



**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  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF ROCKLAND ELECTRIC )  
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE ) ORDER APPROVING  
FILING (2016) ) STIPULATION  
)  
) DOCKET NO. ER16040275

**Parties of Record:**

**John L. Carley, 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 2016 Societal Benefits Charge ("SBC") filing in Docket No. ER16040275.

**BACKGROUND/PROCEDURAL HISTORY**

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, 2016, 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, 2015 through July 31, 2016 and of projected spending during the projected period through July 31, 2017 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. ER16040275 ("2016 Filing").

In the 2016 Filing, RECO proposed an increase in the rate for the SBC DSM/CEP Component Programs to 0.4010 cents per kilowatt hour (" $\phi$ /kWh"), including Sales and Use Tax ("SUT"), which reflected an increase over the previously existing rate of 0.3269  $\phi$ /kWh, including SUT, for all classes of customers effective August 1, 2016.<sup>1</sup>

Since the 2016 Filing, the Company has updated the DSM/CEP Component Programs of the SBC based on actual data through July 31, 2016. As a result of the update, the Company's resultant proposed rate for the SBC DSM/CEP Component Programs is 0.4258  $\phi$ /kWh, including SUT.<sup>2</sup>

The rate includes an under-collection of \$786,396 for the period August 1, 2015 through July 31, 2016 and the projected DSM/CEP spending for the twelve-month period ending July 31, 2017. The Company's recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

Staff and Rate Counsel propounded discovery requests upon RECO, which were responded to by the Company. On November 30, 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 2016 Filing. No members of the public attended the hearings or submitted comments.

## **STIPULATION**

Following discovery, the Signatory Parties engaged in discussions in an attempt to resolve all the outstanding issues related to the Company's 2016 Filing. As a result of those discussions, on December 14, 2016, the Signatory Parties entered into the attached Stipulation resolving all issues in this proceeding. The Stipulation provides the following:<sup>3</sup>

1. The Company shall be allowed to implement an SBC of 0.7028  $\phi$ /kWh ("Revised SBC"), including SUT.<sup>4</sup> As set forth on Page 1 of 4 of Exhibit A attached to the Stipulation, this rate includes: a 0.4258  $\phi$ /kWh rate component, including SUT, relating to the Company's under-collection of \$786,396, including interest, for prior period DSM and CEP costs for the period August 1, 2015 through July 31, 2016 and projected DSM and CEP costs of \$5,456,254 for the period August 1, 2016 through July 31, 2017. The Revised SBC also includes the 0.1992  $\phi$ /kWh and 0.0778  $\phi$ /kWh rate components, including SUT, relating to the Company's USF and Lifeline programs, respectively.<sup>5</sup> All SBC component rates are subject to audit by the Board.

<sup>1</sup> RECO's 2016 Filing did not address the USF and Lifeline components of the SBC as those rates are reviewed in a separate annual generic proceeding.

<sup>2</sup> Due to the decrease in the SUT rate from 7% to 6.875% effective January 1, 2017, the Company's resultant proposed rate for the SBC DSM/CEP Component Programs is now an increase from the current rate of 0.3265  $\phi$ /kWh, including SUT to 0.4253  $\phi$ /kWh, including SUT.

<sup>3</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.

<sup>4</sup> Should a new SBC rate go into effect on January 1, 2017 or later, such rate will include the reduction in SUT from 7.0% to 6.875%.

<sup>5</sup> These USF and Lifeline rates were approved by the Board in its September 23, 2016 Order in Docket NO. ER160605036, and were not the subject of this proceeding.

2. As a result of the increase in the SBC to 0.7028 ¢/kWh, including SUT, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in the current monthly average bill from \$117.28 to \$117.92, or \$0.64 or 0.55%.
3. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed RECO's Board authorized overall rate of return effective at the time the interest is calculated.
4. The revised tariff leaf relating to the Revised SBC shall become effective on the first day of the month following the Board's service of written authorization approving the Stipulation or as soon thereafter as possible, in accordance with N.J.S.A. 48:2-40.
5. Upon Board approval of the 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 Signatory Parties in the Stipulation, as soon as possible.

#### **DISCUSSION AND FINDING**

The Board has carefully reviewed the record in this matter, including the 2016 Filing and the Stipulation. Accordingly, the Board is satisfied and **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues and demonstrates that the costs through July 2016 have been reviewed and determined to be both reasonable and prudent, and is therefore in the 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. 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 Signatory Parties to comply with the terms and conditions incorporated within the Stipulation.

