



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 (2018)) STIPULATION
)
) DOCKET NO. ER18040362

Parties of Record:

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

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Rockland Electric Company ("RECO" or the "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Signatory Parties") intended to resolve the Company's 2018 Societal Benefits Charge ("SBC") filing in Docket No. ER18040362.

BACKGROUND AND 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 30, 2018, RECO filed a petition ("2018 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, 2017 through July 31, 2018 and of projected spending during the projected period through July 31, 2019. 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 2018 Filing, which reflected actual data through February 2018, RECO proposed a decrease in the rate for the SBC DSM/CEP Component Programs to 0.4038 cents per kilowatt hour (" ϕ /kWh"), including Sales and Use Tax ("SUT"), which reflected a decrease over the previously existing rate of 0.4339 ϕ /kWh, including SUT, for all classes of customers effective August 1, 2018.¹ When combined with the USF and Lifeline components of the SBC that were in effect at the time of the filing, the proposed total SBC rate was 0.6296 ϕ /kWh, including SUT.

Subsequently, the Company updated the 2018 Filing to reflect actual data for the period August 1, 2017 through July 31, 2018 and projected data for the period August 2018 through July 2019 for the DSM/CEP Component Programs of the SBC. As a result of the update, the Company's resultant proposed SBC rate 0.6050 ϕ /kWh, including SUT.² For the SBC DSM/CEP Component Programs, the updated data results in a decrease in the existing rate to 0.3959 ϕ /kWh, including SUT.

The rate includes an under-collection of \$89,343 for the period August 1, 2017 through July 31, 2018 and the projected DSM/CEP spending for the twelve-month period ending July 31, 2019. The Company's recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

STIPULATION

Following discovery, the Signatory Parties engaged in discussions in an attempt to resolve all the outstanding issues related to the Company's 2018 Filing. As a result of those discussions, 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 0.6050 ϕ /kWh, including SUT. As set forth in Exhibit A attached to the Stipulation, this rate includes: a 0.3959 ϕ /kWh rate component, including SUT, relating to the Company's DSM and CEP costs for the period August 1, 2017 through July 31, 2018 and projected DSM and CEP costs for the period August 2018 through July 2019. The Revised SBC also includes the 0.1338 ϕ /kWh and 0.0753 ϕ /kWh rate components (including SUT), relating to the Company's USF and Lifeline programs, respectively. All SBC component rates are subject to audit by the Board.

¹ RECO's 2018 Filing did not address the USF and Lifeline components of the SBC as those rates are reviewed in a separate annual generic proceeding.

² The USF and Lifeline components of the Company's SBC were modified by Board Order dated September 17, 2018 in Docket No. ER18060661.

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.

2. As a result of the decrease in the SBC to 0.6050 ¢/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 decrease \$0.25 from \$106.52 to \$106.27, or 0.23%.
3. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed RECO's Board authorized overall rate of return effective at the time the interest is calculated.

DISCUSSION AND FINDING

The Board has carefully reviewed the record in this matter, including the 2018 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 August 2018 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 decrease from the current rate of 0.4339 ¢/kWh, including SUT to 0.3959 ¢/kWh, including SUT effective for service rendered on or after January 1, 2019. 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, 2019.

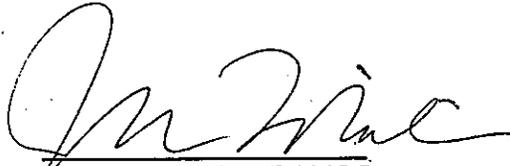
As a result of the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see a decrease in their monthly bill of \$0.25 from \$106.52 to \$106.27, or 0.23%.

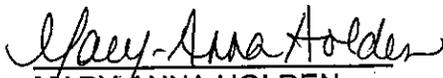
The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on December 28, 2018.

DATED: 12/18/18

BOARD OF PUBLIC UTILITIES
BY:

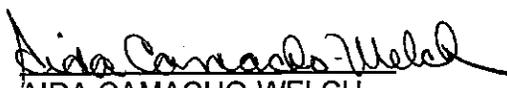

JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
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 (2018)
BPU DOCKET NO. ER18040362

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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

November 29, 2018

VIA OVERNIGHT

Aida Camacho, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

RE: I/M/O Rockland Electric Company Annual
Societal Benefits Charge Filing: 2018
Stipulation of Settlement
BPU Docket No. ER18040362

Dear Secretary Camacho:

Enclosed for filing on behalf of Rockland Electric Company ("RECO")
("Rockland" or "the Company") please find an original and ten copies of Stipulation of
Settlement in the above matter.

