



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

ENERGY

IN THE MATTER OF ROCKLAND ELECTRIC)
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE) ORDER APPROVING
FILING (2017)) STIPULATION
)
) DOCKET NO. ER17030323

Parties of Record:

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

BY THE BOARD:¹

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Rockland Electric Company ("RECO" or the "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Signatory Parties") intended to resolve the Company's 2017 Societal Benefits Charge ("SBC") filing in Docket No. ER17030323.

BACKGROUND/PROCEDURAL HISTORY

Pursuant to N.J.S.A. 48:3-60, the SBC was established to recover the costs incurred by the electric and gas public utilities for expenditures related to social programs including Board-approved energy efficiency and renewable energy programs, and the funding of two statewide low-income energy bill payment assistance programs, the Universal Service Fund ("USF") and Lifeline programs. The SBC also includes a component to refund or recover over- or under-collections based on the prior year's SBC recoveries against program costs.

In accordance with the July 22, 2002 Order of the Board in Docket Nos. EO97070464, EO97070465 and EO97070466, on March 1, 2017, RECO filed a petition ("2017 Filing") with the Board, which constituted its annual cost recovery filing of over-recovered or under-recovered cost balances collected through its SBC for the reconciliation period from August 1, 2016

¹ Commissioner Upendra J. Chivukula did not participate.

through July 31, 2017 and of projected spending during the projected period through July 31, 2017. In addition to the approval sought for those costs, RECO also sought authorization to collect from customers sufficient funds to provide for current program cost recovery. Accordingly, as described below, the Company filed revisions to the Demand Side Management ("DSM") and Clean Energy Program ("CEP") components ("SBC DSM/CEP Component Programs") of the SBC rate.

In the 2017 Filing, which reflected actual data through February 2017, RECO proposed a decrease in the rate for the SBC DSM/CEP Component Programs to 0.4142 cents per kilowatt hour (" ϕ /kWh"), including Sales and Use Tax ("SUT"), which reflected a decrease over the previously existing rate of 0.4253 ϕ /kWh, including SUT, for all classes of customers effective August 1, 2017.² When combined with the Universal Service Fund ("USF") and Lifeline components of the SBC, the proposed August 1, 2017 SBC rate was 0.6909 ϕ /kWh, including SUT.

Since the 2017 Filing, the Company has updated the DSM/CEP Component Programs of the SBC based on actual data for the period August 1, 2016 through September 30, 2017. As a result of the update, the Company's resultant proposed total rate for the SBC is 0.6613 ϕ /kWh, including SUT. For the SBC DSM/CEP Component Programs, the updated data results in an increase in the existing rate to 0.4349 ϕ /kWh, including SUT.

The rate includes an under-collection of \$857,662 for the period August 1, 2016 through July 31, 2017 and the projected DSM/CEP spending for the twelve-month period ending July 31, 2018. The Company's recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

Staff and Rate Counsel propounded discovery requests upon RECO, which were responded to by the Company. On November 29, 2017, after notice in newspapers in general circulation in the Company's service territory, two public hearings were held in Mahwah, New Jersey for the 2017 Filing. No members of the public attended the hearings or submitted comments.

STIPULATION

Following discovery, the Signatory Parties engaged in discussions in an attempt to resolve all the outstanding issues related to the Company's 2017 Filing. As a result of those discussions, on December 4, 2017, the Signatory Parties entered into the attached Stipulation resolving all issues in this proceeding. The Stipulation provides the following:³

1. The Company shall be allowed to implement an SBC of 0.6613 ϕ /kWh ("Revised SBC"), including SUT. As set forth in Exhibit A attached to the Stipulation, this rate includes: a 0.4349 ϕ /kWh rate component, including SUT, relating to the Company's DSM and CEP costs for the period August 1, 2016 through September 30, 2017 and projected DSM and CEP costs for the period October 2017 through July 2018. The Revised SBC also includes the 0.1487 ϕ /kWh and 0.0777 ϕ /kWh rate components (including SUT), relating

² RECO's 2017 Filing did not address the USF and Lifeline components of the SBC as those rates are reviewed in a separate annual generic proceeding.

³ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

to the Company's USF and Lifeline programs, respectively. All SBC component rates are subject to audit by the Board.

2. As a result of the increase in the SBC to 0.6613 ¢/kWh, including SUT, for a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will increase \$0.06 from \$112.99 to \$113.05, or 0.05%.
3. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed RECO's BPU authorized overall rate of return effective at the time the interest is calculated.