As a result of the Board's approval of the Stipulation, the DSM/CEP components of the SBC will increase from the current rate of 0.3265 ¢/kWh, including SUT to 0.4253 ¢/kWh, including SUT. The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Board Order prior to March 1, 2017.

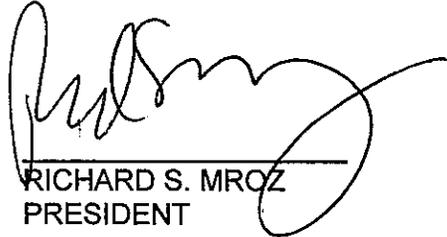
As a result of the Board's approval of the Stipulation, a typical residential customer using 808 kWh will experience an increase in the current monthly average bill from \$117.28 to \$117.92, or \$0.64 or 0.55%.

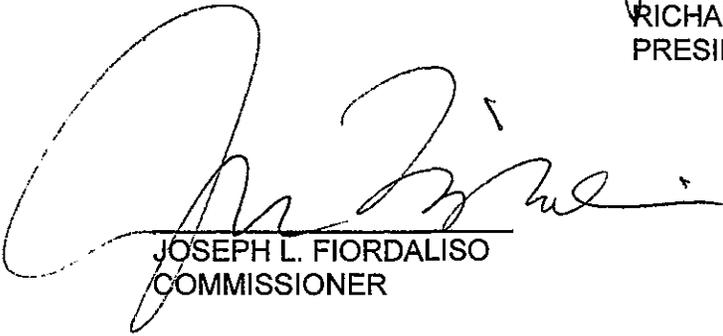
This Board Order shall be effective on February 4, 2017.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

DATED: 1/25/17

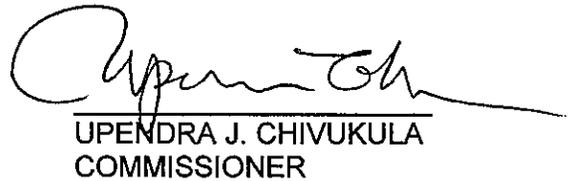
BOARD OF PUBLIC UTILITIES  
BY:

  
RICHARD S. MROZ  
PRESIDENT

  
JOSEPH L. FIORDALISO  
COMMISSIONER

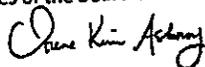
  
MARY-ANNA HOLDEN  
COMMISSIONER

  
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 (2016)

BPU DOCKET NO. ER16040275

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

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<p><b>IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE FILING (2016)</b></p>	<p style="text-align:center"><b>STIPULATION OF SETTLEMENT</b></p> <p style="text-align:center"><b>BPU DOCKET NO. ER16040275</b></p>
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**APPEARANCES:**

**John L. Carley, Attorney for the Petitioner, Rockland Electric Company**

**Ami Morita, Esq. (Managing Attorney), James A. Glassen, Esq. (Asst. Deputy Rate Counsel), and Diane Schulze, Esq. (Asst. Deputy Rate Counsel), Division of Rate Counsel (Stefanie A. Brand, Esq. Director)**

**Alex Moreau and Christopher Psihoules, Deputy Attorneys General, for Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)**

**TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES**

THIS STIPULATION OF SETTLEMENT ("Stipulation") is made as of December 13, 2016 by and among Rockland Electric Company ("RECO" or "Company"), Staff of the New Jersey Board of Public Utilities ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively referred to herein as "Signatory Parties").

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

to submit to the Board an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge (“SBC”) and to provide for current program cost recovery. Accordingly, as described below, the Company filed revisions to the Demand Side Management (“DSM”) and Clean Energy Program (“CEP”) components (together, “SBC Component Programs”) of the SBC rate on April 1, 2016 (“2016 Filing”). This filing reflected actual data through February 29, 2016.

In its 2016 Filing, RECO proposed an increase in the rate for the SBC Component Programs to 0.4010 ¢/kWh, including sales and use tax (“SUT”), which reflected an increase over the current rate of 0.3269 ¢/kWh, including SUT, for all classes of customers effective August 1, 2016.

Since the 2016 Filing, the Company has updated the DSM and Clean Energy components of the SBC based on actual data through July 31, 2016. As a result of the update, the Company’s proposed rate for the SBC Component Programs is an increase from the current rate of 0.3269 ¢/kWh to 0.4258 ¢/kWh, including SUT.