Respectfully submitted,


Margaret Comes

Enclosures

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

I/M/O Rockland Electric Company Annual Societal Benefits Charge Filing: 2018	: : :	STIPULATION OF SETTLEMENT BPU Docket No. ER18040362
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APPEARANCES:

Margaret Comes, Esq., Associate Counsel, for Petitioner Rockland Electric Company

Brian Weeks, Deputy Rate Counsel and 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 (Gurbir S. Grewal, Attorney General of New Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT (“Stipulation”) is made as of November 20, 2018 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 30, 2018 (“2018 Filing”). This filing reflected actual data through February 2018.¹

In its 2018 Filing, RECO proposed a decrease in this rate component of the SBC from the currently effective rate of 0.6597 ¢/kWh to 0.6296 ¢/kWh, including SUT. The 2018 Filing explained that the decrease in the rate component was the result of a decrease in projected DSM Programs and Clean Energy Program spending for the twelve-month period ending July 31, 2019, offset by an anticipated under-collection of \$207,284 for the period August 1, 2017 through July 31, 2018 and a projected decrease in kWh usage as compared to the kWh used in the calculation of the current SBC. When combined with the Universal Service Fund (“USF”) and Lifeline components of the SBC, the proposed August 1, 2018 SBC rate was 0.6296 ¢/kWh, including SUT.

Since the 2018 Filing, the BPU decreased the USF rate component of the SBC.² The Company has updated its SBC rate to include the decreased USF rate component, updated its DSM and Clean Energy Components of the SBC based on actual data for the period August 1, 2017 through July 31, 2018, and projected DSM and Clean Energy Components of the SBC for the period August 2018 through July 2019. As a result of these factors, the Company’s proposed total SBC rate is decreasing from 0.6430¢/kWh, including SUT to 0.6050 ¢/kWh, including SUT.³

¹ In its filing, the Company noted that the over recovery balance reflected two adjustments to the prior period: 1) the Legacy Program cost for the month of May 2017 was adjusted to reflect actual program costs for the time period; and 2) the SBC recoveries for the months of May, June and July of 2017 were adjusted to reflect the Company’s actual recoveries. The result of these two adjustments led to an additional under recovery, including interest, of \$57,521.15.

² See *Order Approving Interim USF Rates and Lifeline Rates*, BPU Docket No. ER18060661 (September 17, 2018).

³ The Company is withdrawing its proposed two adjustments to the prior period: 1) the Legacy Program cost for the month of May 2017; and 2) the SBC recoveries for the months of May, June and July of 2017.

Since RECO's submission of the 2018 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.

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 2018 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 0.6050 ¢/kWh, including SUT. As set forth in Exhibit A attached hereto, this rate includes: a 0.3959 ¢/kWh rate component, including SUT, relating to a true-up of the Company's DSM and CEP costs for the period August 1, 2017 through July 31, 2018, and projected DSM and CEP costs for the period August 2018 through July 2019. The Revised SBC also includes the 0.1338 ¢/kWh and 0.0753 ¢/kWh rate components (including SUT), relating to the Company's USF and Lifeline programs, respectively. All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the decrease in the SBC to 0.6050 ¢/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 decrease \$0.25 from \$106.52 to \$106.27, or (0.23)%.

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.