DISCUSSION AND FINDING

The Board has carefully reviewed the record in this matter, including the 2017 Filing and the Stipulation. Accordingly, the Board is satisfied and **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues and demonstrates that the costs through September 2017 have been reviewed and determined to be both reasonable and prudent, and is therefore in the public interest. The Board **FURTHER FINDS** that: (1) the Parties have voluntarily agreed to the Stipulation; and (2) the Stipulation fully disposes of all issues in controversy and is consistent with the law. The Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein. The Board **HEREBY DIRECTS** the Signatory Parties to comply with the terms and conditions incorporated within the Stipulation.

As a result of the Board's approval of the Stipulation, the DSM/CEP components of the SBC will increase from the current rate of 0.4253 ¢/kWh, including SUT to 0.4349 ¢/kWh, including SUT. The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Board Order prior to January 1, 2018. RECO is further **DIRECTED** to reflect the reduction of the SUT rate, effective January 1, 2018, in its tariff compliance filing.

As a result of the increase in the SBC to 0.6613 ¢/kWh, including SUT, for a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will increase \$0.06 from \$112.99 to \$113.05, or 0.05%.

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

This Board Order shall be effective on December 29, 2017.

DATED: 12/19/17

BOARD OF PUBLIC UTILITIES
BY:

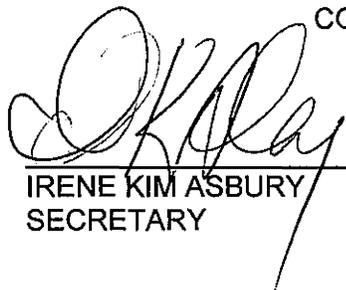

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


IRENE KIM ASBURY
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities



IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL SOCIETAL BENEFITS
CHARGE FILING (2017)
BPU DOCKET NO. ER17030323

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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

December 5, 2017

Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue,
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P.O. Box 350
Trenton, NJ 08625-0350

**RE: In the Matter of the Verified Petition of Rockland Electric Company's
Annual Societal Benefits Charge Filing - Stipulation of Settlement
BPU Docket No. ER17030323**

Dear Secretary Asbury:

Enclosed for filing in the above matter are Stipulation of Settlement and Exhibits A and B in the above matter.

Respectfully,

Margaret Comes

Margaret Comes
Associate Counsel

c: Stacy Peterson

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

I/M/O Rockland Electric Company Annual Societal Benefits Charge Filing: 2017	:	STIPULATION OF SETTLEMENT
	:	
	:	BPU Docket No. ER17030323

APPEARANCES:

Margaret Comes, Esq., Senior Attorney, for Petitioner Rockland Electric Company

Diane Schulze, Assistant Deputy Rate Counsel, for the 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)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT ("Stipulation") is made as of December 1, 2017 by and among Rockland Electric Company ("RECO" or "Company"), Staff of the New Jersey Board of Public Utilities ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively referred to herein as the "Signatory Parties").

In accordance with the New Jersey Board of Public Utilities' ("Board" or "BPU") Final Decision and Order dated July 22, 2002, in Docket Nos. EO97070464 *et al.*, Leaf No. 57 of the Company's Schedule for Electric Service B.P.U. No. 3 – Electricity ("Electric Tariff") requires the Company to submit to the Board an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge ("SBC") and to provide for current program cost recovery. Accordingly, as described below, the Company filed revisions to the

Demand Side Management (“DSM”) and Clean Energy Program (“CEP”) components (together, “SBC Component Programs”) of the SBC rate on March 31, 2017 (“2017 Filing”). This filing reflected actual data through February 2017.

In its 2017 Filing, RECO proposed a decrease in the rate for the SBC Component Programs to 0.4142 ¢/kWh, including Sales and Use Tax (“SUT”), which reflected a decrease over the previously existing rate of 0.4253 ¢/kWh, including SUT, for all classes of customers effective August 1, 2017. When combined with the Universal Service Fund (“USF”) and Lifeline components of the SBC, the proposed August 1, 2017 SBC rate was 0.6909 ¢/kWh, including SUT.

Since the 2017 Filing, the BPU decreased the USF rate component of the SBC.¹ In addition, the Company has recalculated the DSM and Clean Energy Components of the SBC based on actual data for the period August 1, 2016 through September 30, 2017, and revised the Clean Energy Program Component’s projected program costs for the period October 2017 through July 2018 based on the new budget approved by the BPU effective July 1, 2017.² As a result of these factors, the Company’s proposed total SBC rate is increasing from 0.6517 ¢/kWh to 0.6613 ¢/kWh, including SUT. For the SBC Component Programs, the updated data results in an increase in the existing rate to 0.4349 ¢/kWh, including SUT.