The rate includes an under-collection of \$786,396 for the period August 1, 2015 through July 31, 2016 and the projected DSM/CEP spending for the twelve-month period ending July 31, 2017. The Company’s update did not propose any changes to the USF and Lifeline rate components of the SBC.

Since RECO’s submission of the 2016 Filing, Rate Counsel and Staff have propounded, and the Company has responded to, detailed discovery requests. The Signatory Parties also have engaged in discussions in an attempt to resolve all outstanding issues. On November 30, 2016, two public hearings were held in Mahwah, New Jersey. No members of the public attended.

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 2016 Filing, and in consideration of the recitals and mutual promises and covenants set forth herein, the Signatory

Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. SBC Rate. The Company shall be allowed to implement an SBC of 0.7028 ¢/kWh (“Revised SBC”), including SUT.<sup>1</sup> As set forth on Page 1 of 4 of Exhibit A attached hereto, this rate includes: a 0.4258 ¢/kWh rate component, including SUT, relating to the Company’s under-collection of \$786,396, including interest, for prior period DSM and CEP costs for the period August 1, 2015 through July 31, 2016 and projected DSM and CEP costs of \$5,456,254 for the period August 1, 2016 through July 31, 2017. The Revised SBC also includes the 0.1992 ¢/kWh and 0.0778 ¢/kWh rate components, including SUT, relating to the Company’s USF and Lifeline programs, respectively.<sup>2</sup> All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the increase in the SBC to 0.7028 ¢/kWh, including SUT, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in the current monthly average bill from \$117.28 to \$117.92, or \$0.64, or 0.55%.

3. SBC Interest Rate. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the Board’s October 21, 2008 Order in Docket No. ER08060455, but not to exceed RECO’s Board 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, in accordance with N.J.S.A. 48:2-40.

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<sup>1</sup> Should a new SBC rate go into effect on January 1, 2017 or later, such rate will include the reduction in SUT from 7.0% to 6.875%.

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 2016 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

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<sup>2</sup> These USF and Lifeline Rates were approved by the Board in its September 23, 2016 Order in Docket No. ER16060536 effective October 1, 2016, and were not the subject of this proceeding.

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 2016 Filing shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Signatory Parties with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

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

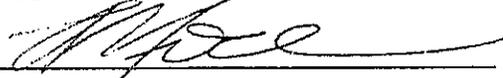
11. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

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

ROCKLAND ELECTRIC COMPANY

By   
John L. Carley  
Attorney for Rockland Electric Company

STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES  
CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY

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, Esq.  
Asst. Deputy Rate Counsel

ROCKLAND ELECTRIC COMPANY

Determination of Demand Side Management and Clean Energy Program Components  
of the Societal Benefits Charge ("SBC")  
Service Rendered on or after August 1, 2016

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT <u>(¢/kWh)</u>	Rate Incl. RA & SUT <u>(¢/kWh)</u>
DSM/Clean Energy Programs	0.3979	0.4258
Universal Service Fund	0.1862	0.1992
Lifeline	<u>0.0727</u>	<u>0.0778</u>
Total	0.6568	0.7028

**ROCKLAND ELECTRIC COMPANY**

**Determination of Demand Side Management and Clean Energy Program Components  
of the Societal Benefits Charge ("SBC")<sup>1</sup>**

**Reconciliation of SBC for the Period August 1, 2015 - July 31, 2016**

SBC Recoveries: (08/01/15 - 07/31/16) - See Page 3	\$4,140,114
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/15 - 07/31/16) - See Page 3	5,510,407
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	(586,908)
Total SBC Costs to be Recovered (08/01/15 - 07/31/16)	4,923,499
SBC (Over)/Under Recovery Balance	783,385
Interest (Over)/Under Recovery Balance - See Page 3	<u>3,011</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2016	\$786,396

**Determination of SBC**

Projected Sales (kWh) 12 months ending July 31, 2017	1,568,566,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000501
Projected Spending - 12 months ending July 31, 2017 - See Page 4	\$5,456,254
\$ per kWh Projected Spending to be Surcharged	\$0.003478
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003979
Sales and Use Tax ("SUT")	1.07
<b><u>Proposed SBC Including SUT (\$ per kWh)</u></b>	<b>\$0.004258</b>

Notes: <sup>1</sup> 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 2015 through July 2016 Cost Recovery Period**