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 2017 Filing and the 2018 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 2017 Filing and the 2018 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
GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY

By: Renee Greenberg 11/21/2018
Renee Greenberg
Deputy Attorney General

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

By Brian Weeks
Brian Weeks
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	0.3713	0.3959
Universal Service Fund	0.1255	0.1338
Lifeline	<u>0.0706</u>	<u>0.0753</u>
Total	0.5674	0.6050

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, 2017 - July 31, 2018

SBC Recoveries: (08/01/17 - 07/31/18) - See Page 3	\$6,350,944
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/17 - 07/31/18) - See Page 3	5,572,784
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	857,662
Total SBC Costs to be Recovered (08/01/17 - 07/31/18)	6,430,446
SBC (Over)/Under Recovery Balance	79,502
Interest (Over)/Under Recovery Balance - See Page 3	<u>9,841</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2018	\$89,343

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2019	1,515,050,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000059
Projected Spending - 12 months ending July 31, 2019 - See Page 4	\$5,535,511
\$ per kWh Projected Spending to be Surcharged	\$0.003654
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003713
Sales and Use Tax ("SUT")	1.06625
<u>Proposed SBC Including SUT (\$ per kWh)</u>	\$0.003959

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 2017 through July 2018 Cost Recovery Period**

<u>RECO</u>	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SBC Recoveries	\$644,617	\$559,012	\$531,917	\$444,495	\$491,404	\$557,188	\$520,048	\$457,150	\$450,408	\$452,731	\$562,789	\$679,184	\$6,350,944
Prior Period Reconciliation Adj. ¹	\$857,662	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$857,662
Legacy Program Costs	\$13,648	\$14,648	\$8,462	\$8,462	\$8,462	\$0	\$13,313	\$4,850	\$4,850	\$0	\$9,701	\$0	\$86,397
CEP Program Costs	\$454,416	\$562,220	\$594,640	\$542,654	\$424,269	\$387,681	\$431,826	\$487,063	\$433,221	\$398,450	\$380,702	\$389,244	\$5,486,387
Total Program Costs	\$1,325,725	\$576,868	\$603,103	\$551,116	\$432,732	\$387,681	\$445,139	\$491,914	\$438,071	\$398,450	\$390,403	\$389,244	\$6,430,446
Interest - (Over)/Under Recovery	\$651	\$672	\$793	\$955	\$960	\$979	\$949	\$1,028	\$1,018	\$1,006	\$679	\$151	\$9,841
Total Program Costs Incl. Adjs. & Interest	\$1,326,376	\$577,540	\$603,896	\$552,071	\$433,692	\$388,660	\$446,088	\$492,942	\$439,089	\$399,456	\$391,082	\$389,395	\$6,440,287
(Over)/Under Recovery	\$681,759	\$18,528	\$71,979	\$107,576	(\$57,713)	(\$168,528)	(\$73,960)	\$35,791	(\$11,319)	(\$53,275)	(\$171,707)	(\$289,789)	\$89,343
Interest Rate (%) ²	1.94%	1.95%	2.09%	2.21%	2.38%	2.52%	2.76%	2.82%	2.85%	3.10%	-3.07%	3.17%	

Notes: ¹ Under recovery for the period August 1, 2016 through July 31, 2017 as per 'Page 3 of 4 of the Stipulation of Settlement dated December 4, 2017, in Docket Number ER17030323 (adopted by the Board in its Order dated December 19, 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 2018 - July 2019 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-18	\$461,313	\$8,701	\$470,013
Sep-18	562,236	4,850	567,087
Oct-18	594,657	2,869	597,526
Nov-18	542,669	2,869	545,538
Dec-18	424,122	2,869	426,991
Jan-19	387,693	2,869	390,562
Feb-19	431,839	2,869	434,708
Mar-19	487,077	2,869	489,946
Apr-19	433,233	2,869	436,102
May-19	398,461	2,869	401,330
Jun-19	380,713	2,869	383,582
Jul-19	<u>389,256</u>	<u>2,869</u>	<u>392,125</u>
Total	\$5,493,271	\$42,240	\$5,535,511

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 19 approved by the BPU in Docket No. QO18040392 effective July 1, 2018. Cost estimates for the newly approved CEP spending schedule reflect a two month lag from the approved schedule to reflect the months in 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 ~~0.64300~~ 0.6050 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>0.40690.3713</u>	<u>0.43390.3959</u>
Universal Service Fund	0.1255	0.1338
Lifeline	0.0706	0.0753
Total SBC	<u>0.60300.5674</u>	<u>0.64300.6050</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 0.6050 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	0.3713	0.3959
Universal Service Fund	0.1255	0.1338
Lifeline	0.0706	0.0753
Total SBC	0.5674	0.6050

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: