



Agenda Date: 9/23/16

Agenda Item: IIB

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

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF)	ORDER FURTHER SUSPENDING
ROCKLAND ELECTRIC COMPANY FOR APPROVAL)	INCREASES, CHANGES OR
OF CHANGES IN ELECTRIC RATES, ITS TARIFF FOR)	ALTERATIONS IN RATES FOR
ELECTRIC SERVICE, AND ITS DEPRECIATION)	SERVICE
RATES; AND FOR OTHER RELIEF ("2016 Base Rate)	
Filing"))	BPU DOCKET NO. ER16050428
)	OAL Docket NO. PUC 12099-2016N

Parties of Record:

James Meyer, Esq., Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On May 13, 2016, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Rockland Electric Company ("RECO" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its current base rates ("2016 Base Rate Filing") for electric service of approximately \$9.644 million, including Sales and Use Tax, to be effective for electric service provided on or after June 12, 2016 (and in no event later than the anticipated conclusion of the Board-ordered suspension period(s) on February 12, 2017). The Company is also requesting a return on equity of 10.2%. According to the 2016 Base Rate Filing, the primary reason for the requested increase is that the Company's current base rates are not adequate to recover the operating, capital and other costs of the company, do not provide an adequate return on investment and are not just and reasonable.

The Company is also seeking approval to change its electric and general plant depreciation rates, to rely on a Company-sponsored Cost of Service Study ("COSS"), and to be relieved of the obligation to file an alternative COSS Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with Docket No. ER13111135. Additionally, in this petition the Company sought to deploy Advance Metering Infrastructure and smart meters ("AMI and smart meter program") throughout RECO's service territory from 2017 through 2019.

On May 25, 2016 the Board issued an Order Suspending Increases, Changes or Alterations in Rates for Service ("May 25, 2016 Order"), pursuant to N.J.S.A. 48:2-21(d), suspending the base rate proposed revisions until October 12, 2016 unless prior to that date the Board made a determination disposing of the 2016 Base Rate Filing petition or enters an Order further suspending the proposed revisions.

Following review of the 2016 Base Rate Filing, the Board determined that the petition contains two (2) issues: a request to increase base rates with additional requested relief; and a request for approval to deploy an AMI and smart meter program throughout RECO's service territory with the costs of this program to be reviewed in its next base rate case. Accordingly, on June 29, 2016, the Board issued an Order Amending Suspension Order, Bifurcating Petition, Designating Presiding Commissioner, Setting Manner of Service and Intervention Bar Date ("Bifurcation Order"). The Bifurcation Order directed that the portion of the Company's 2016 Base Rate Filing seeking approval of the AMI and smart meter program ("RECO AMI/Smart Meter Matter") be retained by the Board for hearing with a new docket number, EO16060524, and caption, Rockland Electric Company- Request for Approval of an Advanced Metering Program; and for Other Relief. The remainder of the 2016 Base Rate Filing was transferred to the Office of Administrative Law ("OAL") on August 9, 2016.

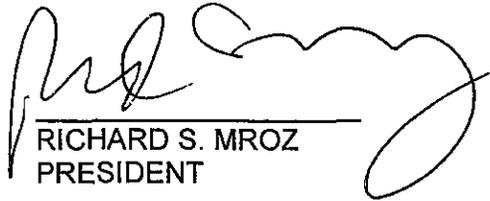
In light of the fact that the 2016 Base Rate Filing will not be completed by October 12, 2016, and it appearing that the proposed revisions will increase existing rates and change or alter existing classifications in Company's tariff, it is **HEREBY ORDERED** as follows:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed base rate revisions are suspended until February 12, 2017, unless prior to that date the Board makes a determination disposing of the 2016 Base Rate Filing or enters an Order further suspending the proposed revisions;
- (2) RECO shall, at least ten (10) days prior to the date set for hearing on the Base Rate Filing by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) RECO shall serve copies of this Order upon the OAL, the New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ 08625), the Clerk of each affected municipality, the Clerk of the Boards of Chosen Freeholders of the affected Counties, and where appropriate, the executive officers of the affected Counties within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board.

This Order shall be effective on October 3, 2016.

DATED: 9/23/16

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



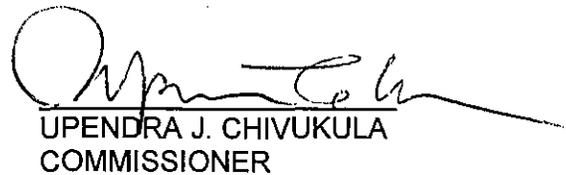
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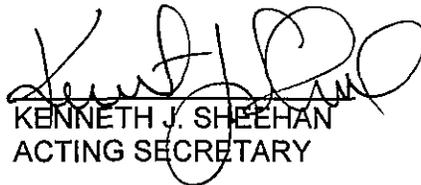


DIANNE SOLOMON
COMMISSIONER



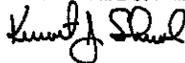
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
ACTING 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 CHANGES IN ELECTRIC RATES, IT'S TARIFF FOR ELECTRIC SERVICE,
AND ITS DEPRECIATION RATES; AND FOR OTHER RELIEF ("2016 Base Rate Filing")
BPU DOCKET NO. ER16050428 & PUC NO. 12099-2016N**

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**Public Service Electric and Gas Company-
pending motion to participate**

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