď	0	ň	ā	ő	ñ
10.							•	•	-	-	-	-
11. Return Requirement	0	0	0	0	0	0	0	0	o	0	0	Ð
12. Equity Portion	0	0	0	ò	Ó	Ō	Ď	ō	Ō	ō	0	ō
13.												-
14.												
15. Revenue	0	0	Ó	0	0	0	0	0	0	0	0	0
16.												
17. Expenses:												
18. Amortization	0	0	0	0	0	0	0	0	0	0	0	0
19. Administrative Costs												
20. Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
21. Deferred Expenses	<u>0</u>	<u>0</u>	<u>0</u>	Q	<u>o</u>	0	Q	<u>o</u>	<u>0</u>	Q	Q	Q
22. Taxable income	0	0	Ð	0	0	0	0	0	0	0	0	0
23. Federal and State Taxes	<u>0</u>	<u>0</u>	Q	<u>0</u>	<u>0</u>	<u>0</u>	Q	<u>0</u>	<u>o</u>	0	<u>0</u>	<u>0</u>
24. Net Income	0	0	0	0	0	0	0	0	0	0	0	0
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	0	0	o	D	0	٥	D	0	0	0	0	o
28. O&M	Q	Q	Q Q	Q	0	Q	Q	<u>0</u>	Q	Q	<u>0</u>	Q
29. Total Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0

12 Month Total

Appendix A Schedule 2 Page 9 of 12

#### ROCKLAND ELECTRIC COMPANY

#### Low Income Audit II Program Component of RGGI Surcharge 2015 Projection of Revenue Requirement Revenue Requirement For Use in Calculation of Interest

	Jan-15 Actual	<u>Feb-15</u> Actual	<u>Mar-15</u> Estimata	<u>Apr-15</u> Estimate	<u>May-15</u> Estimate	<u>Jun-15</u> Estimate	<u>Jul-15</u> Estimate	<u>Aug-15</u> Estimate	<u>Sep-15</u> Estimate	Oct-15 Estimate	<u>Nov-15</u> Estimate	<u>Dec-15</u> Estimate
1, Program Spending	o	0	0	0	32,750	32,750	32,750	32,750	32,750	32,750	32,750	32.750
2. Cumulative Spending	0	Ó	Ď	0	32,750	65.500	98,250	131,000	163,750	196,500	229,250	262,000
3.							,			100,000		
4.												
<ol><li>Gross Expenditures</li></ol>	0	0	0	C	32,750	65,500	98,250	131,000	163,750	196,500	229,250	262,000
6. Accumulated Amortization	<u>0</u>	٥	Q	Q	546	1,638	3,275	5.458	6,188	11,463	15,283	19,650
7. Net Expenditures	ō	ō	õ	ö	32,204	63,863	94,975	125.542	155,563	185,038	213,967	242,350
8. Accumulated Deferred Tax	Q	Q	Q	2	13,155	26.088	38.797	51.284	63.547	75.568	87.405	99,000
<ol><li>Under/(Over) Recovery Balance</li></ol>	0	0	. 0	ō	19,049	37,775	56,178	74,258	92,015	109,450	126,561	143,350
10.												
11. Return Requirement	0	0	0	0	126	250	371	491	608	723	837	947
12. Equity Portion	0	0	0	٥	77	153	228	301	373	443	513	581
13.												
14.												
15. Revenue	0	0	0	0	725	1,447	2,166	2,882	3,595	4,305	5,011	5,715
16.												
17. Expenses:												
18. Amortization	0	0	0	0	546	1,092	1,635	2,183	2,729	3,275	3,821	4,367
19. Administrative Costs												
20. Interest Expense	0	0	0	0	49	97	144	190	235	280	324	367
21. Deferred Expenses	Q	<u>o</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>o</u> .	0	<u>o</u>	Q	<u>0</u>	. Q	Q
22. Taxable Income	0	0	0	0	130	259	385	508	630 .	749	867	982
23. Federal and State Taxes	Q	0	0	2	<u>53</u>	105	157	208	257	306	354	<u>401</u> 581
24. Net Income	0	0	0	0	77	153	228	301	373	443	513	581
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	0	0	0	0	725	1,447	2,166	2,682	3,595	4,305	5,011	5,715
28. O&M	<b>S</b> 0	\$183	\$4,125	\$3,250	\$3,410	\$7,570	\$5,512	\$6,050	\$8,900	\$6,600	\$6,775	\$6,925
29. Total Revenue Requirement	0	183	4,125	3,250	4,135	9,017	7,678	8,932	12,495	10,905	11,786	12,640
									12	Month Total		85,146

## Appendix A Schedule 2 Page 10 of 12

## Case ER13111135

## Rockland Electric Company Electric Service Settlement Agreement Consolidated Capital Structure For Twelve Months Ending March 31, 2014 (000's)

				Weighted	Weighted
	Amount		Cost	Average	Average
	 (\$000's)	Ratio	Rate	Ratio	Ratio
Long Term Debt	\$ 603.6	49.65%	5.89%	2.92%	2.92%
Common Equity	612	50.35%	9.75%	4.91%	8.31%
Total	\$ 1,215.8	100%	_	7.83%	11.24%

#### Appendix A Schedule 2 Page 11 of 12

.

0

.

1

.

### ROCKLAND ELECTRIC COMPANY

#### Low income Audit II Program Component of RGGi Surcharge 2014 Revenue Requirement Revenue Requirement For Use in Calculation of (Over)/Under Collection

	<u>Jan-14</u> <u>Actual</u>	Feb-14 Actual	Mar-14 Actual	Apr-14 Actual	May-14 Actual	<u>Jun-14</u> <u>Actual</u>	<u>Jul-14</u> Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual
1. Program Spending	0	0	0	0	Ó	o	0	0	0	D	Û	a
2, Cumulative Spending	ō	ō	ō	ō	ō	ō	ō	ā	ō	õ	ů	ō
3.		-				-			-	-	-	-
4,												
5. Gross Expenditures	0	0	0	0	0	0	0	0	0	0	0	0
6. Accumulated Amortization	<u>0</u>	Q	0	<u>0</u>	<u>0</u>	Q	<u>0</u>	<u>o</u>	<u>0</u>	<u>o</u>	Q	<u>0</u>
7. Net Expenditures	0	ō	ō	ō	0	0	ō	ō	0	o	ō	0
8. Accumulated Deferred Tax	<u>o</u>	Q	Q	<u>0</u>	<u>a</u>	٥	<u>0</u>	Q	<u>0</u>	<u>o</u>	Q	Q
<ol><li>Under/(Over) Recovery Balance</li></ol>	0	0	Ō	0	0	0	0	0	0	0	0	0
10,												
11. Return Requirement	0	0	0	0	0	0	D	0	0	0	. 0	O
12. Equity Portion	0	0	0	0	0	0	0	0	0	0	0	0
13.												
14.												
15. Revenue	0	0	0	0	0	0	0	0	0	0	0.	0
16.												
17. Expenses:												
18. Amortization	0	0	0	0	0	0	0	D	0	0	0	0
19. Administrative Costs			_	_	-		-		_	_		_
20. Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
21. Deferred Expenses	<u>0</u>	<u>0</u>	ō	<u>0</u>	<u>o</u>	Q	Q	<u>0</u>	<u>ě</u>	0	0	<u>0</u>
22. Taxable Income	0	0	0	0	e	0	U	U	0	U	0	0
23. Federal and State Taxes	<u>o</u>	<u>o</u>	<u>o</u>	0	<u>o</u>	<u>o</u>	<u>u</u> 0	0	<u>0</u> 0	<u>u</u> 0	<u>0</u>	<u>v</u>
24. Net income	O	o	0	U	0	O	Ų	u	Û	U	U	v
25.												
26. 27. Defend Cost Beaucas (from 15 shows)					a		o	o	a	•	•	0
27. Deferred Cost Recovery (from 15 above)	U	0	U	U A	-	0	-	-	+	0	0	0
28, O&M 29. Total Revenue Requirement	Š.	<u>0</u> 0	<u>0</u> 0	Q 0	0	<u>0</u> 0	0	<u>a</u>	<u>0</u>	<u>0</u> 0	0	Å Å
29. Total nevertile nequilibriefit	v	U	Ū	u	U	U	v	U	Ū	v	v	v

12 Month Total

Appendix A Schedule 2 Page 12 of 12

÷

### ROCKLAND ELECTRIC COMPANY

#### Low Income Audit II Program Component of RGGI Surcharge 2015 Projection of Revenue Requirement Revenue Requirement For Use in Calculation of (Over)/Under Collection

	Jan-15 Actuat	Feb-15 Actual	<u>Mar-15</u> Estimate	<u>Apr-15</u> Estimate	May-15 Estimate	<u>Jun-15</u> Estimate	<u>Jul-15</u> Estimate	<u>Aug-15</u> Estimate	<u>Sep-15</u> Estimate	Oct-15 Estimate	<u>Nov-15</u> Estimate	Dec-15 Estimate
1. Program Spending	0	o	0	0	32,750	32,750	32,750	32.750	32,750	32,750	32,750	32,750
2. Cumulative Spending	Ō	Ō	ò	0	32,750	65,500	98,250	131,000	163,750	196,500	229,250	262,000
3.												202,000
4.												
5. Gross Expenditures	0	0	0	0	32,750	65,500	98,250	131,000	163,750	196.500	229,250	262,000
6. Accumulated Amortization	<u>0</u>	<u>0</u>	<u>0</u>	<u>o</u>	546	1,638	3,275	5,458	8,188	11.463	15,283	19,650
7. Net Expenditures	0	0	ō	ō	32,204	63,863	94,975	125,542	155,563	185,038	213,957	242,350
8. Accumulated Deferred Tax	Q	<u>0</u>	D	Q	13,155	26,088	38,797	51,284	63,547	75,588	87,405	99,000
9. Under/(Over) Recovery Balance	ö	ō	Ð	Õ	19,049	37,775	56,178	74,258	92,015	109,450	126,561	143,350
10.										-	-	
11. Return Requirement	o	0	0	o	124	247	367	485	601	714	826	936
12. Equity Portion	0	0	0	0	78	155	230	304	376	448	518	586
13.												
14.												
15. Revenue	0	0	0	0	724	1,445	2,163	2,878	3,590	4,299	5,005	5,707
16.												
17. Expenses:				•								
18. Amortization	0	0	0	0	546	1,092	1,638	2,183	2,729	3,275	3,821	4,367
19. Administrative Costs												
20. Interest Expense	0	0	0	0	46	92	137	181	224	267	308	349
21. Deferred Expenses	Q	<u>o</u>	<u>o</u>	Q	Q	<u>0</u>	<u>o</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>o</u>	<u>o</u>
22. Taxable Income	0	0	0	0	132	261	389	514	636	757	875	991
23. Federal and State Taxes	<u>0</u>	<u>0</u>	<u>o</u>	<u>o</u>	<u>54</u>	107	<u>159</u>	210	260	<u>309</u>	358	405
24. Net Income	0	0	D	0	78	155	230	304	376	448	518	586
25.												
26.		_	_	-								
27. Deferred Cost Recovery (from 15 above)	0	0	0	0	724	1,445	2,163	2,878	3,590	4,299	5,005	5,707
28. O&M	\$0	\$183	\$4,125	\$3,250	\$3,410	\$7,570	\$5,512	\$6,050	\$8,900	\$6,600	\$6,775	\$6,925
29, Total Revenue Requirement	Q	183	4,125	3,250	4,134	9,015	7,675	8,928	12,490	10,899	11,780	12,632
									12	Month Total		85,111

Appendix B

## **ROCKLAND ELECTRIC COMPANY**

# **Determination of RGGI Surcharge**

RGGI Rate Components	Excl. SUT (¢/kWh)	Incl. SUT <u>(¢/kWh)</u>
EES Program	0.0168	0.0179
Low Income Audit II Program	<u>0.0012</u>	<u>0.0013</u>
Total	0.0180	0.0192

Revised Leaf No. 58 Superseding Revised Leaf No. 58

### DRAFT GENERAL INFORMATION

## No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company's:

- (a) Energy Efficiency Stimulus Program ("EES Program"); and
- (b) Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit II Program").

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0192 cents per kWh, including sales and use tax ("SUT"). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)							
	Excluding SUT	Including SUT						
EES Program	0.0168	0.0179						
Low Income Audit II Program	0.0012	0.0013						
Total RGGI Surcharge	0.0180	0.0192						

### (a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

**ISSUED:** 

ISSUED BY: Timothy Cawley, President Mahwah, New Jersey 07430

## DRAFT GENERAL INFORMATION

## No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE (Continued)

### (b) Low Income Audit II Program

The Low Income Audit II Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit II Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit II Program and actual recoveries through the Low Income Audit II Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit II Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for the EES Program component and the Low Income Audit II Program component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

ISSUED BY: Timothy Cawley, President Mahwah, New Jersey 07430

Revised Leaf No. 58 Superseding Revised Leaf No. 58

### DRAFT - REDLINE GENERAL INFORMATION

### No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company's:

- (a) Energy Efficiency Stimulus Program ("EES Program"); and
- (b) Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit II Program").

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0390-0192 cents per kWh, including sales and use tax ("SUT"). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)							
	Excluding SUT	Including SUT						
EES Program	0. <del>0287<u>0168</u></del>	0.03070179						
Low Income Audit II Program	0.00780012	0.00830013						
Total RGGI Surcharge	0.03650180	0.03900192						

### (a) EES Program

The EES Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the EES Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On September February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following January June 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following January-June 1.

(Continued)

ISSUED:

ISSUED BY: Timothy Cawley, President Mahwah, New Jersey 07430

### ROCKLAND ELECTRIC COMPANY B.P.U. NO. 3 - ELECTRICITY

Revised Leaf No. 58A Superseding Original Leaf No. 58A

### DRAFT - REDLINE GENERAL INFORMATION

### No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE (Continued)

### (b) Low Income Audit II Program

The Low Income Audit II Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the Low Income Audit II Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit II Program and actual recoveries through the Low Income Audit II Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit II Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit II Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for the EES Program component and the Low Income Audit II Program component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

**ISSUED:** 

ISSUED BY:

Timothy Cawley, President Mahwah, New Jersey 07430