



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)	ORDER APPROVING STIPULATION
OF ROCKLAND ELECTRIC COMPANY FOR)	
APPROVAL OF CHANGES IN ELECTRIC)	
RATES, ITS TARIFF FOR ELECTRIC SERVICE,)	
AND ITS DEPRECIATION RATES; APPROVAL)	
OF AN ADVANCED METERING PROGRAM;)	BPU DOCKET NO. ER16050428
AND FOR OTHER RELIEF)	OAL DOCKET NO. PUC 12099-2016

Parties of Record:

James C. Meyer, Esq., Riker Danzig Scherer Hyland & Perretti, LLP, on behalf of Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") entered into by Rockland Electric Company ("RECO" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively, the "Parties") that resolves the base rate case petition filed by RECO on May 13, 2016.

BACKGROUND AND PROCEDURAL HISTORY

On May 13, 2016, pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, RECO, a public utility of the State of New Jersey subject to the jurisdiction of the Board, filed a petition for approval of an increase in its base rates of approximately \$9.6 million (exclusive of Sales and Use Tax ("SUT")) or 3.8% to be effective for electric service provided on or after June 12, 2016, as well as changes to certain electric and general plant depreciation rates and various tariff changes. In addition, RECO requested that the Board relieve the Company of its obligation to file an alternative cost of service study using a peak and average coincident peak method as required by the Board in Docket No. ER13111135. The petition further requested approval from the Board to deploy an Advanced Meter Infrastructure ("AMI") program throughout its service territory and for other relief. According to the petition, the primary reasons for the requested increase are due to increased taxes, rising interest rates that have increased financing costs, inflationary pressures that have increased the cost of labor and materials, additional vegetation management expenses, and increases in the cost to provide retiree pensions and other post-employment benefits.

The Company's filing, which was accompanied by exhibits and pre-filed testimony, was based on a test year of the twelve months ending December 31, 2016, with three months of actual data and nine months of estimated data.

By Order dated May 25, 2016, the Board issued an Order suspending increases, changes or alterations in rates for service that suspended proposed revised rates until October 12, 2016. On June 29, 2016, the Board issued an Order, which amended the suspension order and bifurcated the portions of the petition related to AMI. ("June 29, 2016 Order") The June 29, 2016 Order retained the AMI portion of the petition for hearing by the Board in a separate docketed matter and ordered that the remainder of the petition relating to the base rate case be transferred to the Office of Administrative Law ("OAL"). On September 23, 2016, the Board issued an order further suspending increases, changes or alterations in rates for services until February 12, 2017.¹

As directed in the June 29, 2016 Order, the petition was transmitted to the OAL for evidentiary hearings and assigned to the Administrative Law Judge ("ALJ") Gail Cookson. On September 8, 2016, ALJ Cookson held a telephonic Prehearing Conference. ALJ Cookson issued a Prehearing Order dated September 21, 2016, establishing a procedural schedule including evidentiary hearings on February 21, 22, 23, 24, 27 and 28, 2017 and March 1 and 3, 2017. No motions to intervene were filed. Public Service Electric and Gas Company moved for and was granted participant status by ALJ Cookson.

On July 28, 2016, RECO provided its 6+6 update to the parties reflecting an updated revenue requirement of \$8.522 million or an increase of 3.5% in total revenue. On October 28, 2016, the Company provided its 9+3 update to the parties. The 9+3 update reflected an updated revenue requirement of \$6.371 million, or an increase of 2.6% in total revenue.

After proper notice to Municipal Clerks, County Executive Directors and public advertisement in a newspaper with circulation in the Company's service territory, public hearings on RECO's proposed distribution rate increase were held on November 9, 2016, at 4:30 p.m. and 6:30 p.m., in Mahwah, New Jersey. No members of the public attended the public hearing.

Throughout the course of the proceeding, the Company, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties") held in-person and telephonic settlement conferences. On December 2, 2016, the Parties advised ALJ Cookson that they had reached a settlement in principle, pending receipt of the 12+0 update, and would be submitting a stipulation for consideration. Consequently, ALJ Cookson suspended the testimony and discovery dates in the Prehearing Order. On January 27, 2017, the Company submitted its 12+0 update to the parties reflecting actual data for the full test year. The 12+0 update reflected an updated revenue requirement of \$8.760 million, or an increase of 3.7% in total revenue.

THE PROPOSED STIPULATION

On February 8, 2017, after receipt and review of the 12+0 update, the Parties executed the Stipulation. PSE&G submitted a letter indicating that they had no objection to the Stipulation.

¹ By letter dated February 10, 2017 RECO indicated that the Company did not intend to implement rates except pursuant to the Board's Order in this matter.

The key provisions of the Stipulation are as follows:²

1. **Effective Date.** The Parties agree that the Board should issue a written Order approving the Stipulation so that revenue recovery and rates set forth in the Stipulation shall become effective for service rendered on and after March 1, 2017 (the "Effective Date").
2. **Test Year.** The Parties agree that the proper test year for establishing rates is the twelve-month period ended December 31, 2016.
3. **Distribution Revenue Requirement and Rate Adjustment.** In the interest of achieving a satisfactory resolution of the issues to be decided in this proceeding, the Parties agree to an addition to annual distribution revenues of \$1.7 million, which equates to an increase in overall revenues of 0.7%. The Parties agree that RECO's rates will be just and reasonable after they are adjusted to generate an additional \$1.7 million in annual distribution revenues, for service rendered on and after the Effective Date, and will provide a level of revenues necessary so that the Company can continue to provide safe, adequate and proper service.
4. **Rate Base.** The rate base is \$178,727,000. Except as expressly set forth in the Stipulation, this rate base amount does not reflect any particular ratemaking adjustment proposed by any Party for incorporation into the overall revenue requirement.
5. **Rate of Return.** The Parties agree that, for the purposes of the Stipulation, the Company shall have an overall after tax rate of return of 7.47%, based upon a return on common equity of 9.6% and a debt cost rate of 5.37%. The Parties agree that the capital structure for the Stipulation is 50.3% long-term debt and 49.7% common equity. The capitalization producing the overall rate of return is set forth in Schedule A attached to the Stipulation.
6. **Determination of Revenue Requirement.** The determination of the stipulated revenue requirement is reflected on Schedule A attached to the Stipulation.
7. **Consolidated Tax Adjustment.** The Parties acknowledge that the stipulated revenue increase reflects consideration of a consolidated income tax adjustment.
8. **Rates.** The Parties agree that Schedule B to the Stipulation summarizes the revised electric distribution rates that shall be implemented on the Effective Date, and that shall be included in revised Tariff leaves. The revised rates set forth in Schedule B to the Stipulation implement the terms of the Stipulation regarding revenue requirements and rates. The revised rates set forth in Schedule B to the Stipulation were designed to address the Company-sponsored embedded cost of service study surplus and deficiency indications in a manner as agreed to by the Parties. Before applying any revenue increase, revenue neutral changes were implemented in Service Classification ("SC") Nos. 1, 2, and 7, as described in Paragraph 18 to the Stipulation. Thereafter, distribution rates were developed within certain SCs by applying uniform percentage increases, specific to each SC, to all distribution rates, excluding customer charges. No increases were applied to the following: SC No. 2- Secondary (Demand and Non-Demand Billed, excluding Space Heating), SC No. 2- Primary, and SC No. 7 (Primary and High Voltage). Customer

² Although described at some length 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 conclusions in this Order.

charges for all classes except SC No. 7- High Voltage were increased at the overall distribution increase percentage. The Parties agree that Schedule C, attached to the Stipulation, demonstrates that the rates to be implemented by RECO are designed to produce an additional \$1.7 million in revenues.

9. **Residential Bill Impacts.** As a result of the Stipulation, a typical residential customer using 925 kWh per month will receive an annualized monthly increase of approximately \$2.10 or 1.2% on a total revenue basis from \$177.10 to 179.20.
10. **Depreciation/Net Salvage.** RECO will implement the depreciation lives, life tables, rates and amortizations for electric distribution and general plant as shown on Schedule D to the Stipulation.
11. **Accumulated Depreciation Reserve.** The Parties agree that the Company has a \$9,781,234 surplus in the accumulated reserve for depreciation on its distribution plant assets as of February 28, 2017, and RECO will return this amount in rates over a fifteen-year amortization period such that RECO annually shall return \$652,082.
12. **Net Salvage.** The Parties agree that from August 1, 2014 through September 30, 2016 RECO incurred actual negative net salvage costs (i.e., gross salvage less gross removal costs) of \$2,302,786, which exceeded by \$524,386 (the "Net Salvage Deficiency") the Company's net salvage allowance for that period of \$1,778,400 (based on an annual allowance of \$820,800). RECO shall recover the Net Salvage Deficiency in rates over a three-year amortization period such that RECO annually shall recover \$174,795 of the Net Salvage Deficiency. The Parties also agree that the rates established in the Stipulation reflect an additional going-forward annual net salvage recovery allowance of \$1,024,000.
13. **Deferral Balances.** The Parties agree that there are five additional previously approved deferral balances relating to depreciation and/or net salvage that collectively constitute a total unrecovered balance of \$864,803 as of February 28, 2017, and that this balance shall be recovered in rates over a three-year amortization period such that RECO shall annually recover \$288,268 as set forth on Schedule D to the Stipulation. The individual balances making up the total deferral balance of \$864,803 include: (i) the deferred depreciation reserve excess for which rate refunds were initially authorized in BPU Docket No. ER02100724 which has an unamortized balance of \$126,890 as of February 28, 2017, (ii) the deferred net salvage excess for which rate refunds were initially authorized in BPU Docket No. ER02100724 and which has an unamortized debit balance of \$143,056 as of February 28, 2017; (iii) the deferred net salvage under-recovery for which rate recoveries were initially authorized in BPU Docket No. ER06060483 which has an unamortized debit balance of \$20,471 as of February 28, 2017, (iv) the deferred net salvage under-recovery for which rates recoveries were initially authorized in BPU Docket No. ER09080668, which has an unamortized balance of \$219,154 as of February 28, 2017; and (v) the deferred net salvage under-recovery for which rate recoveries were initially authorized in the BPU Docket No. ER13111135, which has an unamortized balance of \$396,174 as of February 28, 2017.
14. **Storm Reserve.** Pursuant to the Board's Order Approving Stipulation dated July 23, 2014 in I/M/O the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, et al., BPU Docket No. ER13111135, RECO is recovering deferred extraordinary storm damage costs of approximately \$25,652,364 (the "Storm Reserve Deficiency") in rates over a four-year amortization period providing an annual rate recovery

\$6,413,091 of the Storm Reserve Deficiency and expiring July 31, 2018. As part of the Stipulation, the Parties agree that RECO will continue the amortization until July 31, 2018 when it will be eliminated and rates will be reduced to reflect the elimination of the \$6,413,091 amortization. The rate decrease shall not be offset by alleged cost increases, unless there is a pending rate case. The reduction of \$6,413,091 will be accomplished through a uniform percentage decrease to base distribution charges to all SCs. The uniform percentage decrease will not be applied to customer charges. The base distribution rates that are revised as a result of the elimination of the storm reserve amortization will be calculated using the billing determinants underlying the distribution rates established in this proceeding. The Company will make a tariff filing by June 1, 2018 with the revised rates that will become effective August 1, 2018. The Parties further agree that the rates established in the Stipulation include an annual funding recovery allowance for the storm reserve of \$750,000.³

15. **Deferred Costs and Credits- Previously Authorized Amortizations.** The Parties agree that there are five previously approved deferred balances currently being recovered or refunded through amortizations in rates, in addition to the net salvage and storm damage cost amortizations addressed above, that collectively constitute a total unrecovered deferred credit balance of \$54,000 as of February 28, 2017. The deferred balance shall be refunded in rates over a three-year amortization period such that RECO shall annually refund \$18,000. The individual balance making up the total deferral balance of \$54,000 include: (i) deferred costs for transformer installation for which the refund was authorized in BPU Docket No. ER09080668 and which has an unamortized deferred debit balance of \$46,000, as of February 28, 2017; (ii) deferred costs, for which rate recovery was initially authorized in BPU Docket No. ER02100724, for Competitive Services Audit, Management Audit Cost, System Reliability Audit, Ramapo Property Tax refunds, Deferred Pension Costs, and Deferred SFAS 106 other post-employment benefits costs which has a collective unamortized deferred credit balance of (\$292,000) as of February 28, 2017; (iii) deferred Long-Term Capacity Agreement Pilot Program ("LCAPP") costs for which rate recovery was initially authorized in BPU Docket No. ER13111135, which has a deferred unamortized debit, balance of \$3,000 as of February 28, 2017; (iv) deferred Smart Grid Surcharge Costs for which rate recovery was initially authorized in the BPU Docket No. ER13111135, which has a deferred unamortized debit balance of \$165,000 as of February 28, 2017; and (v) deferred rate case costs for which rate recovery was initially authorized in the BPU Docket No. ER13111135, which has an unamortized debit balance of \$24,000 as of February 28, 2017.
16. **Deferred Costs-New Amortizations.** The Parties agree that the Company will be allowed to recover in rates \$225,000 of rate case costs. These rates costs will be deferred, amortized and recovered in rates over three years at a rate of \$75,000 per year. This represents a 50/50 sharing of the rate case costs in this Base Rate Case between customers and the Company's shareholders. Any over-recovery or under-recovery of the deferred cost of \$225,000 will be refunded to or recovered from the ratepayers in RECO's next base rate proceeding.

³ Storm costs for each individual storm qualify for deferred accounting if the storm caused electric disruption for 10% or more of customers in an operating area or if customers are without power for more than 24 hours and incremental costs incurred for each individual storm exceed \$130,000.

The Parties have agreed to the recovery in rates of storm costs, and salvage costs through amortizations and funding allowances in this Base Rate Case as set forth in other paragraphs of the Stipulation.

17. **Storm Hardening**. In its January 28, 2016 Decision and Order Approving Stipulation in I/M/O the Verified Petition of Rockland Electric Company For Establishment of a Storm Hardening Surcharge, Docket No. ER14030250 ("Storm Hardening Order"), the Board approved a Storm Hardening Program for the Company consisting of certain sub-programs and projects. The only Storm Hardening Program projects that were completed and placed into service in the test year and included in the rate base set forth above for recovery in the adjusted base rates are: (1) West Milford Selective Undergrounding; (2) Muscle Wall Substation Flood Mitigation; (3) and Wycoff-Godwin Avenue Mainline Overhead System Construction. The rate recovery for other Storm Hardening Program projects will be addressed in the future filings in accordance with the Storm Hardening Order.
18. **Tariff Changes**. The Parties agree that it is appropriate for the Company to make the following revenue neutral changes to rates: (a) the elimination of the water and space heating special provision rates contained in SC No. 1; (b) the reduction of the usage rate differentials by 33% with corresponding reductions in the demand block differentials in SC No.2- Secondary Demand Billed; (3) the equalization of the SC No.2- Primary summer and winter distribution usage rate and the shift of 5% of the distribution revenue from usage to demand; and (4) the shift of 5% of distribution revenue from usage to demand on a revenue neutral basis in SC No. 7. In addition, effective June 1, 2017, distribution rates will reflect the revenue neutral change of the SC No. 5 three block summer distribution rate structure to a two block summer distribution rate structure (for usage less than or equal to 600 kWh and usage greater than 600 kWh) and the change from a two block winter distribution rate structure to a single block distribution rate structure. The Parties agree that it is appropriate for the Company to increase the extension of lines and facilities fees contained in General Information Section No. 17 of the Tariff at the overall distribution increase percentage and that all of the foregoing changes described in this paragraph will be reflected in the compliance Tariff to be filed pursuant to paragraph 19 of the Stipulation.
19. **Compliance Tariff Filing**. Upon approval of the Stipulation by the Board and the Board's issuance of a written Order, the Company will file a compliance Tariff filing showing the issued and effective dates to implement the terms of the Stipulation and the Board's written Order, and the revised Tariff leaves shall become effective on the Effective Date. The Company has attached the Tariff leaves for Staff and Rate Counsel's review in draft format as Schedule E. The Company will also make an additional tariff filing 15 days prior to June 1, 2017, to implement the SC NO. 5 block limit changes described in paragraph 18 of the Stipulation and the Tariff leaves in that filing will have an effective date of June 1, 2017. The Company will make an additional tariff filing as described in paragraph 14 of the Stipulation prior to the expiration of the storm damage costs amortization.
20. **Advanced Metering**. The Stipulation does not address RECO's proposals to deploy AMI and smart meters now pending before the Board in the bifurcated, separate proceeding in the Rockland Electric Company- Request for Approval of An Advanced Metering Program; and For Other Relief, BPU Docket No. ER16060524 ("RECO AMI/Smart Meter Matter"), and the Parties agree that the Company's proposals for opt-out and change-out fees have not been considered in the Stipulation.