<u>RECO</u>	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SBC Recoveries	\$412,729	\$391,611	\$293,851	\$275,320	\$285,309	\$313,128	\$286,437	\$313,660	\$321,568	\$317,750	\$422,130	\$506,621	\$4,140,114
Prior Period Reconciliation Adj. <sup>1</sup>	(\$586,908)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$586,908)
Legacy Program Costs <sup>2</sup>	\$19,964	\$17,824	\$29,221	\$29,221	\$0	\$58,442	\$0	\$29,221	\$29,221	\$0	\$58,442	\$28,221	\$299,779
CEP Program Costs	\$456,150	\$511,008	\$537,600	\$498,165	\$402,796	\$367,861	\$411,492	\$458,483	\$429,317	\$381,843	\$375,065	\$380,847	\$5,210,628
Total Program Costs	(\$110,794)	\$528,832	\$566,822	\$527,386	\$402,796	\$426,303	\$411,492	\$487,704	\$458,538	\$381,843	\$433,508	\$409,068	\$4,923,499
Interest - (Over)/Under Recovery	(\$330)	(\$248)	(\$69)	\$94	\$191	\$295	\$344	\$478	\$540	\$600	\$656	\$460	\$3,011
Total Program Costs Incl. Adjs. & Interest	(\$111,124)	\$528,584	\$566,753	\$527,480	\$402,987	\$426,598	\$411,836	\$488,182	\$459,078	\$382,443	\$434,164	\$409,528	\$4,926,510
(Over)/Under Recovery	(\$523,852)	\$136,973	\$272,902	\$252,160	\$117,678	\$113,471	\$125,398	\$174,522	\$137,510	\$64,693	\$12,034	(\$97,093)	\$786,386
Interest Rate (%) <sup>3</sup>	1.28%	1.30%	1.24%	1.37%	1.51%	1.62%	1.41%	1.45%	1.36%	1.40%	1.51%	1.19%	

Notes: <sup>1</sup> Over recovery for the period August 1, 2014 through July 31, 2015 per Exhibit A, Page 3 of 4 of Stipulation of Settlement dated January 8, 2016, in Docket Number ER15040399 adopted by the Board in its Order dated January 28, 2016.

<sup>2</sup> The planned deduction of administrative costs (in the amount of \$1,000 from Legacy Program costs) for the current true-up period was supposed to occur in July 2016. Although the Company, BPU Staff, and NJ Rate Counsel are all aware that the processing for this cost did not occur until August 2016, the parties agreed the \$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 current true-up period.

<sup>3</sup> 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")  
Effective August 1, 2016**

**SBC Projected Program Costs: August 2016 - July 2017 (1)**

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy (3)</u>	<u>Total</u>
Aug-16	\$454,416	\$49,186	\$503,601
Sep-16	511,008	17,824	528,832
Oct-16	537,600	23,366	560,967
Nov-16	498,165	23,366	521,531
Dec-16	402,796	23,366	426,163
Jan-17	367,861	23,366	391,227
Feb-17	411,492	14,648	426,139
Mar-17	458,483	14,648	473,131
Apr-17	429,317	14,648	443,965
May-17	381,843	14,648	396,491
Jun-17	375,065	14,648	389,713
Jul-17	<u>380,847</u>	<u>13,648</u>	<u>394,495</u>
Total	\$5,208,894	\$247,361	\$5,456,254

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

<sup>2</sup> The Company's projected Clean Energy Program costs for the twelve month period ending July 2017 reflects the FY17 amounts approved by the BPU in Docket No. QO16040352 dated June 29, 2016. 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.

<sup>3</sup> The Legacy payment for July 2016 was paid in August 2016.

**DRAFT**

Revised Leaf No. 56  
Superseding Revised Leaf No. 56

**GENERAL INFORMATION**

**No. 33 SOCIETAL BENEFITS CHARGE ("SBC")**

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.6039-7028 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	<u>0.30553979</u>	<u>0.32694258</u>
Universal Service Fund	0.1862	0.1992
Lifeline	0.0727	0.0778
Total SBC	<u>0.56446568</u>	<u>0.60397028</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

**DRAFT**

Revised Leaf No. 56  
Superseding Revised Leaf No. 56

**GENERAL INFORMATION**

**No. 33 SOCIETAL BENEFITS CHARGE ("SBC")**

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.7028 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	0.3979	0.4258
Universal Service Fund	0.1862	0.1992
Lifeline	0.0727	0.0778
Total SBC	0.6568	0.7028

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