Since RECO’s submission of the 2017 Filing, Rate Counsel and Staff have propounded, and the Company has responded to, detailed discovery requests. The Signatory Parties also have engaged in discussions in an attempt to resolve all outstanding issues. Public hearings were held on November 29, 2017. No members of the public appeared at the public hearing.

¹ See *Order Approving Interim USF Rates and Lifeline Rates*, BPU Docket No. ER17060676 (September 22, 2017).

² *IMO The Clean Energy Budget for Fiscal Year 2017*, BPU Docket No. QO16040353 (June 30, 2017).

Given the completeness of the record and the intention of the Signatory Parties to reasonably, fully and finally resolve all open issues relating to the 2017 Filing, and in consideration of the recitals and mutual promises and covenants set forth herein, the Signatory Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. SBC Rate. The Company shall be allowed to implement an SBC of 0.6613 ¢/kWh (“Revised SBC”), including SUT. As set forth in Exhibit A attached hereto, this rate includes: a 0.4349 ¢/kWh rate component, including SUT, relating to the Company’s DSM and CEP costs for the period August 1, 2016 through September 30, 2017 and projected DSM and CEP costs for the period October 2017 through July 2018. The Revised SBC also includes the 0.1487 ¢/kWh and 0.0777 ¢/kWh rate components (including SUT), relating to the Company’s USF and Lifeline programs, respectively.³ All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the increase in the SBC to 0.6613 ¢/kWh, including SUT, for a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will increase \$0.06 from \$112.99 to \$113.05, or 0.05%.

3. SBC Interest Rate. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the Board’s October 21, 2008 Order in Docket No. ER08060455, but not to exceed Rockland Electric’s BPU authorized overall rate of return effective at the time the interest is calculated.

³ See footnote one above.

4. Effective Date. The revised tariff leaf relating to the Revised SBC shall become effective on the first day of the month following the service of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40 ("Effective Date").

5. Tariff. RECO shall file the revised tariff leaf relating to the Revised SBC, in the form set forth in Exhibit B hereto, approved by Signatory Parties in this Stipulation, as soon as possible, but no later than ten business days from the Effective Date.

6. Voluntariness. The Signatory Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein.

7. Expeditious Board Approval. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its approval without modification or condition.

8. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully and finally resolve all issues relating to the 2013 Filing and the 2014 Filing. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Signatory Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Signatory Parties are not waiving any legal or procedural rights, arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Signatory Party aggrieved thereby, exercised by written notice to the other Parties within

ten days after receipt of any such adverse decision, be null and void in which case the Signatory Parties shall be placed in the same position that they were in immediately prior to its execution.

9. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. Although binding on the Signatory Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Signatory Parties (or non-signatories) and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Signatory Parties agree that the unique resolution of the issues relating to the 2013 Filing and the 2014 Filing shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Signatory Parties with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

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

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

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

ROCKLAND ELECTRIC COMPANY

By Margaret Comes
Margaret Comes, Esq.

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

By: Renee Greenberg
Renee Greenberg
Deputy Attorney General

STATE OF NEW JERSEY, DIVISION OF RATE COUNSEL
STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: Diane Schulze
Diane Schulze
Asst. Deputy Rate Counsel

ROCKLAND ELECTRIC COMPANY

Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT <u>(¢/kWh)</u>	Rate Incl. RA & SUT <u>(¢/kWh)</u>
DSM/Clean Energy Programs	0.4069	0.4349
Universal Service Fund	0.1391	0.1487
Lifeline	<u>0.0727</u>	<u>0.0777</u>
Total	0.6187	0.6613

ROCKLAND ELECTRIC COMPANY

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

Reconciliation of SBC for the Period August 1, 2016 - July 31, 2017

SBC Recoveries: (08/01/16 - 07/31/17) - See Page 3	\$5,366,597
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/16 - 07/31/17) - See Page 3	5,427,033
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	786,396
Total SBC Costs to be Recovered (08/01/16 - 07/31/17)	6,213,429
SBC (Over)/Under Recovery Balance	846,832
Interest (Over)/Under Recovery Balance - See Page 3	<u>10,830</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2017	\$857,662

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2018	1,581,531,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000542
Projected Spending - 12 months ending July 31, 2018 - See Page 4	\$5,577,476
\$ per kWh Projected Spending to be Surcharged	\$0.003527
Proposed SBC Excluding SUT (\$ per kWh)	\$0.004069
Sales and Use Tax ("SUT")	1.06875
<u>Proposed SBC including SUT (\$ per kWh)</u>	\$0.004349

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

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2016 through July 2017 Cost Recovery Period**

<u>RECO</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Total</u>
	<u>Actual</u>												
SBC Recoveries	\$539,668	\$534,701	\$381,874	\$330,828	\$384,606	\$403,139	\$355,972	\$341,042	\$480,979	\$444,363	\$523,215	\$636,210	\$5,366,597
Prior Period Reconciliation Adj. ¹	\$786,396	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$786,396
Legacy Program Costs	\$49,186	\$17,824	\$22,366	\$23,366	\$23,366	\$23,366	\$0	(\$14,574)	\$29,295	\$14,648	\$14,648	\$14,648	\$218,139
CEP Program Costs	\$454,416	\$511,008	\$537,600	\$498,165	\$402,796	\$367,861	\$411,492	\$458,483	\$429,317	\$381,843	\$375,065	\$380,847	\$5,208,894
Total Program Costs	\$1,289,997	\$528,832	\$559,967	\$521,531	\$426,163	\$391,227	\$411,492	\$443,909	\$458,612	\$396,491	\$389,713	\$395,495	\$6,213,429
Interest - (Over)/Under Recovery	\$470	\$506	\$637	\$785	\$990	\$1,025	\$1,075	\$1,212	\$1,151	\$1,132	\$1,008	\$839	\$10,830
Total Program Costs Incl. Adjs. & Interest	\$1,290,467	\$529,338	\$560,604	\$522,316	\$427,153	\$392,252	\$412,567	\$445,121	\$459,763	\$397,623	\$390,721	\$396,334	\$6,224,259
(Over)/Under Recovery	\$750,799	(\$5,363)	\$178,730	\$191,488	\$42,547	(\$10,887)	\$56,594	\$104,079	(\$31,215)	(\$48,740)	(\$132,494)	(\$239,876)	\$857,662
Interest Rate (%) ²	1.27%	1.38%	1.40%	1.43%	1.74%	1.82%	1.82%	1.89%	1.84%	1.88%	1.88%	2.01%	

Notes: ¹ Over recovery for the period August 1, 2015 through July 31, 2016 per Exhibit A, Page 3 of 4 of Stipulation of Settlement dated December 14, 2016, in Docket Number ER16040275 adopted by the Board in its Order dated January 25, 2017.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")**

SBC Projected Program Costs: August 2017 - July 2018 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-17	\$454,416	\$13,648	\$468,063
Sep-17	562,220	14,648	576,868
Oct-17	594,640	8,462	603,103
Nov-17	542,654	8,462	551,116
Dec-17	424,110	8,462	432,572
Jan-18	387,681	8,462	396,144
Feb-18	431,826	4,850	436,677
Mar-18	487,063	4,850	491,914
Apr-18	433,221	4,850	438,071
May-18	398,450	4,850	403,300
Jun-18	380,702	4,850	385,553
Jul-18	<u>389,244</u>	<u>4,850</u>	<u>394,095</u>
Total	\$5,486,228	\$91,248	\$5,577,476

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

² New Clean Energy Program spending for FY 18 approved by the BPU in Docket No. QO17050464 effective July 1, 2017. It should also be noted that the cost estimates for the newly approved CEP spending schedule reflect a two month lag from the approved schedule to reflect the months with which these amounts will be remitted to the BPU.

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.65470.6613 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	<u>0.39790.4089</u>	<u>0.42530.4349</u>
Universal Service Fund	0.1391	0.1487
Lifeline	0.0727	0.0777
Total SBC	<u>0.60970.6187</u>	<u>0.65470.6613</u>

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY:

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.6613 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.4069	0.4349
Universal Service Fund	0.1391	0.1487
Lifeline	0.0727	0.0777
Total SBC	0.6187	0.6613

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

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ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")**

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT <u>(¢/kWh)</u>	Rate Incl. RA & SUT <u>(¢/kWh)</u>
DSM/Clean Energy Programs	0.4069	0.4349
Universal Service Fund	0.1391	0.1487
Lifeline	<u>0.0727</u>	<u>0.0777</u>
Total	0.6187	0.6613

ROCKLAND ELECTRIC COMPANY

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

Reconciliation of SBC for the Period August 1, 2016 - July 31, 2017

SBC Recoveries: (08/01/16 - 07/31/17) - See Page 3	\$5,366,597
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/16 - 07/31/17) - See Page 3	5,427,033
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	786,396
Total SBC Costs to be Recovered (08/01/16 - 07/31/17)	6,213,429
SBC (Over)/Under Recovery Balance	846,832
Interest (Over)/Under Recovery Balance - See Page 3	<u>10,830</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2017	\$857,662

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2018	1,581,531,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000542
Projected Spending - 12 months ending July 31, 2018 - See Page 4	\$5,577,476
\$ per kWh Projected Spending to be Surcharged	\$0.003527
Proposed SBC Excluding SUT (\$ per kWh)	\$0.004069
Sales and Use Tax ("SUT")	1.06875
<u>Proposed SBC Including SUT (\$ per kWh)</u>	0.004349

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

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2016 through July 2017 Cost Recovery Period**

<u>RECO</u>	Aug-16 Actual	Sep-16 Actual	Oct-16 Actual	Nov-16 Actual	Dec-16 Actual	Jan-17 Actual	Feb-17 Actual	Mar-17 Actual	Apr-17 Actual	May-17 Actual	Jun-17 Actual	Jul-17 Actual	Total
SBC Recoveries	\$539,668	\$534,701	\$381,874	\$330,828	\$384,606	\$403,139	\$355,972	\$341,042	\$490,979	\$444,363	\$523,215	\$636,210	\$5,366,597
Prior Period Reconciliation Adj. ¹	\$786,396	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$786,396
Legacy Program Costs	\$49,186	\$17,824	\$22,366	\$23,366	\$23,366	\$23,366	\$0	(\$14,574)	\$29,295	\$14,648	\$14,648	\$14,648	\$218,139
CEP Program Costs	\$454,416	\$511,008	\$537,600	\$498,165	\$402,796	\$367,861	\$411,492	\$458,483	\$429,317	\$381,843	\$375,065	\$380,847	\$5,208,894
Total Program Costs	\$1,289,997	\$528,832	\$559,967	\$521,531	\$426,163	\$391,227	\$411,492	\$443,908	\$458,612	\$396,491	\$389,713	\$395,495	\$6,213,429
Interest - (Over)/Under Recovery	\$470	\$506	\$637	\$785	\$990	\$1,025	\$1,075	\$1,212	\$1,151	\$1,132	\$1,008	\$839	\$10,830
Total Program Costs Incl. Adjs. & Interest	\$1,290,467	\$529,338	\$560,604	\$522,316	\$427,153	\$392,252	\$412,567	\$445,121	\$459,763	\$397,623	\$390,721	\$396,334	\$6,224,259
(Over)/Under Recovery	\$750,799	(\$5,363)	\$178,730	\$191,488	\$42,547	(\$10,887)	\$56,594	\$104,079	(\$31,215)	(\$46,740)	(\$132,494)	(\$239,876)	\$857,662
Interest Rate (%) ²	1.27%	1.38%	1.40%	1.43%	1.74%	1.82%	1.82%	1.89%	1.84%	1.88%	1.88%	2.01%	

Notes: ¹ Over recovery for the period August 1, 2015 through July 31, 2016 per Exhibit A, Page 3 of 4 of Stipulation of Settlement dated December 14, 2016, in Docket Number ER16040275 adopted by the Board in its Order dated January 25, 2017.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")**

SBC Projected Program Costs: August 2017 - July 2018 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-17	\$454,416	\$13,648	\$468,063
Sep-17	562,220	14,648	576,868
Oct-17	594,640	8,462	603,103
Nov-17	542,654	8,462	551,116
Dec-17	424,110	8,462	432,572
Jan-18	387,681	8,462	396,144
Feb-18	431,826	4,850	436,677
Mar-18	487,063	4,850	491,914
Apr-18	433,221	4,850	438,071
May-18	398,450	4,850	403,300
Jun-18	380,702	4,850	385,553
Jul-18	<u>389,244</u>	<u>4,850</u>	<u>394,095</u>
Total	\$5,486,228	\$91,248	\$5,577,476

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

² New Clean Energy Program spending for FY 18 approved by the BPU in Docket No. QO17050464 effective July 1, 2017. It should also be noted that the cost estimates for the newly approved CEP spending schedule reflect a two month lag from the approved schedule to reflect the months with which these amounts will be remitted to the BPU.

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Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

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- (2) Clean Energy Program, ("CEP"); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at 0.65470.6613 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.39790 <u>0.4069</u>	0.42530 <u>0.4349</u>
Universal Service Fund	0.1391	0.1487
Lifeline	0.0727	0.0777
Total SBC	0.60970 <u>0.6187</u>	0.65470 <u>0.6613</u>

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

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GENERAL INFORMATION

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Universal Service Fund	0.1391	0.1487
Lifeline	0.0727	0.0777
Total SBC	0.6187	0.6613

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