21. The Company withdraws its request for a Phase II proceeding as referenced in the direct testimony of the Electric Infrastructure Panel. Also, the Company withdraws its request to be relieved of the requirement ordered by the Board in BPU Docket No. ER13111135 that the Company in its next electric base rate case petition provide a cost of service study using the Average and Peak methodology as filed in this Base Rate Case pursuant to the method described in paragraph 19 of the Stipulation in RECO's 2006 base rate case in Docket No. ER06060483.

22. **Schedules.** All schedules referenced in and attached to the Stipulation are incorporated by reference in the Stipulation as if set forth in the body of the Stipulation.

On February 10, 2017, ALJ Cookson issued an Initial Decision approving the Stipulation pursuant to N.J.A.C. 1:1-19.1, finding that the settlement is voluntary, consistent with the law, and fully disposes of all issues in controversy.

DISCUSSION AND FINDINGS

In evaluating a proposed settlement, the Board must review the record, balance the interests of the ratepayers and the shareholders, and determine whether the settlement represents a reasonable disposition of the issues that will enable the company to provide its customers in this State with safe, adequate and proper service at just and reasonable rates. In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), certif. denied, 152 N.J. 12 (1997). The Board recognizes that the parties worked diligently to negotiate a compromise that attempts to meet the needs of as many stakeholders as possible. The Board further recognizes that the Stipulation represents a balanced solution considering the many complex issues that were addressed during the proceeding.

Based on the Board's review and consideration of the record in this proceeding, including the Stipulation and Initial Decision, petition, the 6 + 6 Update, the 9 + 3 Update, the 12 + 0 Update and testimony, the Board **HEREBY FINDS** the Stipulation and Initial Decision to be reasonable, in the public interest and in accordance with the law.

Additionally, the Board **FINDS** that the revenue requirement increase is fair and reasonable and reflects the increase in capital investments for infrastructure and increases in other costs and expenses that RECO is incurring to provide safe, adequate and reliable service. The Board notes that the stipulated increase in electric distribution rates of \$1.7 million, but exclusive of SUT, is substantially less than the \$8.760 million sought by the Company in its (12+0) update to the petition.

Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation and Initial Decision in their entirety, and **HEREBY INCORPORATES** their terms and conditions as though fully set forth herein.

The rates approved by this Order will become effective for service rendered on or after March 1, 2017. As a result of these changes, the overall annual annualized monthly bill impact for a typical residential customer using 925 kWh per month will be an increase of \$2.10 or 1.2% percent on a total revenue basis from \$177.10 to \$179.20.

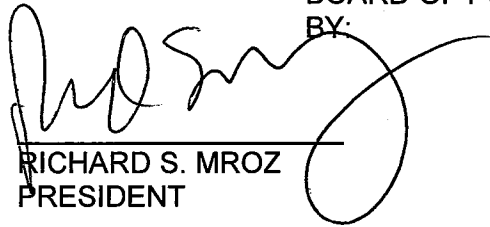
The Company is **HEREBY DIRECTED** to file the appropriate tariff pages that conform to the terms and conditions of this Order prior to March 1, 2017.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

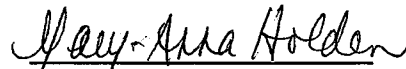
The effective date of this Order is February 22, 2017.

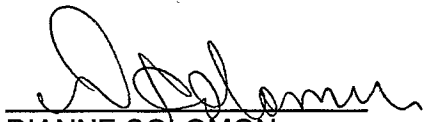
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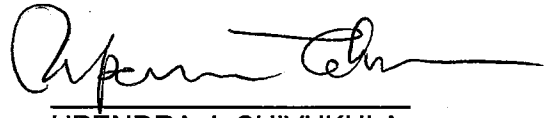
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

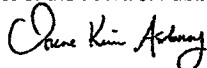

MARY-ANNA HOLDEN
COMMISSIONER


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 THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF CHANGES IN ELECTRIC RATES, ITS TARIFF FOR ELECTRIC SERVICE,
AND ITS DEPRECIATION RATES; APPROVAL OF AN ADVANCED METERING PROGRAM;
AND FOR OTHER RELIEF (“2016 Base Rate Filing”)
BPU DOCKET NO. ER16050428 & OAL DOCKET NO. PUC 12099-2016**

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Irene Kim Asbury, Esq.
Secretary of the Board
Irene.Asbury@bpu.nj.gov

Paul Flanagan, Esq.
Executive Director
Paul.Flanagan@bpu.nj.gov

Thomas Walker, Director
Division of Energy
Thomas.Walker@bpu.nj.gov

Phillip Galka
Reliability & Security
Phillip.Galka@bpu.nj.gov

Dr. Son Lin Lai
Office of Chief Economist
Son-lin.lai@bpu.nj.gov

Megan Lupo, Esq.
Office of the Chief Counsel
Megan.lupo@bpu.nj.gov

John Zarzycki
Division of Energy
John.Zarzycki@bpu.nj.gov

Scott Sumliner
Division of Energy
Scott.sumliner@bpu.nj.gov

Andrea Reid
Division of Energy
Andrea.reid@bpu.nj.gov

Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350

Cynthia E. Covie, Chief of Staff
Cynthia.Covie@bpu.nj.gov

Andrew McNally, Chief Counsel
Andrew.mcnally@bpu.nj.gov

Bethany Rocque-Romaine, Esq.
Office of the Chief Counsel
bethany.romaine@bpu.nj.gov

Stacy Peterson, Deputy Director
Division of Energy
Stacy.Peterson@bpu.nj.gov

Robert Schultheis
Chief, Bureau of Revenue Requirements
Robert.schultheis@bpu.nj.gov

Mark Beyer
Chief Economist
Mark.Beyer@bpu.nj.us

Jackie O’Grady
Office of Chief Economist
Jackie.Ogrady@bpu.nj.gov

Jacqueline Galka
Division of Energy
Jacqueline.Galka@bpu.nj.gov

Henry Rich
Division of Energy
Henry.rich@bpu.nj.gov

Beverly Tyndell
Division of Energy
Beverly.tyndell@bpu.nj.gov

Deputy Attorneys General
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
Post Office Box 45029
Newark, NJ 07101-45029

Alex Moreau, DAG
alex.moreau@dol.lps.state.nj.us

Renee Greenberg, DAG
Renee.greenberg@dol.lps.state.nj.us

Caroline Vachier, DAG
Caroline.vachier@dol.lps.state.nj.us

Jenique Jones, Paralegal
Jenique.Jones@dol.lps.state.nj.us

Geoffrey Gersten, DAG
Geoffrey.Gersten@dol.lps.state.nj.us

Division of Rate Counsel
140 East Front Street, 4th floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.state.nj.us
smassey@rpa.state.nj.us

Kurt S. Lewandowski, Esq.
klewando@rpa.state.nj.us

Brian Lipman, Esq.
blipman@rpa.state.nj.us

Christine M. Juarez, Esq.
cjuarez@rpa.state.nj.us

Darlene Duque-Garcia, Paralegal
Dduque-garcia@rpa.state.nj.us

Oneil Hamilton
Division of Energy
oneil.hamilton@bpu.nj.gov

Bart Kilar
Division of Energy
bart.kilar@bpu.nj.gov

Rockland Electric Company

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland & Perretti, LLP
Headquarters Plaza
One Speedwell Avenue
P.O. Box 1981
Morristown, NJ 07962-1981
jmeyer@riker.com

Kenneth Kosior
Director – Financial Services
Orange and Rockland Utilities, Inc.
One Blue Hill Plaza, 4th Floor
Pearl River, NY 10965
kosiork@oru.com

John L. Carley, Esq.
Assistant General Counsel
Consolidated Edison Co. of New York, Inc.
Law Department, Room 1815-S
4 Irving Place
New York, NY 10003-0987
carleyj@coned.com

Margaret Comes, Esq.
Associate Counsel
Consolidated Edison Co. of New York, Inc.
Law Department, Room 1815-S
4 Irving Place
New York, NY 10003-0987
comesm@coned.com

Rate Counsel Consultants

William Dunkel William-Dunkel & Associates
8625 Farmington Cemetery Road
Pleasant Plains, IL 62677
WilliamDunkel@consultant.com

Charlie Salamone
Synapse Energy Economics, Inc.
485 Massachusetts Avenue, Suite 2
Cambridge, MA 02139
csalamone@capepowersystems.com

Kevin O'Donnell
Nova Energy Consultants, Inc.
1350 SE Maryland Road, Suite 101
Cary, NC 27511
KODonnell@novaenergyconsultants.com

Matthew I. Kahal
1108 Pheasant Crossing
Charlottesville, VA 22901
mkahal@exeterassociates.com

Robert Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net

Max Chang
Synapse Energy Economics, Inc.
485 Massachusetts Avenue, Suite 2
Cambridge, MA 02139
mchang@synapse-energy.com

Public Service Electric and Gas Company

Joseph F. Accardo, Esq., Jr.
PSEG Services Corporation
80 Park Plaza, T5G
P.O. Box 570
Newark, NJ 07102
Joseph.accardojr@pseg.com

Connie Lembo
Regulatory Filings Supervisor
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102
Constance.lembo@pseg.com

Martin C. Rothfelder, Esq.
PSEG Services Corporation
80 Park Plaza, T5G
P.O. Box 570
Newark, NJ 07102
Martin.rothfelder@pseg.com

Michele Falcao
Regulatory Case Coordinator
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102
Michele.falcao@pseg.com



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 12099-16

AGENCY DKT. NO. ER16050428

**IN THE MATTER OF THE VERIFIED
PETITION OF ROCKLAND ELECTRIC
COMPANY FOR APPROVAL OF
CHANGES IN ELECTRIC RATES, ITS
TARIFF FOR ELECTRIC SERVICES,
AND ITS DEPRECIATION RATES;
APPROVAL OF AN ADVANCED
METERING PROGRAM; AND FOR
OTHER RELIEF ("2016 BASE RATE
FILING")**

James C. Meyer, Esq., for petitioner Public Service Electric & Gas Company
(Riker Danzig, attorneys)

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

Brian O. Lipman and Kurt S. Lewandowski, Assistant Deputies Rate Counsel,
for Division of Rate Counsel (Stefanie A. Brand, Director, attorney)

Martin C. Rothfelder, Esq., for participant Public Service Electric & Gas Co.
(Joseph F. Accardo, Jr., Corporate Counsel, attorneys)

Record Closed: February 8, 2017

Decided: February 10, 2017

BEFORE **GAIL M. COOKSON, ALJ**:

This matter was filed by Rockland Electric Company (Company) on May 13, 2016, seeking approval from the Board of Public Utilities (BPU) for approval of changes in electric rates, its tariff for electric service, its electric depreciation rates, and for other relief. This matter does not involve Petitioner's request for approval of an advanced metering program ("AMI/Smart Meter Matter") that the Board retained for hearing directly before the Board pursuant to its June 29, 2016 Bifurcation Order.

The file was transmitted to the Office of Administrative Law (OAL), on or about August 11, 2016, for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F-1 to -13. The case was assigned to the undersigned on August 18, 2016. A prehearing conference was convened telephonically on September 8, 2016. During that conference call, a schedule for discovery, public hearings, submittal of the Company's updated financials, and plenary hearings were discussed.

Prior to the evidentiary hearings, scheduled to commence on February 21, 2017, and continue for several days thereafter, the parties reported that the matters in dispute had been resolved. On February 8, 2017, I received electronically a Stipulation of Settlement fully-executed by all parties to this matter with a request that I enter an Initial Decision Settlement and transmit same to the Board. The agreement more completely sets forth the terms and conditions of the settlement of all issues raised by the filing of the Company. PSE&G, a public utility company granted participant status in the matter, filed a letter stating that it has no objection to the Stipulation.

I have reviewed the record and terms of the Stipulations and **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.

- 2. The settlement fully disposes of all issues in controversy and is consistent with law.

I **CONCLUDE** that the Stipulation meets the requirements of N.J.A.C. 1:1-19.1 and therefore, it is **ORDERED** that the matter be deemed dismissed with prejudice and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.



February 10, 2017
DATE

GAIL M. COOKSON, ALJ

Date Received at Agency: 2/10/17

Date Mailed to Parties: _____

id



**RIKER
DANZIG
SCHERER
HYLAND
PERRETTI_{LLP}**

James C. Meyer
Partner

Direct:
t: 973.451.8464
f: 973.451.8688
jmeyer@riker.com
Reply to: Morristown

ATTORNEYS AT LAW

February 8, 2017

Via Email and Fed Ex Delivery
Honorable Gail M. Cookson, ALJ
Office of Administrative Law
33 Washington Street
Newark, NJ 07102

Re: I/M/O the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for Electric Services, And Its Depreciation Rates; Approval of An Advanced Metering Program; And For Other Relief ("2016 Base Rate Filing")
BPU Docket No. ER16050428
OAL Docket No. PUC12099-16

Dear Judge Cookson:

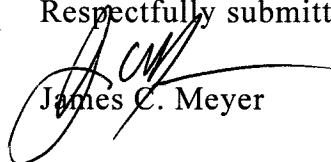
Enclosed please find three copies of a Stipulation of Settlement executed by Rockland Electric Company ("RECO" or the "Company"), the Division of Rate Counsel ("Rate Counsel") and Staff of the Board of Public Utilities ("Board"). The signature pages are PDF copies; originals will be filed with the Board. The participant, PSE&G, has separately submitted a letter of non-objection.

It is the parties intention that the Stipulation should be addressed by the Board at its February 22, 2017 agenda meeting so that rates may become effective March 1, 2017 as reflected in the Stipulation. We therefore respectfully request that Your Honor review the Stipulation expeditiously.

Kindly have your staff stamp the extra copy filed and return in the enclosed postage-paid envelope.

Thank you for your kind consideration of this matter.

Respectfully submitted,



James C. Meyer

c: Attached Service List
(via email with hard copy to designees by mail)

4807422v1

SERVICE LIST

**I/M/O Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for Electric Service, And Its Depreciation Rates; Approval of An Advanced Metering Program; And For Other Relief
OAL Docket No. PUC 12099-2016N
BPU Docket No. ER16050428 (“2016 Base Rate Case”)**

Board of Public Utilities

Irene Kim Asbury, Secretary #
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
irene.asbury@bpu.nj.gov
board.secretary@bpu.nj.gov

Cynthia Covie, Chief Counsel
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
cynthia.covie@bpu.nj.gov

Bethany Rocque-Romaine
Counsel’s Office
NJ BPU Legal Specialist
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
bethany.romaine@bpu.nj.gov

Paul Flanagan, Esq.
Executive Director
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
paul.flanagan@bpu.nj.gov

Stacy Peterson*
Deputy Director - Energy
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
stacy.peterson@bpu.nj.gov

Thomas Walker, Director
Division of Energy
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
thomas.walker@bpu.nj.gov

Robert Schultheis
Chief, Bureau of Revenue Requirements
Board of Public Utilities
Division of Energy
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
robert.schultheis@bpu.nj.gov

Scott Sumliner
Division of Energy
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
scott.sumliner@bpu.nj.gov

Andrea Reid
Division of Energy
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
andrea.reid@bpu.nj.gov

Jackie O'Grady
Office of Chief Economist
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
jackie.ogrady@bpu.nj.gov

John Zarzycki *
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
john.zarzycki@bpu.nj.gov

Mark Beyer
Chief Economist
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
mark.beyer@bpu.nj.gov

Jacqueline Galka
Issues Manager
Board of Public Utilities
Division of Energy
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Jacqueline.Galka@bpu.nj.gov

Beverly Tyndell
Division of Energy
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
beverly.tyndell@bpu.nj.gov

Megan Lupo
Counsel's Office
NJ BPU Legal Specialist
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
megan.lupo@bpu.nj.gov

Henry Rich, Administrative Analyst *
Board of Public Utilities
Division of Energy
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
henry.rich@bpu.nj.gov

Dr. Son Lin Lai *
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
son-lin.lai@bpu.nj.gov

John Masiello
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
john.masiello@bpu.nj.gov

Bart Kilar
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
bart.kilar@bpu.nj.gov

Oneil Hamilton
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Oneil.hamilton@bpu.nj.gov

Deputy Attorneys General

Alex Moreau, DAG **
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
alex.moreau@dol.lps.state.nj.us

Renee Greenberg, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
renee.greenberg@dol.lps.state.nj.us

Jenique Jones, Paralegal*
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
jenique.jones@dol.lps.state.nj.us

Geoffrey Gersten, DAG*
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
geoffrey.gersten@dol.lps.state.nj.us

Division of Rate Counsel

Stefanie A. Brand, Director **
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.state.nj.us

Christine M. Juarez, Esq.*
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
cjuarez@rpa.state.nj.us

Brian O. Lipman, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.state.nj.us

Darlene Duque-Garcia, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
dduque-garcia@rpa.state.nj.us

Kurt S. Lewandowski, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
klewando@rpa.state.nj.us

Rate Counsel Consultants

Andrea Crane
The Columbia Group
P.O. Box 810
Georgetown, CT 06829
ctcolumbia@aol.com

William Dunkel
William-Dunkel & Associates
8625 Farmington Cemetary Road
Pleasant Plains, IL 62677
WilliamDunkel@consultant.com

Kevin O'Donnell
Nova Energy Consultants, Inc.
1350 SE Maynard Road, Suite 101
Cary, North Carolina 27511
kodonnell@novaenergyconsultants.com

Charlie Salamone
Synapse Energy Economics, Inc.
485 Massachusetts Ave., Suite 2
Cambridge, MA 02139
csalamone@capepowersystems.com

**Public Service Electric and Gas Company
(Participant)**

Joseph F. Accardo Jr., Esq. #
PSEG Services Corporation
80 Park Plaza, T5G
P.O. Box 570
Newark, New Jersey 07102
joseph.accardojr@pseg.com

Connie Lembo #
Regulatory Filings Supervisor
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, New Jersey 07102
constance.lembo@pseg.com

Matthew I. Kahal ▲
1108 Pheasant Crossing
Charlottesville, VA 22901
mkahal@exeterassociates.com

Robert Henkes *
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net

Max Chang
Synapse Energy Economics, Inc.
485 Massachusetts Ave., Suite 2
Cambridge, MA 02139
mchang@synapse-energy.com

Martin C. Rothfelder, Esq. #
PSEG Services Corporation
80 Park Plaza, T5G
Newark, New Jersey 07102
martin.rothfelder@pseg.com

Michele Falcao #
Regulatory Case Coordinator
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, New Jersey 07102
michele.falcao@pseg.com

Rockland Electric Company

John L. Carley, Esq.
Assistant General Counsel
Consolidated Edison Co. of New York, Inc.
Law Department, Room 1815-S
4 Irving Place
New York, NY 10003-0987
carleyj@coned.com

James C. Meyer, Esq. **
Riker, Danzig, Scherer, Hyland &
Perretti, LLP
Headquarters Plaza
One Speedwell Avenue
P.O. Box 1981
Morristown, NJ 07962-1981
jmeyer@riker.com

Margaret Comes, Esq.
Associate Counsel
Consolidated Edison Co. of New York, Inc.
Law Department, Room 1815-S
4 Irving Place
New York, NY 10003-0987
comesm@coned.com

John DeLaBastide
Director – Financial Services
Orange and Rockland Utilities, Inc.
One Blue Hill Plaza, 4th Floor
Pearl River, NY 10965
delabastidej@oru.com

* Receives one hard copy of discovery and pleadings

**Receives one hard copy of discovery, two hard copies of pleadings

▲ Receives one hard copy only for ROR/COC discovery

Receives hard copies of filings with the NJBPU, but is not served with discovery

Note: All persons receive an electronic copy of discovery and pleadings (by email), unless otherwise indicated

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF ADMINISTRATIVE LAW

I/M/O THE VERIFIED PETITION OF :
ROCKLAND ELECTRIC COMPANY FOR :
APPROVAL OF CHANGES IN ELECTRIC : BPU Docket No. ER16050428
RATES, ITS TARIFF FOR ELECTRIC : OAL Docket No. PUC12099-16
SERVICE, AND ITS DEPRECIATION :
RATES; APPROVAL OF AN ADVANCED :
METERING PROGRAM; AND FOR OTHER :
RELIEF (“2016 BASE RATE FILING”) :

STIPULATION OF SETTLEMENT

APPEARANCES:

James C. Meyer, Esq., Riker Danzig Scherer Hyland & Perretti, LLP, and John L. Carley, Esq., Assistant General Counsel, for the Petitioner, Rockland Electric Company

Brian O. Lipman, Esq., Litigation Manager, Christine M. Juarez, Esq., Assistant Deputy Rate Counsel, and Kurt Lewandowski, Esq., Division of Rate Counsel (Stefanie A. Brand, Esq., Director)

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

THIS STIPULATION OF SETTLEMENT (“Stipulation” or “Settlement”) is made as of February 6, 2017 by and among Rockland Electric Company (“RECO” or the “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”) and Staff of the New Jersey Board of Public Utilities (“Staff”) (referred to herein individually as a “Party” and collectively as the “Parties”).

On May 13, 2016, RECO filed a Verified Petition (“Petition”) in the base rate proceeding captioned above in BPU Docket No. ER16050428 (“Base Rate Case”). The Petition requested, inter alia, an increase in RECO’s base electric distribution rates and charges, changes to certain electric and general plant depreciation rates, various tariff changes, approval of an

advanced metering program, and other relief. The Company's filing consisted of the Petition, Exhibits to the Petition, various schedules, and pre-filed direct testimony. The Petition stated that the increased distribution rates and charges in the Company's Proposed Tariff were designed to produce additional revenues of \$9.6 million, or a 3.8% increase based on total revenues calculated using the Company's current rates and projected sales for the twelve-month test year period ended December 31, 2016, subject to increase or decrease upon the Company's filing of updated information.

On May 25, 2016, the Board issued an Order Suspending Increases, Changes or Alterations in Rates for Service that suspended proposed revised rates until October 12, 2016. On June 29, 2016, the Board issued an Order Amending Suspension Order, Bifurcating Petition Issues, Designating Presiding Commissioner, Setting Manner of Service and Intervention Bar Date ("Bifurcation Order"). The Bifurcation Order directed that the portion of the Company's Petition seeking to deploy Advanced Metering Infrastructure ("AMI") and smart meters throughout its service territory be bifurcated and retained by the Board for hearing in a separately docket matter, and that the remainder of the Petition relating to the base rate case be transferred to the Office of Administrative Law ("OAL"). On September 23, 2016, the Board issued an Order Further Suspending Increases, Changes or Alterations in Rates for Service that suspended proposed revised rates until February 12, 2017.

The Petition was transmitted to the OAL for evidentiary hearings and assigned to the Honorable Gail Cookson, Administrative Law Judge ("ALJ"). ALJ Cookson held a telephonic Prehearing Conference on September 8, 2016. ALJ Cookson issued a Prehearing Order dated September 21, 2016, establishing a procedural schedule including evidentiary hearings on February 21, 22, 23, 24, 27 and 28, 2017 and March 1 and 3, 2017. No motions to intervene

were filed. The Company, Staff and Rate Counsel are therefore the only full parties to the Base Rate Case. Public Service Electric and Gas Company moved for and was granted participant status by ALJ Cookson.

After proper notice to Municipal Clerks and County Executive Directors and public advertisement in a newspaper with circulation in the Company's service territory, public hearings on RECO's proposed distribution base rate increase were held on November 9, 2016 at 4:30 p.m. and 6:30 p.m., in Mahwah, New Jersey. No members of the public attended the public hearings and placed their comments on the record.

On October 28, 2016, the Company provided its 9+3 Update to the Parties. The 9+3 Update reflected an updated additional revenue requirement of \$6.371 million, or an increase of 2.6% on a total revenue basis.

Rate Counsel, Staff, and the Company engaged in extensive discovery following the Base Rate Petition, including with respect to the 9+3 Update. In total, the Company responded to 485 formal discovery requests (not including additional subparts or responses to informal information requests) from Rate Counsel and Staff.

On November 15, 17 and 22, 2016, the Parties held in-person settlement conferences, followed by additional telephonic settlement conferences.

On December 2, 2016, the Parties advised ALJ Cookson that they had reached a settlement in principle, pending receipt of the 12+0 Update, and would be submitting a Stipulation for her consideration. Consequently, ALJ Cookson suspended the testimony and discovery dates in the Prehearing Order.

On January 27, 2017, the Company filed and served upon the Parties an update to its Petition in the Base Rate Case reflecting twelve months of actual information through December

31, 2016. The Parties have reviewed the Petition and updates, discovery, detailed pre-filed testimony, and information exchanged during the period of settlement discussions. As a result, the Parties have agreed to reasonably, fully and finally resolve all factual and legal issues in this matter by this Stipulation. In consideration of the recitals and mutual promises and covenants set forth herein, the Parties, DO HEREBY STIPULATE AND AGREE:

1. Effective Date. The Parties agree that the Board should issue a written Order approving this Stipulation so that revenue recovery and rates set forth herein shall become effective for service rendered on and after March 1, 2017 (the “Effective Date”).

2. Test Year. The Parties agree that the proper test year for establishing rates is the twelve-month period ended December 31, 2016.

3. Distribution Revenue Requirement and Rate Adjustment. In the interest of achieving a satisfactory resolution of the issues to be decided in this proceeding, the Parties agree to an addition to annual distribution revenues of \$1.7 million, which equates to an increase in overall revenues of 0.7%. The Parties agree that RECO’s rates will be just and reasonable after they are adjusted to generate an additional \$1.7 million in annual distribution revenues, for service rendered on and after the Effective Date, and will provide a level of revenues necessary so that the Company can continue to provide safe, adequate and proper service.

4. Rate Base. The rate base is \$178,727,000. Except as expressly set forth in this Stipulation, this rate base amount does not reflect any particular ratemaking adjustment proposed by any Party for incorporation into the overall revenue requirement.

5. Rate of Return. The Parties agree that, for purposes of this Settlement, the Company shall have an overall after tax rate of return of 7.47%, based upon a return on common equity of 9.6% and a debt cost rate of 5.37%. The Parties agree that the capital structure for this

Settlement is 50.3% long-term debt and 49.7% common equity. The capitalization producing the overall rate of return is set forth in Schedule A attached hereto.

6. Determination of Revenue Requirement. The determination of the stipulated revenue requirement is reflected on attached Schedule A.

7. Consolidated Tax Adjustment. The Parties acknowledge that the stipulated revenue increase reflects consideration of a consolidated income tax adjustment.

8. Rates. The Parties agree that Schedule B summarizes the revised electric distribution rates that shall be implemented on the Effective Date and that shall be included in revised Tariff leaves. The revised rates set forth in Schedule B implement the terms of this Stipulation regarding revenue requirements and rates. The revised rates set forth in Schedule B were designed to address the Company-sponsored embedded cost of service study surplus and deficiency indications in a manner as agreed to by the Parties. Before applying any revenue increase, revenue neutral changes were implemented in Service Classification (“SC”) Nos. 1, 2, and 7, as described in Paragraph 18. Thereafter, distribution rates were developed within certain SCs by applying uniform percentage increases, specific to each SC, to all distribution rates, excluding customer charges. No increases were applied to the following: SC No. 2 – Secondary (Demand and Non-Demand Billed, excluding Space Heating), SC No. 2 – Primary, and SC No. 7 (Primary and High Voltage). Customer charges for all classes except SC No. 7 – High Voltage were increased at the overall distribution increase percentage. The Parties agree that Schedule C, attached hereto, demonstrates that the rates to be implemented by RECO are designed to produce an additional \$1.7 million in revenues.

9. Residential Bill Impacts. As a result of this Stipulation, a typical residential customer using 925 kWh per month will receive an annualized monthly increase of approximately \$2.10 or 1.2% on a total revenue basis from \$177.10 to \$179.20.

10. Depreciation/Net Salvage. RECO will implement the depreciation lives, life tables, rates and amortizations for electric distribution and general plant as shown on Schedule D.

11. Accumulated Depreciation Reserve. The Parties agree that the Company has a \$9,781,234 surplus in the accumulated reserve for depreciation on its distribution plant assets as of February 28, 2017, and RECO will return this amount in rates over a fifteen-year amortization period such that RECO annually shall return \$652,082.

12. Net Salvage. The Parties agree that from August 1, 2014 through September 30, 2016, RECO incurred actual negative net salvage costs (i.e., gross salvage less gross removal costs) of \$2,302,786, which exceeded by \$524,386 (the “Net Salvage Deficiency”) the Company’s net salvage allowance for that period of \$1,778,400 (based on an annual allowance of \$820,800). RECO shall recover the Net Salvage Deficiency in rates over a three-year amortization period such that RECO annually shall recover \$174,795 of the Net Salvage Deficiency. The Parties also agree that the rates established in this Stipulation reflect an additional going-forward annual net salvage recovery allowance of \$1,024,000.

13. Deferral Balances. The Parties agree that there are five additional previously-approved deferral balances relating to depreciation and/or net salvage that collectively constitute a total unrecovered balance of \$864,803 as of February 28, 2017, and that this balance shall be recovered in rates over a three-year amortization period such that RECO shall annually recover \$288,268, as set forth on Schedule D. The individual balances making up the total deferral

balance of \$864,803 include: (i) the deferred depreciation reserve excess for which rate refunds were initially authorized in BPU Docket No. ER02100724 which has an unamortized balance of \$126,890 as of February 28, 2017; (ii) the deferred net salvage excess for which rate refunds were initially authorized in BPU Docket No. ER02100724 and which has an unamortized debit balance of \$143,056 as of February 28, 2017; (iii) the deferred net salvage under-recovery for which rate recoveries were initially authorized in BPU Docket No. ER06060483 which has an unamortized debit balance of \$20,471 as of February 28, 2017; (iv) the deferred net salvage under-recovery for which rate recoveries were initially authorized in BPU Docket No. ER09080668 which has an unamortized balance of \$219,154 as of February 28, 2017; and (v) the deferred net salvage under-recovery for which rate recoveries were initially authorized in BPU Docket No. ER13111135 which has an unamortized balance of \$396,174 as of February 28, 2017.

14. Storm Reserve. Pursuant to the Board's Order Approving Stipulation dated July 23, 2014 in *I/M/O the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, et al.*, BPU Docket No. ER13111135, RECO is recovering deferred extraordinary storm damage costs of approximately \$25,652,364 (the "Storm Reserve Deficiency") in rates over a four-year amortization period providing an annual rate recovery \$6,413,091 of the Storm Reserve Deficiency and expiring July 31, 2018. As part of this Settlement, the Parties agree that RECO will continue the amortization until July 31, 2018 when it will be eliminated and rates will be reduced to reflect the elimination of the \$6,413,091 amortization. The rate decrease shall not be offset by alleged cost increases, unless there is a pending rate case. The reduction of \$6,413,091 will be accomplished through a uniform percentage decrease to base distribution charges to all SCs. The uniform percentage decrease

will not be applied to customer charges. The base distribution rates that are revised as a result of the elimination of the storm reserve amortization will be calculated using the billing determinants underlying the distribution rates established in this proceeding. The Company will make a tariff filing by June 1, 2018 with the revised rates that will become effective August 1, 2018. The Parties further agree that the rates established in this Stipulation include an annual funding recovery allowance for the storm reserve of \$750,000.¹

15. Deferred Costs and Credits- Other Previously Authorized Amortizations.

The Parties agree that there are five previously approved deferred balances currently being recovered or refunded through amortizations in rates, in addition to the net salvage and storm damage cost amortizations addressed above, that collectively constitute a total unrecovered deferred credit balance of \$54,000 as of February 28, 2017. The deferred balance shall be refunded in rates over a three-year amortization period such that RECO shall annually refund \$18,000. The individual balances making up the total deferral balance of \$54,000 include: (i) deferred costs for transformer installation for which the refund was authorized in BPU Docket No. ER09080668 and which has an unamortized deferred debit balance of \$46,000, as of February 28, 2017; (ii) deferred costs, for which rate recovery was initially authorized in BPU Docket No. ER02100724, for Competitive Services Audit, Management Audit Costs, System Reliability Audit, Ramapo Property Tax refunds, Deferred pension costs, and Deferred SFAS 106 other post-employment benefits costs which has a collective unamortized deferred credit balance of (\$292,000) as of February 28, 2017; (iii) deferred Long-Term Capacity Agreement Pilot Program (“LCAPP”) costs for which rate recovery was initially authorized in BPU Docket No. ER13111135 which has a deferred unamortized debit balance of \$3,000 as of February 28,

¹ Storm costs for each individual storm qualify for deferred accounting if the storm caused electric disruption for 10% or more of customers in an operating area or if customers are without power for more than 24 hours and incremental costs incurred for each individual storm exceed \$130,000.

2017; (iv) deferred Smart Grid Surcharge Costs for which rate recovery was initially authorized in BPU Docket No. ER13111135 which has a deferred unamortized debit balance of \$165,000 as of February 28, 2017; and (v) deferred rate case costs for which rate recovery was initially authorized in BPU Docket No. ER13111135 which has a deferred unamortized debit balance of \$24,000 as of February 28, 2017.

16. Deferred Costs-New Amortizations. The Parties agree that the Company will be allowed to recover in rates \$225,000 of rate case costs. These rate case costs will be deferred, amortized and recovered in rates over three years at a rate of \$75,000 per year. This represents a 50/50 sharing of the rate case costs in this Base Rate Case between customers and the Company's shareholders. Any over-recovery or under-recovery of the deferred cost of \$225,000 will be refunded to or recovered from the ratepayers in RECO's next base rate proceeding.

The Parties have agreed to the recovery in rates of storm costs and salvage costs through amortizations and funding allowances in this Base Rate Case as set forth in other paragraphs of this Stipulation.

17. Storm Hardening. In its January 28, 2016 Decision and Order Approving Stipulation in *I/M/O the Verified Petition of Rockland Electric Company For Establishment of a Storm Hardening Surcharge*, Docket No. ER14030250 ("Storm Hardening Order"), the Board approved a Storm Hardening Program for the Company consisting of certain sub-programs and projects. The only Storm Hardening Program projects that were completed and placed into service in the test year and included in the rate base set forth above for recovery in the adjusted base rates are: (1) West Milford Selective Undergrounding; (2) Muscle Wall Substation Flood Mitigation; and (3) Wycoff-Godwin Avenue Mainline Overhead System Construction. The rate

recovery for other Storm Hardening Program projects will be addressed in future filings in accordance with the Storm Hardening Order.

18. Tariff Changes. The Parties agree that it is appropriate for the Company to make the following revenue neutral changes to rates: (a) the elimination of the water and space heating special provision rates contained in SC No. 1; (b) the reduction of the usage rate differentials by 33% with corresponding reductions in the demand block differentials in SC No. 2 – Secondary Demand Billed; (3) the equalization of the SC No. 2 – Primary summer and winter distribution usage rate and the shift of 5% of distribution revenue from usage to demand; and (4) the shift of 5% of distribution revenue from usage to demand on a revenue neutral basis in SC No. 7. In addition, effective June 1, 2017, distribution rates will reflect the revenue neutral change of the SC No. 5 three block summer distribution rate structure to a two block summer distribution rate structure (for usage less than or equal to 600 kWh and usage greater than 600 kWh) and the change from a two block winter distribution rate structure to a single block distribution rate structure. The Parties agree that it is appropriate for the Company to increase the extension of lines and facilities fees contained in General Information Section No. 17 of the Tariff at the overall distribution increase percentage and that all of the foregoing changes described in this Paragraph will be reflected in the compliance Tariff to be filed pursuant to Paragraph 19 below.

19. Compliance Tariff Filing. Upon approval of this Stipulation by the Board and the Board's issuance of a written Order, the Company will file a compliance Tariff filing showing the issued and effective dates to implement the terms of this Stipulation and the Board's written Order, and the revised Tariff leaves shall become effective on the Effective Date. The Company has attached the Tariff leaves for Staff's and Rate Counsel's review in draft format as Schedule E. The Company will also make an additional tariff filing 15 days prior to June 1, 2017 to

implement the SC No. 5 block limit changes described in paragraph 18 above and the Tariff leaves in that filing will have an effective date of June 1, 2017. The Company will make an additional tariff filing as described in paragraph 14 above prior to the expiration of the storm damage costs amortization.

20. Advanced Metering. This Stipulation does not address RECO's proposals to deploy Advanced Metering Infrastructure ("AMI") and smart meters now pending before the Board in the bifurcated, separate proceeding in *Rockland Electric Company – Request for Approval of An Advanced Metering Program; and For Other Relief*, BPU Docket No. EO16060524 ("RECO AMI/Smart Meter Matter"), and the Parties agree that the Company's proposals for opt-out and change-out fees have not been considered in this Stipulation.

21. The Company withdraws its request for a Phase II proceeding as referenced in the direct testimony of the Electric Infrastructure Panel. Also, the Company withdraws its request to be relieved of the requirement ordered by the Board in BPU Docket No. ER13111135 that the Company in its next electric base rate case petition provide a cost of service study using the Average and Peak methodology as filed in this Base Rate Case pursuant to the method described in paragraph 19 of the Stipulation in RECO's 2006 base rate case in Docket No. ER06060483.

22. Schedules. All schedules referenced in and attached to this Stipulation are incorporated by reference herein as if set forth in the body of the Stipulation.

23. Voluntariness. The Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein. The Parties have entered this Stipulation after consideration of the Petition and updates, the pre-filed testimony of the Parties, and discovery in this matter.

24. Board Approval. The Parties agree that the Board should issue an Order that adopts this Stipulation and thereby: (1) authorizes RECO to increase its electric distribution rates to achieve an additional \$1.7 million in annual revenues; and (2) approves the agreed-upon electric distribution rates set forth in Schedule B and Schedule E as just and reasonable on the Effective Date determined in accordance with this paragraph. Each Party agrees to use its best efforts to ensure this Stipulation is submitted to the ALJ and Board in a timely fashion and to urge the ALJ and Board to expeditiously issue their approvals of this Stipulation as the earliest date practicable, , and issuing and serving a written Order approving this Stipulation and the revenue recovery and rates and charges established herein expeditiously thereafter. In any event, the Parties hereby request that the Board: address this matter no later than at its agenda meeting scheduled for February 22, 2017; that the Board thereafter expeditiously issue and serve a written Order approving this Stipulation and the revenue recovery and rates and charges established herein and set an expedited Effective Date; and that the Board set an Effective Date that in no event is later than March 1, 2017, as the Company will request an expedited order in accordance with the Board Secretary's protocols therefor. The Parties' agreements above are consistent with their understanding that the Board's written Order approving this Stipulation will become effective in accordance with N.J.S.A. 48:2-40 upon the service of said Order or upon such date after service as the Board may specify.

25. Waiver of Rights of Appeal. Each Party specifically waives any right it may have to seek reconsideration of or to appeal an order by the Board that approves this Stipulation in the manner provided for herein without modification.

26. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its

entirety. 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 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 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 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 Parties shall be placed in the same position that they were in immediately prior to its execution.

27. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of resolving the base rate issues addressed in the above-captioned case and docket, including the rolling in of storm hardening program project costs into base rates. Although binding on the 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 Parties 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 Parties agree that the resolution of the issues herein shall apply only to the above-captioned case and that any similar future cases shall be reviewed by the Board on an individual basis, except as specifically set forth herein. This Stipulation is without prejudice to the positions of the respective Parties with respect to any future base rate cases or other proceedings involving the Company, except as specifically set forth herein. Further, by

executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation or Board Order, except where the terms of this Stipulation supersede such prior Stipulation.

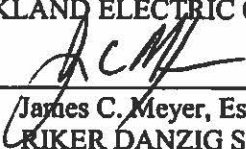
28. Captions. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

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

30. Execution. This Stipulation may be executed in one or more counterparts, and shall become effective when one or more counterparts have been signed by each of the Parties. Each Party has caused its duly authorized representative to execute below and deliver this Stipulation.

ROCKLAND ELECTRIC COMPANY

By: _____


James C. Meyer, Esq.
RIKER DANZIG SCHERER
HYLAND & PERRETTI LLP

Title: Counsel

Dated: _____

2/6/17

STEFANIE BRAND
Director, Division of Rate Counsel

By: _____

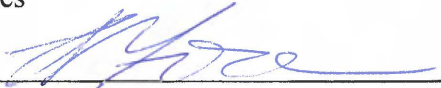

Brian O. Lipman, Esq.

Title: Litigation Manager

Dated: _____

2/8/17

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW
JERSEY
Attorney for the Staff of the Board of Public
Utilities

By: 
Alex Moreau

Title: Deputy Attorney General

Dated: 2/8/17

ROCKLAND ELECTRIC COMPANY
Electric Service
Settlement Agreement
Computation of Distribution Revenue Requirement
For the Twelve Months Ended December 31, 2016
(\$000s)

<u>Revenue Requirement Change</u>	(12+0) Test Year Submitted by Company	Settlement Adjustments	Revenue Requirement Increase
Electric Rate Base	\$190,117	(\$11,390)	\$178,727
Overall Rate of Return	<u>7.79%</u>	<u> </u>	<u>7.47%</u>
Required Return	14,810	(1,459)	13,351
Income Available for Return	<u>9,636</u>	<u>2,711</u>	<u>12,347</u>
Additional Return Required	5,174	(4,170)	1,004
Divided By: Retention Factor	<u>59.06%</u>	<u> </u>	<u>59.06%</u>
Additional Revenue Requirement	<u>\$ 8,760</u>	<u>\$ (7,060)</u>	<u>\$ 1,700</u>

ROCKLAND ELECTRIC COMPANY
Electric Service
Settlement Agreement
Consolidated Capital structure
For the Twelve Months Ended December 31, 2016

	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Total Long Term Debt	50.30%	5.37%	2.70%
Total Common Stock Equity	<u>49.70%</u>	9.60%	<u>4.77%</u>
Total Capitalization	<u><u>100.00%</u></u>		<u><u>7.47%</u></u>

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.875%

	Proposed Distribution <u>Excl SUT</u> (a) b = a * 6.875%	Proposed Distribution <u>SUT</u> 6.875%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
Service Classification No. 1			
Customer Charge (\$/mo)	4.25	0.29	4.54
Energy:			
First 600 kWh -S (\$/kWh)	0.04714	0.00324	0.05038
First 600 kWh -W (\$/kWh)	0.04714	0.00324	0.05038
Over 600 kWh -S (\$/kWh)	0.05938	0.00408	0.06346
Over 600 kWh -W (\$/kWh)	0.04714	0.00324	0.05038
Water Heat -S (\$/kWh)	0.05938	0.00408	0.06346
Water Heat -W (\$/kWh)	0.04714	0.00324	0.05038
Space Heat -W (\$/kWh)	0.04714	0.00324	0.05038
Service Classification No. 2 Unmetered			
Customer Charge (\$/mo) Unmetered	9.91	0.68	10.59
Energy:			
All kWh -S (\$/kWh)	0.04232	0.00291	0.04523
All kWh -W (\$/kWh)	0.03835	0.00264	0.04099
Service Classification No. 2 Non-demand Metered			
Customer Charge (\$/mo) Non-demand Metered	11.50	0.79	12.29
Energy:			
All kWh -S (\$/kWh)	0.04232	0.00291	0.04523
All kWh -W (\$/kWh)	0.03835	0.00264	0.04099
Service Classification No. 2 Secondary			
Customer Charge (\$/mo) Secondary	15.35	1.06	16.41
Demand:			
First 5 kW -S (\$/kW)	1.89	0.13	2.02
First 5 kW -W (\$/kW)	1.58	0.11	1.69
Over 5 kW -S (\$/kW)	3.77	0.26	4.03
Over 5 kW -W (\$/kW)	3.19	0.22	3.41
Energy:			
First 4,920 kWh -S (\$/kWh)	0.03663	0.00252	0.03915
First 4,920 kWh -W (\$/kWh)	0.03433	0.00236	0.03669
Second Block - Summer	0.03071	0.00211	0.03282
Second Block - Winter	0.03016	0.00207	0.03223

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.875%

Service Classification No. 2 Space Heating

Space Heat -S (\$/kWh)	0.04747	0.00326	0.05073
Space Heat -W (\$/kWh)	0.02850	0.00196	0.03046

Service Classification No. 2 Primary

Customer Charge (\$/mo)	80.00	5.50	85.50
Demand:			
All kW -S (\$/kW)	7.35	0.51	7.86
All kW -W (\$/kW)	6.29	0.43	6.72
Energy:			
All kWh -S (\$/kWh)	0.01581	0.00109	0.01690
All kWh -W (\$/kWh)	0.01581	0.00109	0.01690

Service Classification No. 3

Customer Charge (\$/mo)	6.10	0.42	6.52
Energy:			
Peak -S (\$/kWh)	0.06474	0.00445	0.06919
Peak -W (\$/kWh)	0.05808	0.00399	0.06207
Off Peak - Summer	0.02332	0.00160	0.02492
Off Peak - Winter	0.02332	0.00160	0.02492

Service Classification No. 5

Customer Charge (\$/mo)	4.25	0.29	4.54
Energy:			
First 250 kWh - Summer	0.04516	0.00310	0.04826
First 250 kWh - Winter	0.04516	0.00310	0.04826
Next 450 kWh -S (\$/kWh)	0.05266	0.00362	0.05628
Next 450 kWh -W (\$/kWh)	0.04516	0.00310	0.04826
Over 700 kWh -S (\$/kWh)	0.05780	0.00397	0.06177
Over 700 kWh -W (\$/kWh)	0.05379	0.00370	0.05749

Service Classification No. 5 - Effective June 1, 2017

Customer Charge (\$/mo)	4.25	0.29	4.54
Energy:			
First 600 kWh - Summer	0.04802	0.00330	0.05132
Over 600 kWh - Summer	0.05835	0.00401	0.06236
All kWh - Winter	0.04802	0.00330	0.05132

Service Classification No. 7

Customer Charge (\$/mo)	199.16	13.69	212.85
Demand			
Period I (\$/kW)	3.12	0.21	3.33
Period II (\$/kW)	0.77	0.05	0.82
Period III (\$/kW)	2.86	0.20	3.06
Period IV (\$/kW)	0.77	0.05	0.82
Energy:			
Period I (\$/kWh)	0.01879	0.00129	0.02008
Period II (\$/kWh)	0.01408	0.00097	0.01505
Period III (\$/kWh)	0.01879	0.00129	0.02008
Period IV (\$/kWh)	0.01408	0.00097	0.01505

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.875%

Service Classification No. 7 - High Voltage Distribution

Customer Charge (\$/mo)	2,145.95	147.53	2,293.48
Demand			
Period I (\$/kW)	0.98	0.07	1.05
Period II (\$/kW)	0.23	0.02	0.25
Period III (\$/kW)	0.90	0.06	0.96
Period IV (\$/kW)	0.23	0.02	0.25
Energy:			
Period I (\$/kWh)	0.00220	0.00015	0.00235
Period II (\$/kWh)	0.00165	0.00011	0.00176
Period III (\$/kWh)	0.00220	0.00015	0.00235
Period IV (\$/kWh)	0.00165	0.00011	0.00176

Service Classification No. 7 Space Heating

Space Heat -S (\$/kWh)	0.04974	0.00342	0.05316
Space Heat -W (\$/kWh)	0.03077	0.00212	0.03289

Service Classification No. 4

5800 SV (\$/luminaires/mo.)	8.06	0.55	8.61
9500 SV	8.75	0.60	9.35
16000 SV	10.65	0.73	11.38
27500 SV	13.59	0.93	14.52
46000 SV	22.03	1.51	23.54
16000 SV Offset	21.52	1.48	23.00
27500 SV	17.96	1.23	19.19
46000 SV	25.26	1.74	27.00
1000 OBI	5.33	0.37	5.70
2500 OBI	7.13	0.49	7.62
6000 CB	10.96	0.75	11.71
4000MV	7.23	0.50	7.73
7900 MV	8.51	0.59	9.10
12000 MV	11.08	0.76	11.84
22500 MV	14.05	0.97	15.02
40000 MV	21.37	1.47	22.84
59000 MV	27.01	1.86	28.87
4000 MV	10.99	0.76	11.75
7900 MV	13.46	0.93	14.39
7900 MV Offset	15.81	1.09	16.90
3400 IN	8.42	0.58	9.00
5950 IN	8.59	0.59	9.18
8500 IN	9.69	0.67	10.36
12750 IN	12.12	0.83	12.95
21250 IN	15.75	1.08	16.83
5890 LED	9.23	0.63	9.86
9365 LED	11.33	0.78	12.11
		0.00	
15 Foot Brackets	0.50	0.03	0.53
Undrg - Co. Owned	18.39	1.26	19.65
Undrg - Cust. Owned	4.47	0.31	4.78
		0.00	

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.875%

Service Classification No. 6		0.00	
5800 SV (\$/luminaires/mo.)	5.66	0.39	6.05
9500 SV	6.80	0.47	7.27
16000 SV	7.30	0.50	7.80
5800 SV	7.88	0.54	8.42
9500 SV	8.64	0.59	9.23
16000 SV	10.63	0.73	11.36
27500 SV	13.63	0.94	14.57
46000 SV	22.49	1.55	24.04
27500 SV	13.63	0.94	14.57
46000 SV	22.49	1.55	24.04
16000 SV Offset	20.92	1.44	22.36
4000 MV	8.80	0.61	9.41
7900 MV	10.16	0.70	10.86
22500 MV	16.20	1.11	17.31
4000 MV	9.66	0.66	10.32
7900 MV	11.06	0.76	11.82
22500 MV	17.16	1.18	18.34
1000 In	7.85	0.54	8.39
2500 In	10.13	0.70	10.83
12000 MV	13.90	0.96	14.86
40000 MV	25.15	1.73	26.88
59000 MV	31.32	2.15	33.47
3400 IN	8.47	0.58	9.05
5950 IN	8.65	0.59	9.24
8500 IN	9.75	0.67	10.42
12750 IN	12.20	0.84	13.04
21250 IN	15.86	1.09	16.95
5890 LED	9.29	0.64	9.93
9365 LED	11.41	0.78	12.19
		0.00	
15 Foot Brackets	0.56	0.04	0.60
		0.00	
		0.00	
Service Classification No. 6		0.00	
Customer Charge - Metered	10.81	0.74	11.55
Customer Charge - Unmetered	2.25	0.15	2.40
Energy (kWh) - Summer	0.05363	0.00369	0.05732
Energy (kWh) - Winter	0.05363	0.00369	0.05732

ROCKLAND ELECTRIC COMPANY**Summary of Total Revenue Impacts**

<u>Service Classification</u>	<u>Total Sales (MWh)(1)</u>	<u>Total Current Revenue (\$000s) (2)</u>	<u>Total Proposed Revenue (\$000s) (3)</u>	<u>Change (\$000s)</u>	<u>Percent Change</u>
SC1 Res Svc	711,528	\$124,003.6	\$125,584.9	\$1,581.2	1.3%
SC2 Sec Non Dmd Billed	5,215	880.6	880.6	(0.0)	0.0%
SC2 Sec Dmd Billed	501,212	74,213.6	74,213.7	0.1	0.0%
SC2 Space Heating	27,261	3,435.6	3,474.9	39.3	1.1%
SC2 Pri	84,404	10,791.6	10,791.4	(0.3)	0.0%
SC3 Res TOD Heating	278	40.3	40.9	0.5	1.3%
SC4 Public Street Lighting	6,421	1,259.4	1,281.2	21.8	1.7%
SC5 Res Space Heating	15,357	2,371.6	2,406.4	34.8	1.5%
SC6 POL - Dusk to Dawn	3,349	631.1	643.4	12.3	1.9%
SC6 POL - Energy Only	1,789	264.0	268.3	4.3	1.6%
SC7 Pri	171,661	19,389.7	19,390.7	1.0	0.0%
SC7 High Voltage	44,777	3,530.6	3,530.3	(0.3)	0.0%
SC7 Space Heating	<u>5,360</u>	<u>567.4</u>	<u>576.1</u>	<u>8.7</u>	1.5%
	1,578,613	\$241,379.3	\$243,082.8	\$1,703.5	0.7%
Proposed Revenue Requirement				\$1,700.0	
Over/(Under)				\$3.5	

Note:

An estimated electric supply charge for retail access customers has been included in total revenues.

ROCKLAND ELECTRIC COMPANY
 AVERAGE SERVICE LIVES, NET SALVAGE
 ANNUAL DEPRECIATION RATES AND LIFE TABLES
 (EFFECTIVE 3/1/2017)

PSC ACCT NUMBER	ACCOUNT DESCRIPTION	LIFE TABLE	A S L	SALVAGE	ANNUAL RATE %
<u>ELECTRIC PLANT</u>					
<u>INTANGIBLE PLANT</u>					
301000	ORGANIZATION	-	-	-	-
302000	FRANCHISES & CONSENTS	-	-	-	-
<u>TRANSMISSION PLANT</u>					
350000	LAND AND LAND RIGHTS - EASEMENTS	-	-	-	-
350100	LAND AND LAND RIGHTS - FEE	-	-	-	-
351000	ENERGY STORAGE TRANS	h 1.50		15	6.67
352000	STRUCTURES AND IMPROVEMENTS	h 2.00		50	2.00
353000	STATION EQUIPMENT	h 1.50		35	2.86
354000	TOWERS AND FIXTURES	h 3.00		60	1.67
355000	POLES AND FIXTURES-WOOD	h 3.00		50	2.00
355100	POLES AND FIXTURES-STEEL	h 3.00		50	2.00
356000	OVERHEAD CONDUCTORS & DEVICES	h 2.00		50	2.00
356100	OVERHEAD COND & DEVICES-CLEARING	h 2.00		60	1.67
357000	UNDERGROUND CONDUIT	h 2.00		60	1.67
358000	UNDERGROUND CONDUCTOR & DEVICES	h 3.50		50	2.00
359000	ROADS AND TRAILS	h 3.00		60	1.67
<u>DISTRIBUTION PLANT</u>					
360000	LAND AND LAND RIGHTS - EASEMENTS	-	-	-	-
360100	LAND AND LAND RIGHTS - FEE	-	-	-	-
361000	STRUCTURES AND IMPROVEMENTS	h 2.75		55	1.82
362000	STATION EQUIPMENT	h 1.75		45	2.22
363000	ENERGY STORAGE EQUIPMENT	h 1.5		15	6.67
364000	POLES, TOWERS AND FIXTURES	h 1.0		59	1.69
365000	OVERHEAD CONDUCTORS AND DEVICES	h 1.75		70	1.43
365100	O/H COND AND DEVICES-CAPACITORS	h 1.5		30	3.33
366000	UNDERGROUND CONDUIT	h 3.0		75	1.33
367000	UNDERGROUND CONDUCTOR & DEVICES	h 3.0		65	1.54
367100	U.G. COND. AND DEVICES - CABLE CURE	h 3.5		65	1.54
368100	LINE TRANSFORMERS-OVERHEAD	h 1.0		50	2.00
368200	LINE TRANSFORMERS-O/H INSTALLS	h 1.0		50	2.00
368300	LINE TRANSFORMERS-UNDERGROUND	h 1.0		50	2.00
368400	LINE TRANSFORMERS-U/G INSTALLS	h 1.0		50	2.00
369100	SERVICES-OVERHEAD	h 2.5		60	1.67
369200	SERVICES-UNDERGROUND	h 3.5		60	1.67
370100	METERS - ELECTRO-MECHANICAL	h 1.0		25	4.00
370110	METERS - SOLID-STATE	h 1.0		20	5.00
370200	METER INSTALLATIONS - ELECTRO-MECHANICAL	h 1.0		25	4.00
370210	METER INSTALLATIONS - SOLID-STATE	h 1.0		20	5.00
371000	INSTALLATION ON CUSTOMER PREMISES	h 2.5		40	2.50
373100	STREET LIGHTS-OVERHEAD	h 1.0		45	2.22
373200	STREET LIGHTS-UNDERGROUND	h 1.0		45	2.22

ROCKLAND ELECTRIC COMPANY
 AVERAGE SERVICE LIVES, NET SALVAGE
 ANNUAL DEPRECIATION RATES AND LIFE TABLES
 (EFFECTIVE 3/1/2017)

PSC ACCT NUMBER	ACCOUNT DESCRIPTION	LIFE TABLE	A S L	SALVAGE	ANNUAL RATE %
<u>ELECTRIC PLANT</u>					
<u>GENERAL PLANT EQUIPMENT</u>					
389100	LAND AND LAND RIGHTS - FEE	-	-	-	-
390000	STRUCTURES AND IMPROVEMENTS	h 1.75		45	2.22
390104	LEASEHOLD IMPR. - LETHBRIDGE OFFICE		Remaining Life Amort based on Lease Term		
391100	OFFICE FURN/EQUIP-FURNITURE	(A)		20	5.00
391200	OFFICE FURN/EQUIP-OFFICE MACHINES	(A)		15	6.67
391700	OFFICE FURN/EQUIP-E.D.P.	(A)		8	12.50
393000	STORES EQUIPMENT	(A)		20	5.00
394000	TOOLS, SHOP AND WORK EQUIPMENT	(A)		20	5.00
394200	GARAGE EQUIPMENT	(A)		30	3.33
395000	LABORATORY EQUIPMENT	(A)		25	4.00
396000	POWER OPERATED EQUIPMENT	(A)		20	5.00
397000	COMMUNICATION EQUIPMENT	(A)		15	6.67
397100	COM. EQUIP-TELE SYS COMPUTER	(A)		8	12.50
397200	COMMUNICATION EQUIP-TELE SYS EQPT	(A)		15	6.67
398000	MISCELLANEOUS EQUIPMENT	(A)		20	5.00

UNALLOCATED RESERVE AMORTIZATIONS

In addition to the depreciation produced by application of the above rates, the following additional amounts of depreciation are in effect:

	<u>Amortization End Date</u>	<u>Annual Amount</u>
699030	CURRENT NET SALVAGE ALLOWANCE	\$1,024,400
399080	NET SALVAGE DEFICIENCY (2015 CASE) - Sch. 18	288,268
399090	NET SALVAGE DEFICIENCY (2017 CASE) - Sch. 19	174,795
399100	RESERVE VARIATION SURPLUS (2017 CASE)	(652,082)
		<u>\$835,381</u>

PLANT HELD FOR FUTURE USE

360009	LAND & LAND RIGHTS - EASEMENTS - FUTURE USE	-	-	-	-
360109	LAND & LAND RIGHTS - EASEMENTS - FEE	-	-	-	-

(A) Effective August 1, 2014, capital recovery for general equipment assets is based on an amortization methodology

DRAFT

Revised Leaf No. 31
 Superseding Leaf No. 31

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
 APPENDIX A**

EXHIBIT I
 UNIT COSTS OF UNDERGROUND CONSTRUCTION
 SINGLE PHASE

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(1)	Trenching	PER FOOT	\$13.91*
	Pavement Cutting and Restoration	PER FOOT	28.35
	Blasting and Rock Removal	PER FOOT	ACTUAL LOW BID
	Jack Hammering and Rock Removal	PER FOOT	ACTUAL LOW BID
(2)	Primary Cable (#2 Aluminum)	PER FOOT	3.33
(3)	Secondary Cable		
	(a) 4/0 AAC Triplex	PER FOOT	2.30
	(b) 350 kcmil Aluminum	PER FOOT	4.20
(4)	Service (Installed in conduit, includes tap on, does not include trenching) Up to 200 AMP	PER FOOT	13.50
	Service (Installed in conduit, includes tap on, does not include trenching) Over 200 AMP	PER FOOT	15.40

* Will be adjusted to reflect any contribution received from cable television companies.

(Continued)

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EFFECTIVE:

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Revised Leaf No. 32
Superseding Leaf No. 32

GENERAL INFORMATION

No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A

EXHIBIT I
UNIT COSTS OF UNDERGROUND CONSTRUCTION
SINGLE PHASE (Continued)

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(5)	Primary Termination /Riser	EACH	\$2,328.87
	Secondary Termination/Riser	EACH	987.01
(6)	Primary Junction Enclosure		
	(a) Single Phase Boxpad - Unfused	EACH	2,064.45
	(b) Single Phase Switch - Fused	EACH	9,097.69
(7)	Secondary Enclosure (Incl. Terminations)	EACH	661.99
(8)	Conduit (2" Schedule 40 PVC, installed)	PER FOOT	2.93
	Conduit (4" Schedule 40 PVC, installed)	PER FOOT	4.33
(9)	Street Light Cable #2 Triplex in Conduit	PER FOOT	4.61
(10)	Transformers, Including Pad		
	25 KVA	EACH	4,543.59
	50 KVA	EACH	5,060.79
	75 KVA	EACH	6,757.92
	100 KVA	EACH	7,185.21
	167 KVA	EACH	8,627.92
(11)	Street Lighting - U/G Feed 30' Pole (including arm & luminaire)	EACH	1,771.67

(Continued)

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Revised Leaf No. 33
Superseding Leaf No. 33

GENERAL INFORMATION

No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A

EXHIBIT II
UNIT COSTS OF UNDERGROUND CONSTRUCTION
THREE PHASE

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(1)	Primary Cable Installation		
	(a) 750 kcmil – 600A	PER CIRCUIT FOOT	\$101.42
	(b) 350 kcmil – 400A	PER CIRCUIT FOOT	55.62
	(c) 2/0 Cu – 200A	PER CIRCUIT FOOT	39.45
(2)	Secondary Cable Installation 350 kcmil 4-Wire	PER CIRCUIT FOOT	9.37
(3)	Service 350 kcmil AAC	PER CIRCUIT FOOT	22.09
(4)	Primary Termination /Riser		
	(a) 750 kcmil – 600A	EACH	10,701.30
	(b) 350 kcmil – 400A	EACH	7,686.56
	(c) 2/0 Cu – 200A	EACH	4,324.27
	(d) #2 Al – 100A	EACH	425.00
(5)	Primary Junction Box		
	(a) 200 A Installation Only	EACH	3,488.65
	(b) 2/0 AWG Termination	EACH	904.60
	(c) # 2 AWG Termination	EACH	624.85
(6)	Primary Switch - PMH FOR 400A OR 600A		
	(a) Switch Installation	EACH	24,529.07
	(b) 750 kcmil Termination	EACH	2,955.45
	(c) 350 kcmil Termination	EACH	2,148.93
	(d) 2/0 AWG Termination	EACH	1,229.91
	(e) #2 AWG Termination	EACH	943.53

(Continued)

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Revised Leaf No. 34
Superseding Leaf No. 34

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A**

EXHIBIT II
UNIT COSTS OF UNDERGROUND CONSTRUCTION
THREE PHASE (Continued)

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(7)	Primary Switch - Elliot for 200A		
	(a) Switch Installation	EACH	\$14,537.49
	(b) 2/0 AWG Termination	EACH	1,768.77
	(c) #2 AWG Termination	EACH	1,511.65
(8)	Conduit		
	(4" Schedule 40 PVC, installed)	PER FOOT	4.33
	(6" Schedule 40 PVC, installed)	PER FOOT	5.76
(9)	Transformers, Including Pad		
	150 KVA	EACH	9,076.03
	300 KVA	EACH	12,851.22
(10)	Concrete Pullbox		
	Materials	EACH	11,084.27
	Labor	EACH	ACTUAL LOW BID
(11)	Concrete Manhole		
	Materials	EACH	21,468.77
	Labor	EACH	ACTUAL LOW BID
(12)	Trenching - Mainline Construction	PER FOOT	ACTUAL LOW BID

(Continued)

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Revised Leaf No. 35
 Superseding Leaf No. 35

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
 APPENDIX A**

EXHIBIT III
 UNIT COSTS OF OVERHEAD CONSTRUCTION
 SINGLE PHASE AND THREE PHASE

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(1)	Pole Line (Includes 45 ft. Poles Anchors & Guys)	PER FOOT	\$8.71*
(2)	Primary Wire		
	(a) Single Phase (3/0 ACSR)	PER FOOT	4.18
	(b) Three Phase (477 kmcil Aluminum)	PER FOOT	14.43
	(c) Three Phase (3/0 ACSR)	PER FOOT	11.79
	(d) Neutral	PER FOOT	2.55
(3)	Secondary Wire		
	(a) 3-Wire (2/0 TX)	PER FOOT	4.38
	(b) 4-Wire (2/0 QX)	PER FOOT	4.98
(4)	Service - Single Phase		
	Up To 200 AMP	PER FOOT	4.42
	Over 200 AMP	PER FOOT	5.27
(5)	Service - Three Phase		
	Up To 200 AMP	PER FOOT	5.29
	Over 200 AMP	PER FOOT	5.89
(6)	Transformers		
	25 KVA - Single Phase	EACH	1,804.88
	50 KVA - Single Phase	EACH	2,262.53
	100 KVA - Single Phase	EACH	3,177.36
	3-25 KVA - Three Phase	EACH	6,139.71
	3-50 KVA - Three Phase	EACH	7,511.76
	3-100 KVA - Three Phase	EACH	10,024.90
(7)	Street Light Luminaire	EACH	465.64

* Joint Pole Line Cost To Be Used = $\$8.71/2 = \4.36

(Continued)

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Revised Leaf No. 36
Superseding Leaf No. 36

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A**

**EXHIBIT IV
METERING COSTS**

<u>METER TYPE</u>	<u>TOTAL COST</u>
<u>Residential</u>	
120/240 - Single Phase	\$108.99
120/208 - Single Phase	138.59
Current Transformer - 120/240 - Single Phase	1,371.03
Other*	
<u>Non-residential</u>	
120/240 - Single Phase	108.99
120/208 - Single Phase	138.59
120/240 - Single Phase - Demand Metered	160.66
120/208 - Single Phase - Demand Metered	181.69
Other Secondary - Self-Contained - Secondary	181.69
Up to 1200 AMP – Current Transformer – Less than 480 Volts	1,496.59
Greater Than 1200 AMP – Current Transformer – Less than 480 Volts	1,551.69
Up to 1200 AMP – Current Transformer – 480 Volts	1,844.20
Greater Than 1200 AMP – Current Transformer – 480 Volts	1,899.29

* Cost to be determined on a case-by-case basis.

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Mahwah, New Jersey 07430

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Revised Leaf No. 82
Superseding Leaf No. 82

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers. All service at each residence shall be taken through one meter. Service will also be furnished hereunder to a church and adjacent buildings (other than school buildings which substitute for public education), owned by the church and operated in connection therewith; provided, however, that if the buildings of any such church group are separated by a highway or highways, then the electricity delivered to each group so separated shall not be combined with the electricity delivered to other buildings of the church group but shall be billed separately under this rate.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$4.54	\$4.54
(2) <u>Distribution Charge</u>		
First 600 kWh	@ 5.038 ¢ per kWh	5.038 ¢ per kWh
Over 600 kWh	@ 6.346 ¢ per kWh	5.038 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 84
Superseding Leaf No. 84

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

\$4.54 monthly, not less than \$27.24 per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 85
Superseding Revised Leaf No. 85

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Short Term Service

Customers desiring service under this schedule for less than six months, where service is already installed, shall pay in advance the contract minimum as specified under "Minimum Charge Each Contract Each Location" or under an applicable line extension agreement, or, if the estimated bill for two months or such shorter period as service may be desired exceeds the contract minimum, the Company reserves the right to request a deposit equal to this estimated bill. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Budget Billing Plan

Any customer taking service hereunder may, upon request, be billed monthly in accordance with the budget billing plan as provided for in General Information Section 8 of this tariff.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 86
Superseding Leaf No. 86

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

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Mahwah, New Jersey 07430

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Revised Leaf No. 87
Superseding Leaf No. 87

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to general secondary or primary service customers.

A customer taking primary service whose demand exceeds 1,000 kW during any two of the previous twelve months shall not be eligible for this rate and shall be transferred to Service Classification No. 7. A customer so transferred shall only be eligible for transfer back to Service Classification No. 2 on the annual anniversary of the transfer to Service Classification No. 7 and only if said customer has not exceeded 1,000 kW during any two of the previous twelve months.

All service at one location shall be taken through one meter except that service under Special Provision B shall be separately metered.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., single or three phase secondary, at approximately 120/208, 120/240 volts, and 277/480 volts where available; or three phase primary at approximately 2400/4160 and 7620/13200 volts Wye, 13000 and 34500 volts Delta, 69000 volts Wye, and in limited areas 2400 or 4800 volts Delta, depending upon the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>		
(a) Secondary Service (Non-Demand Billed)		
Unmetered Service	\$10.59	\$10.59
Metered Service	\$12.29	\$12.29
(b) Secondary Service (Demand Billed)	\$16.41	\$16.41
(c) Primary Service	\$85.50	\$85.50

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

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

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Revised Leaf No. 88
 Superseding Leaf No. 88

**SERVICE CLASSIFICATION NO. 2
 GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

		<u>Summer Months*</u>	<u>Other Months</u>
(2)	<u>Distribution Charges</u>		
(a)	<u>Secondary Service (Non-Demand Billed)</u>		
	<u>Usage Charge</u>		
	All kWh @	4.523 ¢ per kWh	4.099 ¢ per kWh
(b)	<u>Secondary Service (Demand Billed)</u>		
	<u>Demand Charge</u>		
	First 5 kW @	\$2.02 per kW	\$1.69 per kW
	Over 5 kW @	\$4.03 per kW	\$3.41 per kW
	<u>Usage Charge</u>		
	First 4,920 kWh @	3.915 ¢ per kWh	3.669 ¢ per kWh
	Over 4,920 kWh @	3.282 ¢ per kWh	3.223 ¢ per kWh
(c)	<u>Primary Service</u>		
	<u>Demand Charge</u>		
	All kW @	\$7.86 per kW	\$6.72 per kW
	<u>Usage Charge</u>		
	All kWh @	1.690 ¢ per kWh	1.690 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

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 Mahwah, New Jersey 07430

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Revised Leaf No. 91
Superseding Leaf No. 91

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) CIEP Standby Fee

In accordance with General Information Section No. 32, a CIEP Standby Fee shall be assessed on all kWh of customers eligible for BGS-CIEP service.

(6) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM MONTHLY CHARGE

Secondary Service (Non-Demand Billed)	
Unmetered Service	\$10.59
Metered Service	\$12.29
Secondary Service (Demand Billed)	\$16.41 Plus the demand charge.
Primary Service	\$85.50 Plus the demand charge.

DETERMINATION OF DEMAND

The monthly billing demand in kW shall be either the greatest connected load or the greatest 15-minute integrated demand, determined as follows:

- (1) Billing demand may be on a connected load basis when
 - (a) demand meter would not reduce the billing demand, or
 - (b) the installation is temporary, or
 - (c) the device has a large instantaneous or highly fluctuating demand.
- (2) Billing shall be on a demand meter basis in all other cases and shall be billed at not less than 90% of the kVA demand. The billing demand for the billing months of October through May inclusive shall not be less than 70% of the highest metered demand for the preceding billing months of June through September inclusive.

(Continued)

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

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Revised Leaf No. 93
Superseding Leaf No. 93

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Short Term Secondary Service

When short term service is requested, the Company reserves the right to require a deposit of the estimated bill for the period service is desired. The minimum charge for such short term service shall be an amount equal to six times the minimum monthly charge, payable in advance. When construction is necessary, the cost of installation and removal of all equipment, less salvage value, shall be borne by the customer, and a sufficient amount to cover these charges shall be paid in advance. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.046 ¢/kWh during the billing months of October through May and 5.073 ¢/kWh during the summer billing months. When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.93 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (3), (4), and (6) of RATE – MONTHLY.

This special provision is closed to new customers effective August 1, 2014.

(C) Auxiliary Or Standby Service

Auxiliary or standby service will not be supplied under this service classification.

Any customer who operates or receives electric service from a qualifying facility and who requires auxiliary or standby service shall be eligible to take such service under Service Classification No. 7 of this Schedule. The term "qualifying facility" shall mean a generating facility that meets the qualifying facility requirements established by the Federal Energy Regulatory Commission's rules (18 CFR Part 292) implementing the Public Utility Regulatory Policies Act of 1978.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 95
 Superseding Leaf No. 95

**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers where an approved electric storage heater is used for customer's entire water heating requirements and/or permanently installed electric space heating equipment is the sole source of space heating, excluding fire places, on the premises. Solar energy collection devices may be used to supplement customer's water and/or space heating requirements.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$6.52	\$6.52
(2) <u>Distribution Charge</u>		
<u>Peak</u> All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday @	6.919 ¢ per kWh	6.207 ¢ per kWh
<u>Off-Peak</u> All other kWh @	2.492 ¢ per kWh	2.492 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 97
Superseding Leaf No. 97

**SERVICE CLASSIFICATION NO. 3
RESIDENTIAL TIME-OF-DAY HEATING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

The Customer Charge, not less than \$78.24 per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

The initial term of service shall be one year. Customers opting for this rate shall not be entitled to service at the same location under the Company's Service Classification Nos. 1 or 5 until one year from the date of service or thereafter on the annual anniversary date upon 5 days' prior written notice.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

ISSUED:

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

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Revised Leaf No. 101
 Superseding Leaf No. 101

**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY

(1) Luminaire Charges

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>	<u>Transmission Charge</u>
<u>Street Lighting Luminaires</u>					
5,800	Sodium Vapor	70	108	\$8.61	\$ 0.26
9,500	Sodium Vapor	100	142	9.35	0.34
16,000	Sodium Vapor	150	199	11.38	0.48
27,500	Sodium Vapor	250	311	14.52	0.75
46,000	Sodium Vapor	400	488	23.54	1.18
3,400	Induction	40	45	9.00	0.09
5,950	Induction	70	75	9.18	0.16
8,500	Induction	100	110	10.36	0.23
12,750	Induction	150	160	12.95	0.34
21,250	Induction	250	263	16.83	0.55
5,890	LED	70	74	9.86	0.16
9,365	LED	100	101	12.11	0.21

The following luminaires will no longer be installed. Charges are for existing luminaires only.

Street Lighting Luminaires

1,000	Open Bottom Incandescent	92	92	\$ 5.70	\$ 0.22
2,500	Open Bottom Incandescent	189	189	7.62	0.46
6,000	Closed Bottom Incandescent	405	405	11.71	0.98
4,000	Mercury Vapor	100	127	7.73	0.31
7,900	Mercury Vapor	175	211	9.10	0.51
12,000	Mercury Vapor	250	296	11.84	0.72
22,500	Mercury Vapor	400	459	15.02	1.11
40,000	Mercury Vapor	700	786	22.84	1.90
59,000	Mercury Vapor	1,000	1,105	28.87	2.67

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 102
 Superseding Leaf No. 102

**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Luminaire Charges (Continued)

Nominal <u>Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	Total <u>Wattage</u>	Distribution <u>Charge</u>	Transmission <u>Charge</u>
<u>Post Top Luminaires</u>					
16,000	Sodium Vapor-Offset	150	199	\$23.00	\$0.48
<u>Off-Roadway Luminaires</u>					
27,500	Sodium Vapor	250	311	\$ 19.19	\$ 0.75
46,000	Sodium Vapor	400	488	27.00	1.18
<u>Post-Top Luminaires</u>					
4,000	Mercury Vapor	100	130	\$ 11.75	\$ 0.31
7,900	Mercury Vapor	175	215	14.39	0.52
7,900	Merc. Vapor-Offset	175	215	16.90	0.52

The above Transmission Charges apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.000 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 103
Superseding Leaf No. 103

**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

- (2) Additional Charge
 - (a) An additional \$19.65 per luminaire per month will be charged for existing Underground Service where the Company owns and maintains the entire facilities.
 - (b) An additional \$4.78 per luminaire per month will be charged for existing underground service where the customer has installed, owns and maintains the duct system complete, but not the aluminum standard or luminaire.
 - (c) An additional \$0.53 per bracket per month will be charged for a fifteen foot bracket when installed.

- (3) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, as described in General Information Section Nos. 33, 34, and 35, respectively shall be assessed on all kWh delivered hereunder.

The charges shall be applied to the kWh estimate in the following manner:

$$\text{kWh} = (\text{Total Wattage divided by } 1,000) \text{ times Monthly Burn Hours}^*$$

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 108
Superseding Leaf No. 108

**SERVICE CLASSIFICATION NO. 5
RESIDENTIAL SPACE HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers, where electricity is a source of space heating subject to the conditions specified in "Special Provisions". All service at each residence shall be taken through one meter.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$4.54	\$4.54
(2) <u>Distribution Charge</u>		
First 250 kWh@	4.826 ¢ per kWh	4.826 ¢ per kWh
Next 450 kWh@	5.628 ¢ per kWh	4.826 ¢ per kWh
Over 700 kWh@	6.177 ¢ per kWh	5.749 ¢ per kWh

*Definition of Summer Billing Months – June through September

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 110
Superseding Leaf No. 110

**SERVICE CLASSIFICATION NO. 5
RESIDENTIAL SPACE HEATING SERVICE (Continued)**

RATE - MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

\$4.54 monthly, not less than \$27.24 per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 114
 Superseding Leaf No. 114

**SERVICE CLASSIFICATION NO. 6
 PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY:

(1) Distribution and Transmission Charges

(a) Luminaire Charges for Service Types A and B

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>	<u>Transmission Charge</u>
<u>Power Bracket Luminaires</u>					
5,800	Sodium Vapor	70	108	\$ 6.05	\$ 0.22
9,500	Sodium Vapor	100	142	7.27	0.30
16,000	Sodium Vapor	150	199	7.80	0.42
<u>Street Lighting Luminaires</u>					
5,800	Sodium Vapor	70	108	\$ 8.42	\$ 0.22
9,500	Sodium Vapor	100	142	9.23	0.30
16,000	Sodium Vapor	150	199	11.36	0.42
27,500	Sodium Vapor	250	311	14.57	0.66
46,000	Sodium Vapor	400	488	24.04	1.04
3,400	Induction	40	45	9.05	0.09
5,950	Induction	70	75	9.24	0.16
8,500	Induction	100	110	10.42	0.22
12,750	Induction	150	160	13.04	0.34
21,250	Induction	250	263	16.95	0.55
5,890	LED	70	74	9.93	0.16
9,365	LED	100	101	12.19	0.21
<u>Flood lighting Luminaires</u>					
27,500	Sodium Vapor	250	311	\$ 14.57	\$ 0.66
46,000	Sodium Vapor	400	488	24.04	1.04

The following luminaires will no longer be installed. Charges are for existing luminaries only.

Power Bracket Luminaires

4,000	Mercury Vapor	100	127	\$ 9.41	\$ 0.27
7,900	Mercury Vapor	175	215	10.86	0.46
22,500	Mercury Vapor	400	462	17.31	0.98

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 115
 Superseding Leaf No. 115

**SERVICE CLASSIFICATION NO. 6
 PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(a) Luminaire Charges for Service Types A and B (Continued)

Nominal Lumens	Luminaire Type	Watts	Total Wattage	Distribution Charge	Transmission Charge
<u>Post Top Luminaires</u>					
16,000	Sodium Vapor-Offset	150	199	\$ 22.36	\$ 0.42
<u>Street Lighting Luminaires</u>					
4,000	Mercury Vapor	100	127	\$ 10.32	\$ 0.27
7,900	Mercury Vapor	175	211	11.82	0.45
22,500	Mercury Vapor	400	459	18.34	0.97
1,000	Incandescent	-	92	8.39	0.19
2,500	Incandescent	-	189	10.83	0.40
<u>Flood lighting Luminaires</u>					
12,000	Mercury Vapor	250	296	\$ 14.86	\$ 0.63
40,000	Mercury Vapor	700	786	26.88	1.67
59,000	Mercury Vapor	1,000	1,105	33.47	2.34

(b) Distribution and Transmission Charges for Service Type C

Metered Service - Customer Charge at \$11.55 per month plus Distribution Charge at 5.732 ¢ per kWh, and a Transmission Charge of 0.620 ¢ per kWh; or

Unmetered Service - Customer Charge at \$2.40 per month plus Distribution Charge at 5.732 ¢ per kWh, and a Transmission Charge of 0.621 ¢ per kWh.

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 118
Superseding Leaf No. 118

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

MINIMUM CHARGE

The minimum charge per luminaire for Service Type A or B shall be the sum of the monthly Distribution and Transmission Charges as specified in RATE – MONTHLY, Part (1a) times twelve. Should the monthly charge be revised during the initial term, the minimum charge per installation shall be prorated accordingly.

The minimum charge for Service Type C - Metered shall be \$11.55 per month and not less than \$138.60 for the initial term.

The minimum charge for Service Type C - Unmetered shall be \$2.40 per month and not less than \$28.80 for the initial term.

TERM

The Initial Term shall be one year. Service shall continue in effect thereafter until canceled by either party upon thirty days written notice. The Company shall require an Initial Term of one year for each luminaire for Service Types A or B.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 119
Superseding Leaf No. 119

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

SPECIAL PROVISIONS

Special Provisions A, B, D, E, F, and J apply only to Service Types A and B. Special Provision K applies only to Service Type C. Special Provisions C, G, H, and I apply to Service Types A, B, and C.

- (A) Street lighting luminaires will normally be mounted on eight foot aluminum brackets. Fifteen foot brackets are available at an additional charge of \$0.60 per bracket per month.
- (B) Luminaires will be installed free of charge where all facilities necessary to serve a luminaire are present. Customer shall pay the cost of any additional facilities required, prior to the commencement of the construction of such facilities.
- (C) The customer shall furnish the Company with all easements or rights-of-way necessary to provide service to the desired location before any installation or construction will be started.
- (D) A customer may apply for service hereunder for a proposed residential subdivision in which all electric facilities will be underground. Such application shall be signed by the customer and builder or developer and when accepted by the Company, shall constitute an agreement between the Company, customer and builder or developer subject to the terms and provisions hereunder.

The builder or developer shall pay to the Company prior to the commencement of any construction all costs associated with the installation of the facilities to be serviced hereunder and shall prepay six times the total monthly charge for all luminaires installed. Said monthly charges shall be determined using the rates in effect at the time said costs and charges are determined. The Company shall not bill the customer for the first six months of service of the facilities installed under this special provision.

- (E) The Company shall not be obligated to repair or replace in kind any obsolete luminaire for which it cannot reasonably obtain the necessary parts. The Company will remove the obsolete luminaire or at the customer's request, replace it with any luminaire offered for service at that time for which the customer will be charged the appropriate rates.

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 122
Superseding Leaf No. 122

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to primary service customers who maintain a minimum demand of 1,000 kW during any two of the previous twelve months and provide all equipment required to take service at a primary voltage as designated by the Company. A primary customer who does not maintain a demand of at least 1,000 kW during any two of the previous twelve months, may, at the customer's option transfer to another Service Classification provided that such transfer shall only be made on an annual anniversary date that such customer began service hereunder.

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to high voltage distribution service customers with a minimum demand of 1,000 kW who provide all equipment required to take high voltage distribution service as designated by the Company. High voltage distribution service shall be made available at the sole discretion of the Company where conditions merit.

Any customer who operates a qualifying facility, as defined below, and who requires supplemental, auxiliary or standby service to be supplied by the Company. The term "qualifying facility" shall mean a generating facility that meets the qualifying facility requirements established by the Federal Energy Regulatory Commission's rules (18 CFR Part 292) implementing the Public Utility Regulatory Policies Act of 1978.

All service at one location shall be taken through one meter except that service taken under Special Provision A shall be separately metered.

CHARACTER OF SERVICE

Continuous, 60 cycles, A.C., single or three phase primary or high voltage distribution service as defined in General Information Section 26 and depending on the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Primary</u>	<u>High Voltage Distribution</u>
(1) <u>Customer Charge</u>	\$212.85	\$2,293.48

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 123
 Superseding Leaf No. 123

**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE – MONTHLY (Continued)

(2) Distribution Charges

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$3.33 per kW	\$1.05 per kW
Period II	All kW @	0.82 per kW	0.25 per kW
Period III	All kW @	3.06 per kW	0.96 per kW
Period IV	All kW @	0.82 per kW	0.25 per kW
<u>Usage Charge</u>			
Period I	All kWh @	2.008 ¢ per kWh	0.235 ¢ per kWh
Period II	All kWh @	1.505 ¢ per kWh	0.176 ¢ per kWh
Period III	All kWh @	2.008 ¢ per kWh	0.235 ¢ per kWh
Period IV	All kWh @	1.505 ¢ per kWh	0.176 ¢ per kWh

(3) Transmission Charges

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 127
Superseding Leaf No. 127

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.289 ¢ per kWh during the billing months of October through May and 5.316 ¢ per kWh during the summer billing months and a Transmission Charge of 0.551 ¢ per kWh and a Transmission Surcharge of 0.293 ¢ per kWh during all billing months.

When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.93 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (4), (5), and (6) of RATE – MONTHLY. This Special Provision is not available to those customers taking high voltage distribution service.

This special provision is closed to new customers effective August 1, 2014.

(B) Budget Billing Plan

Any condominium association or cooperative housing corporation who takes service hereunder and any other customer taking service under Special Provision B of this Service Classification may, upon request, be billed monthly in accordance with the budget billing plan provided for in General Information Section 8 of this tariff.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 31
 Superseding Leaf No. 31

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
 APPENDIX A**

EXHIBIT I
 UNIT COSTS OF UNDERGROUND CONSTRUCTION
 SINGLE PHASE

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(1)	Trenching	PER FOOT	\$13.91*
	Frost Digging		
	0" - 12" Deep	PER FOOT	12.46
	13" - 18" Deep	PER FOOT	16.40
	19" - 24" Deep	PER FOOT	19.68
	25" - 30" Deep	PER FOOT	22.96
	31" - 36" Deep	PER FOOT	26.24
	Pavement Cutting and Restoration	PER FOOT	28.35
	Blasting and Rock Removal	PER FOOT	ACTUAL LOW BID
	Jack Hammering and Rock Removal	PER FOOT	ACTUAL LOW BID
(2)	Primary Cable (#2 Aluminum)	PER FOOT	3.33
(3)	Secondary Cable		
	(a) 4/0 AAC Triplex	PER FOOT	2.30
	(b) 350 kcmil Aluminum	PER FOOT	4.20
(4)	Service (Installed in conduit, includes tap on, does not include trenching) Up to 200 AMP	PER FOOT	13.50
	Service (Installed in conduit, includes tap on, does not include trenching) Over 200 AMP	PER FOOT	15.40

* Will be adjusted to reflect any contribution received from cable television companies.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 32
 Superseding Leaf No. 32

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
 APPENDIX A**

EXHIBIT I
 UNIT COSTS OF UNDERGROUND CONSTRUCTION
 SINGLE PHASE (Continued)

	<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(5)	Primary Termination /Riser	EACH	\$2,328.87
	Secondary Termination/Riser	EACH	987.01
(6)	Primary Junction Enclosure		
	(a) Single Phase Boxpad - Unfused	EACH	2,064.45
	(b) Single Phase Switch - Fused	EACH	9,097.69
(7)	Secondary Enclosure (Incl. Terminations)	EACH	661.99
(8)	Conduit (2" Schedule 40 PVC, installed)	PER FOOT	2.93
	Conduit (4" Schedule 40 PVC, installed)	PER FOOT	4.33
(9)	Street Light Cable #2 Triplex in Conduit	PER FOOT	4.61
(10)	Transformers, Including Pad		
	25 KVA	EACH	4,543.59
	50 KVA	EACH	5,060.79
	75 KVA	EACH	6,757.92
	100 KVA	EACH	7,185.21
	167 KVA	EACH	8,627.92
(11)	Street Lighting - U/G Feed 30' Pole (including arm & luminaire)	EACH	1,771.67

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 33
Superseding Leaf No. 33

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A**

EXHIBIT II
UNIT COSTS OF UNDERGROUND CONSTRUCTION
THREE PHASE

<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(1) Primary Cable Installation		
(a) 750 kcmil – 600A	PER CIRCUIT FOOT	\$101.42
(b) 350 kcmil – 400A	PER CIRCUIT FOOT	55.62
(c) 2/0 Cu – 200A	PER CIRCUIT FOOT	39.45
(2) Secondary Cable Installation 350 kcmil 4-Wire	PER CIRCUIT FOOT	9.37
(3) Service 350 kcmil AAC	PER CIRCUIT FOOT	22.09
(4) Primary Termination /Riser		
(a) 750 kcmil – 600A	EACH	10,701.30
(b) 350 kcmil – 400A	EACH	7,686.56
(c) 2/0 Cu – 200A	EACH	4,324.27
(d) #2 Al – 100A	EACH	425.00
(5) Primary Junction Box		
(a) 200 A Installation Only	EACH	3,488.65
(b) 2/0 AWG Termination	EACH	904.60
(c) # 2 AWG Termination	EACH	624.85
(6) Primary Switch - PMH FOR 400A OR 600A		
(a) Switch Installation	EACH	24,529.07
(b) 750 kcmil Termination	EACH	2,955.45
(c) 350 kcmil Termination	EACH	2,148.93
(d) 2/0 AWG Termination	EACH	1,229.91
(e) #2 AWG Termination	EACH	943.53

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 34
Superseding Leaf No. 34

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A**

EXHIBIT II
UNIT COSTS OF UNDERGROUND CONSTRUCTION
THREE PHASE (Continued)

<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(7) Primary Switch - Elliot for 200A		
(a) Switch Installation	EACH	\$14,537.49
(b) 2/0 AWG Termination	EACH	1,768.77
(c) #2 AWG Termination	EACH	1,511.65
(8) Conduit		
(4" Schedule 40 PVC, installed)	PER FOOT	4.33
(6" Schedule 40 PVC, installed)	PER FOOT	5.76
(9) Transformers, Including Pad		
150 KVA	EACH	9,076.03
300 KVA	EACH	12,851.22
(10) Concrete Pullbox		
Materials	EACH	11,084.27
Labor	EACH	ACTUAL LOW BID
(11) Concrete Manhole		
Materials	EACH	21,468.77
Labor	EACH	ACTUAL LOW BID
(12) Trenching - Mainline Construction	PER FOOT	ACTUAL LOW BID

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 35
 Superseding Leaf No. 35

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
 APPENDIX A**

EXHIBIT III
 UNIT COSTS OF OVERHEAD CONSTRUCTION
 SINGLE PHASE AND THREE PHASE

<u>ITEM</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(1) Pole Line (Includes 45 ft. Poles Anchors & Guys)	PER FOOT	\$8.71*
(2) Primary Wire		
(a) Single Phase (3/0 ACSR)	PER FOOT	4.18
(b) Three Phase (477 kmcil Aluminum)	PER FOOT	14.43
(c) Three Phase (3/0 ACSR)	PER FOOT	11.79
(d) Neutral	PER FOOT	2.55
(3) Secondary Wire		
(a) 3-Wire (2/0 TX)	PER FOOT	4.38
(b) 4-Wire (2/0 QX)	PER FOOT	4.98
(4) Service - Single Phase		
Up To 200 AMP	PER FOOT	4.42
Over 200 AMP	PER FOOT	5.27
(5) Service - Three Phase		
Up To 200 AMP	PER FOOT	5.29
Over 200 AMP	PER FOOT	5.89
(6) Transformers		
25 KVA - Single Phase	EACH	1,804.88
50 KVA - Single Phase	EACH	2,262.53
100 KVA - Single Phase	EACH	3,177.36
3-25 KVA - Three Phase	EACH	6,139.71
3-50 KVA - Three Phase	EACH	7,511.76
3-100 KVA - Three Phase	EACH	10,024.90
(7) Street Light Luminaire	EACH	465.64

* Joint Pole Line Cost To Be Used = $\$8.71/2 = \4.36

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 36
Superseding Leaf No. 36

GENERAL INFORMATION

**No. 17 EXTENSION OF LINES AND FACILITIES (Continued)
APPENDIX A**

**EXHIBIT IV
METERING COSTS**

<u>METER TYPE</u>	<u>TOTAL COST</u>
<u>Residential</u>	
120/240 - Single Phase	\$108.99
120/208 - Single Phase	138.59
Current Transformer - 120/240 - Single Phase	1,371.03
Other*	
<u>Non-residential</u>	
120/240 - Single Phase	108.99
120/208 - Single Phase	138.59
120/240 - Single Phase - Demand Metered	160.66
120/208 - Single Phase - Demand Metered	181.69
Other Secondary - Self-Contained - Secondary	181.69
Up to 1200 AMP – Current Transformer – Less than 480 Volts	1,496.59
Greater Than 1200 AMP – Current Transformer – Less than 480 Volts	1,551.69
Up to 1200 AMP – Current Transformer – 480 Volts	1,844.20
Greater Than 1200 AMP – Current Transformer – 480 Volts	1,899.29

* Cost to be determined on a case-by-case basis.

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 82
Superseding Leaf No. 82

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers. All service at each residence shall be taken through one meter. Service will also be furnished hereunder to a church and adjacent buildings (other than school buildings which substitute for public education), owned by the church and operated in connection therewith; provided, however, that if the buildings of any such church group are separated by a highway or highways, then the electricity delivered to each group so separated shall not be combined with the electricity delivered to other buildings of the church group but shall be billed separately under this rate.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$4.54	\$4.54
(2) <u>Distribution Charge</u>		
First 600 kWh	@ 5.038 ¢ per kWh	5.038 ¢ per kWh
Over 600 kWh	@ 6.346 ¢ per kWh	5.038 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 84
Superseding Leaf No. 84

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

\$4.54 monthly, not less than **\$27.24** per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

ISSUED:

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

DRAFT

Revised Leaf No. 85
Superseding Revised Leaf No. 85

SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)

SPECIAL PROVISIONS

~~(A) Water Heating~~

~~Where an approved electric storage water heater is used for the customer's entire water heating requirements, monthly use in excess of 600 kWh up to 1,100 kWh will be billed at a Distribution Charge of 5.194 ¢ per kWh during the summer billing months and 4.435 ¢ per kWh during the other billing months. Use less than or equal to 600 kWh and in excess of 1,100 kWh will be billed at the rates and charges contained in RATE — MONTHLY.~~

~~An approved electric water heater is one that has a minimum storage capacity of 40 gallons and two heating elements with the upper and lower elements so interlocked that they may not operate simultaneously. The size of the elements shall not exceed those listed in the tabulation below.~~

Gallons	40	50	66	82	110
Upper Element, Maximum Watts	4500	1500	2500	3000	4000
Lower Element, Maximum Watts	4500	1000	1500	1500	2500

~~The 40-gallon heater is restricted to use in mobile homes and individual apartments.~~

~~This special provision is not available to new customers effective August 1, 2014.~~

~~(B) Space Heating~~

~~All use in excess of 1,100 kWh monthly will be billed at a Distribution Charge of 6.089 ¢ per kWh during the summer billing months and 4.030 ¢ per kWh during the other billing months. Use less than or equal to 1,100 kWh will be billed at the rates and charges contained in RATE — MONTHLY.~~

~~This provision is applicable where permanently installed electric space heating equipment is the sole source of the space heating, excluding fireplaces, on the premises. This special provision is not available for new service locations connected on or after March 15, 1984.~~

~~(CA) Short Term Service~~

~~Customers desiring service under this schedule for less than six months, where service is already installed, shall pay in advance the contract minimum as specified under "Minimum Charge Each Contract Each Location" or under an applicable line extension agreement, or, if the estimated bill for two months or such shorter period as service may be desired exceeds the contract minimum, the Company reserves the right to request a deposit equal to this estimated bill. A part of a month shall be considered a full month for computing all charges hereunder.~~

~~(DB) Budget Billing Plan~~

~~Any customer taking service hereunder may, upon request, be billed monthly in accordance with the budget billing plan as provided for in General Information Section 8 of this tariff.~~

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 86
Superseding Leaf No. 86

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

This leaf intentionally left blank. ~~**SPECIAL PROVISIONS (Continued)**~~

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Mahwah, New Jersey 07430

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Revised Leaf No. 87
 Superseding Leaf No. 87

**SERVICE CLASSIFICATION NO. 2
 GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to general secondary or primary service customers.

A customer taking primary service whose demand exceeds 1,000 kW during any two of the previous twelve months shall not be eligible for this rate and shall be transferred to Service Classification No. 7. A customer so transferred shall only be eligible for transfer back to Service Classification No. 2 on the annual anniversary of the transfer to Service Classification No. 7 and only if said customer has not exceeded 1,000 kW during any two of the previous twelve months.

All service at one location shall be taken through one meter except that service under Special Provision B shall be separately metered.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., single or three phase secondary, at approximately 120/208, 120/240 volts, and 277/480 volts where available; or three phase primary at approximately 2400/4160 and 7620/13200 volts Wye, 13000 and 34500 volts Delta, 69000 volts Wye, and in limited areas 2400 or 4800 volts Delta, depending upon the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>		
(a) <u>Secondary Service (Non-Demand Billed) Customers</u>		
Unmetered Service	\$10.59	\$10.59
Metered Service	\$12.29	\$12.29
(b) Secondary Service (Demand Metered Billed)	\$16.41	\$16.41
(c) Primary Service	\$85.50	\$85.50

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

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 Mahwah, New Jersey 07430

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Superseding Leaf No. 88

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

		<u>Summer Months*</u>	<u>Other Months</u>
(2)	<u>Distribution Charges</u>		
(a)	<u>Secondary Service (Non-Demand Billed Service)</u>		
	<u>Usage Charge</u>		
	All kWh @	4.523 ¢ per kWh	4.099 ¢ per kWh
(b)	<u>Secondary Service (Demand Billed)</u>		
	<u>Demand Charge</u>		
	First 5 kW @	\$2.02 per kW	\$1.69 per kW
	Over 5 kW @	\$4.03 per kW	\$3.41 per kW
	<u>Usage Charge</u>		
	First 4,920 kWh @	3.915 ¢ per kWh	3.669 ¢ per kWh
	Over 4,920 kWh @	3.282 ¢ per kWh	3.223 ¢ per kWh
(c)	<u>Primary Service</u>		
	<u>Demand Charge</u>		
	All kW @	\$7.86 per kW	\$6.72 per kW
	<u>Usage Charge</u>		
	All kWh @	1.690 ¢ per kWh	1.690 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 91
Superseding Leaf No. 91

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) CIEP Standby Fee

In accordance with General Information Section No. 32, a CIEP Standby Fee shall be assessed on all kWh of customers eligible for BGS-CIEP service.

(6) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM MONTHLY CHARGE

<u>Secondary Service (Non-Demand Billed)</u>	
Unmetered Service	\$10.59
Non-Demand Metered Service	\$12.29
Secondary Service (Demand Metered Billed)	\$16.41 Plus the demand charge.
Primary Service	\$85.50 Plus the demand charge.

DETERMINATION OF DEMAND

The monthly billing demand in kW shall be either the greatest connected load or the greatest 15-minute integrated demand, determined as follows:

- (1) Billing demand may be on a connected load basis when
 - (a) demand meter would not reduce the billing demand, or
 - (b) the installation is temporary, or
 - (c) the device has a large instantaneous or highly fluctuating demand.
- (2) Billing shall be on a demand meter basis in all other cases and shall be billed at not less than 90% of the kVA demand. The billing demand for the billing months of October through May inclusive shall not be less than 70% of the highest metered demand for the preceding billing months of June through September inclusive.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 93
Superseding Leaf No. 93

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Short Term Secondary Service

When short term service is requested, the Company reserves the right to require a deposit of the estimated bill for the period service is desired. The minimum charge for such short term service shall be an amount equal to six times the minimum monthly charge, payable in advance. When construction is necessary, the cost of installation and removal of all equipment, less salvage value, shall be borne by the customer, and a sufficient amount to cover these charges shall be paid in advance. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.046 ¢/kWh during the billing months of October through May and 5.073 ¢/kWh during the summer billing months. When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.93 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (3), (4), and (6) of RATE – MONTHLY.

This special provision is closed to new customers effective August 1, 2014.

(C) Auxiliary Or Standby Service

Auxiliary or standby service will not be supplied under this service classification.

Any customer who operates or receives electric service from a qualifying facility and who requires auxiliary or standby service shall be eligible to take such service under Service Classification No. 7 of this Schedule. The term "qualifying facility" shall mean a generating facility that meets the qualifying facility requirements established by the Federal Energy Regulatory Commission's rules (18 CFR Part 292) implementing the Public Utility Regulatory Policies Act of 1978.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 95
 Superseding Leaf No. 95

**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers where an approved electric storage heater is used for customer's entire water heating requirements and/or permanently installed electric space heating equipment is the sole source of space heating, excluding fire places, on the premises. Solar energy collection devices may be used to supplement customer's water and/or space heating requirements.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$6.52	\$6.52
(2) <u>Distribution Charge</u>		
<u>Peak</u> All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday @	6.919 ¢ per kWh	6.207 ¢ per kWh
<u>Off-Peak</u> All other kWh @	2.492 ¢ per kWh	2.492 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

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 Mahwah, New Jersey 07430

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Revised Leaf No. 97
Superseding Leaf No. 97

**SERVICE CLASSIFICATION NO. 3
RESIDENTIAL TIME-OF-DAY HEATING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

The Customer Charge, not less than \$78.24 per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

The initial term of service shall be one year. Customers opting for this rate shall not be entitled to service at the same location under the Company's Service Classification Nos. 1 or 5 until one year from the date of service or thereafter on the annual anniversary date upon 5 days' prior written notice.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 101
 Superseding Leaf No. 101

**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY

(1) Luminaire Charges

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>	<u>Transmission Charge</u>
<u>Street Lighting Luminaires</u>					
5,800	Sodium Vapor	70	108	\$8.61	\$ 0.26
9,500	Sodium Vapor	100	142	9.35	0.34
16,000	Sodium Vapor	150	199	11.38	0.48
27,500	Sodium Vapor	250	311	14.52	0.75
46,000	Sodium Vapor	400	488	23.54	1.18
3,400	Induction	40	45	9.00	0.09
5,950	Induction	70	75	9.18	0.16
8,500	Induction	100	110	10.36	0.23
12,750	Induction	150	160	12.95	0.34
21,250	Induction	250	263	16.83	0.55
5,890	LED	70	74	9.86	0.16
9,365	LED	100	101	12.11	0.21

The following luminaires will no longer be installed. Charges are for existing luminaires only.

Street Lighting Luminaires

1,000	Open Bottom Incandescent	92	92	\$ 5.70	\$ 0.22
2,500	Open Bottom Incandescent	189	189	7.62	0.46
6,000	Closed Bottom Incandescent	405	405	11.71	0.98
4,000	Mercury Vapor	100	127	7.73	0.31
7,900	Mercury Vapor	175	211	9.10	0.51
12,000	Mercury Vapor	250	296	11.84	0.72
22,500	Mercury Vapor	400	459	15.02	1.11
40,000	Mercury Vapor	700	786	22.84	1.90
59,000	Mercury Vapor	1,000	1,105	28.87	2.67

(Continued)

ISSUED:

EFFECTIVE:

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

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**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Luminaire Charges (Continued)

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>	<u>Transmission Charge</u>
<u>Post Top Luminaires</u>					
16,000	Sodium Vapor-Offset	150	199	\$23.00	\$0.48
<u>Off-Roadway Luminaires</u>					
27,500	Sodium Vapor	250	311	\$ 19.19	\$ 0.75
46,000	Sodium Vapor	400	488	27.00	1.18
<u>Post-Top Luminaires</u>					
4,000	Mercury Vapor	100	130	\$ 11.75	\$ 0.31
7,900	Mercury Vapor	175	215	14.39	0.52
7,900	Merc. Vapor-Offset	175	215	16.90	0.52

The above Transmission Charges apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.000 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 103
Superseding Leaf No. 103

**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

- (2) Additional Charge
 - (a) An additional \$19.65 per luminaire per month will be charged for existing Underground Service where the Company owns and maintains the entire facilities.
 - (b) An additional \$4.78 per luminaire per month will be charged for existing underground service where the customer has installed, owns and maintains the duct system complete, but not the aluminum standard or luminaire.
 - (c) An additional \$0.53 per bracket per month will be charged for a fifteen foot bracket when installed.

(3) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, and Securitization Charges, as described in General Information Section Nos. 33, 34, and 35, respectively shall be assessed on all kWh delivered hereunder.

The charges shall be applied to the kWh estimate in the following manner:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

* See Monthly Burn Hours Table.

(Continued)

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

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Revised Leaf No. 108
 Superseding Leaf No. 108

**SERVICE CLASSIFICATION NO. 5
 RESIDENTIAL SPACE HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers, where electricity is a source of space heating subject to the conditions specified in "Special Provisions". All service at each residence shall be taken through one meter.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$4.54	\$4.54
(2) <u>Distribution Charge</u>		
First 250 kWh@	4.826 ¢ per kWh	4.826 ¢ per kWh
Next 450 kWh@	5.628 ¢ per kWh	4.826 ¢ per kWh
Over 700 kWh@	6.177 ¢ per kWh	5.749 ¢ per kWh

*Definition of Summer Billing Months – June through September

(Continued)

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 Mahwah, New Jersey 07430

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Revised Leaf No. 110
Superseding Leaf No. 110

**SERVICE CLASSIFICATION NO. 5
RESIDENTIAL SPACE HEATING SERVICE (Continued)**

RATE - MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

\$4.54 monthly, not less than **\$27.24** per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

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

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Revised Leaf No. 114
Superseding Leaf No. 114

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY:

(1) Distribution and Transmission Charges

(a) Luminaire Charges for Service Types A and B

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>	<u>Transmission Charge</u>
<u>Power Bracket Luminaires</u>					
5,800	Sodium Vapor	70	108	\$ 6.05	\$ 0.22
9,500	Sodium Vapor	100	142	7.27	0.30
16,000	Sodium Vapor	150	199	7.80	0.42
<u>Street Lighting Luminaires</u>					
5,800	Sodium Vapor	70	108	\$ 8.42	\$ 0.22
9,500	Sodium Vapor	100	142	9.23	0.30
16,000	Sodium Vapor	150	199	11.36	0.42
27,500	Sodium Vapor	250	311	14.57	0.66
46,000	Sodium Vapor	400	488	24.04	1.04
3,400	Induction	40	45	9.05	0.09
5,950	Induction	70	75	9.24	0.16
8,500	Induction	100	110	10.42	0.22
12,750	Induction	150	160	13.04	0.34
21,250	Induction	250	263	16.95	0.55
5,890	LED	70	74	9.93	0.16
9,365	LED	100	101	12.19	0.21
<u>Flood lighting Luminaires</u>					
27,500	Sodium Vapor	250	311	\$ 14.57	\$ 0.66
46,000	Sodium Vapor	400	488	24.04	1.04

The following luminaires will no longer be installed. Charges are for existing luminaries only.

Power Bracket Luminaires

4,000	Mercury Vapor	100	127	\$ 9.41	\$ 0.27
7,900	Mercury Vapor	175	215	10.86	0.46
22,500	Mercury Vapor	400	462	17.31	0.98

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 115
Superseding Leaf No. 115

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(a) Luminaire Charges for Service Types A and B (Continued)

Nominal Lumens	Luminaire Type	Watts	Total Wattage	Distribution Charge	Transmission Charge
<u>Post Top Luminaires</u>					
16,000	Sodium Vapor-Offset	150	199	\$ 22.36	\$ 0.42
<u>Street Lighting Luminaires</u>					
4,000	Mercury Vapor	100	127	\$ 10.32	\$ 0.27
7,900	Mercury Vapor	175	211	11.82	0.45
22,500	Mercury Vapor	400	459	18.34	0.97
1,000	Incandescent	-	92	8.39	0.19
2,500	Incandescent	-	189	10.83	0.40
<u>Flood lighting Luminaires</u>					
12,000	Mercury Vapor	250	296	\$ 14.86	\$ 0.63
40,000	Mercury Vapor	700	786	26.88	1.67
59,000	Mercury Vapor	1,000	1,105	33.47	2.34

(b) Distribution and Transmission Charges for Service Type C

Metered Service - Customer Charge at \$11.55 per month plus Distribution Charge at 5.732 ¢ per kWh, and a Transmission Charge of 0.620 ¢ per kWh; or

Unmetered Service - Customer Charge at \$2.40 per month plus Distribution Charge at 5.732 ¢ per kWh, and a Transmission Charge of 0.621 ¢ per kWh.

(Continued)

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Mahwah, New Jersey 07430

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**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

MINIMUM CHARGE

The minimum charge per luminaire for Service Type A or B shall be the sum of the monthly Distribution and Transmission Charges as specified in RATE – MONTHLY, Part (1a) times twelve. Should the monthly charge be revised during the initial term, the minimum charge per installation shall be prorated accordingly.

The minimum charge for Service Type C - Metered shall be \$11.55 per month and not less than \$138.60 for the initial term.

The minimum charge for Service Type C - Unmetered shall be \$2.40 per month and not less than \$28.80 for the initial term.

TERM

The Initial Term shall be one year. Service shall continue in effect thereafter until canceled by either party upon thirty days written notice. The Company shall require an Initial Term of one year for each luminaire for Service Types A or B.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 119
Superseding Leaf No. 119

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

SPECIAL PROVISIONS

Special Provisions A, B, D, E, F, and J apply only to Service Types A and B. Special Provision K applies only to Service Type C. Special Provisions C, G, H, and I apply to Service Types A, B, and C.

- (A) Street lighting luminaires will normally be mounted on eight foot aluminum brackets. Fifteen foot brackets are available at an additional charge of **\$0.60** per bracket per month.
- (B) Luminaires will be installed free of charge where all facilities necessary to serve a luminaire are present. Customer shall pay the cost of any additional facilities required, prior to the commencement of the construction of such facilities.
- (C) The customer shall furnish the Company with all easements or rights-of-way necessary to provide service to the desired location before any installation or construction will be started.
- (D) A customer may apply for service hereunder for a proposed residential subdivision in which all electric facilities will be underground. Such application shall be signed by the customer and builder or developer and when accepted by the Company, shall constitute an agreement between the Company, customer and builder or developer subject to the terms and provisions hereunder.

The builder or developer shall pay to the Company prior to the commencement of any construction all costs associated with the installation of the facilities to be serviced hereunder and shall prepay six times the total monthly charge for all luminaires installed. Said monthly charges shall be determined using the rates in effect at the time said costs and charges are determined. The Company shall not bill the customer for the first six months of service of the facilities installed under this special provision.

- (E) The Company shall not be obligated to repair or replace in kind any obsolete luminaire for which it cannot reasonably obtain the necessary parts. The Company will remove the obsolete luminaire or at the customer's request, replace it with any luminaire offered for service at that time for which the customer will be charged the appropriate rates.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 122
Superseding Leaf No. 122

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to primary service customers who maintain a minimum demand of 1,000 kW during any two of the previous twelve months and provide all equipment required to take service at a primary voltage as designated by the Company. A primary customer who does not maintain a demand of at least 1,000 kW during any two of the previous twelve months, may, at the customer's option transfer to another Service Classification provided that such transfer shall only be made on an annual anniversary date that such customer began service hereunder.

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to high voltage distribution service customers with a minimum demand of 1,000 kW who provide all equipment required to take high voltage distribution service as designated by the Company. High voltage distribution service shall be made available at the sole discretion of the Company where conditions merit.

Any customer who operates a qualifying facility, as defined below, and who requires supplemental, auxiliary or standby service to be supplied by the Company. The term "qualifying facility" shall mean a generating facility that meets the qualifying facility requirements established by the Federal Energy Regulatory Commission's rules (18 CFR Part 292) implementing the Public Utility Regulatory Policies Act of 1978.

All service at one location shall be taken through one meter except that service taken under Special Provision A shall be separately metered.

CHARACTER OF SERVICE

Continuous, 60 cycles, A.C., single or three phase primary or high voltage distribution service as defined in General Information Section 26 and depending on the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Primary</u>	<u>High Voltage Distribution</u>
(1) <u>Customer Charge</u>	\$212.85	\$2,293.48

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 123
 Superseding Leaf No. 123

**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE – MONTHLY (Continued)

(2) Distribution Charges

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$3.33 per kW	\$1.05 per kW
Period II	All kW @	0.82 per kW	0.25 per kW
Period III	All kW @	3.06 per kW	0.96 per kW
Period IV	All kW @	0.82 per kW	0.25 per kW
<u>Usage Charge</u>			
Period I	All kWh @	2.008 ¢ per kWh	0.235 ¢ per kWh
Period II	All kWh @	1.505 ¢ per kWh	0.176 ¢ per kWh
Period III	All kWh @	2.008 ¢ per kWh	0.235 ¢ per kWh
Period IV	All kWh @	1.505 ¢ per kWh	0.176 ¢ per kWh

(3) Transmission Charges

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 127
Superseding Leaf No. 127

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.289 ¢ per kWh during the billing months of October through May and 5.316 ¢ per kWh during the summer billing months and a Transmission Charge of 0.551 ¢ per kWh and a Transmission Surcharge of 0.293 ¢ per kWh during all billing months.

When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.93 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (4), (5), and (6) of RATE – MONTHLY. This Special Provision is not available to those customers taking high voltage distribution service.

This special provision is closed to new customers effective August 1, 2014.

(B) Budget Billing Plan

Any condominium association or cooperative housing corporation who takes service hereunder and any other customer taking service under Special Provision B of this Service Classification may, upon request, be billed monthly in accordance with the budget billing plan provided for in General Information Section 8 of this tariff.

(Continued)

ISSUED:

EFFECTIVE:

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