



Agenda Date: 3/13/19  
Agenda Item: 2B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF ROCKLAND )  
ELECTRIC COMPANY FOR APPROVAL OF ELECTRIC )  
BASE RATE ADJUSTMENTS PURSUANT TO THE )  
STORM HARDENING PROGRAM )  
DOCKET NO. ER18101114

**Parties of Record:**

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

**BY THE BOARD:**

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a Stipulation of Settlement ("Stipulation") executed by Rockland Electric Company ("RECO" or "Company"), Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's requests related to the above docketed matter.

**BACKGROUND**

By Order dated January 28, 2016, the Board authorized RECO to implement its Storm Hardening Program.<sup>1</sup> Pursuant to the Storm Hardening Program Order, RECO was to invest up to \$15,724,100, to be recovered through future base rate adjustments to harden its storm infrastructure. The Storm Hardening Program investments were anticipated to be made over a three (3) year period. The Storm Hardening Order also approved a cost recovery mechanism that allowed for semi-annual rate adjustments for spending related to Storm Hardening Program investments.

<sup>1</sup> In re the Board's Establishment of a Generic Proceeding to Review the Costs, Benefits and Reliability Impacts of Major Storm Event Mitigation Efforts AND In re the Verified Petition of Rockland Electric Company for Establishment of a Storm Hardening Surcharge, BPU Docket Nos. AX13030197 AND ER14030250 (January 28, 2016) ("Storm Hardening Program Order").

### **October 2018 SHP Filing**

On October 15, 2018, RECO filed the instant petition ("October 2018 Petition") with the Board seeking approval to establish rates to recover an annualized increase in electric revenue requirements of \$416,647 related to the Company's Storm Hardening Program. The October 2018 Petition was based on expenditures associated with the Storm Hardening Program through December 31, 2018, including: 1) expenditures made, but not placed in rates on or before August 31, 2018 pursuant to any prior rate filing; and 2) expenditures forecasted to be placed in service from September 1, 2018 through December 31, 2018.

On January 15, 2019, the Company provided an updated schedule, which replaced the estimated data in the original schedules with actual data through December 31, 2018. This resulted in an electric revenue requirement that was higher than originally proposed. The updated schedules reflect an additional \$307 in the proposed revenue requirement from \$416,647 to \$416,954.

After publication of notices in newspapers of general circulation in the Company's electric service territory, two (2) public hearings were held on February 27, 2019, in the Township of Mahwah. No members of the public provided comments addressing this matter at the public hearings or filed written comments.

### **STIPULATION**

Following a review of the October 2018 Petition, updates thereto, and discovery, the Parties executed the Stipulation on February 28, 2019, which provides as follows:<sup>2</sup>

5. On January 15, 2019, the Company provided updated schedules in this matter (the "Update"), which replaced the projected data in the original schedules with actual data through December 31, 2018, reflecting the updated annualized increase to electric revenue requirements associated with Storm Hardening investment costs. The updated annual increase in revenue requirements is \$307 greater than the increase set forth in the October 2018 Petition (*i.e.*, the revenue requirement increase changed from \$416,647 to \$416,954 in the Update). In light of this minimal change to the revenue requirement increase in the Update, the Company did not propose to change the calculated increased service classification distribution rates to be implemented from those that were filed as part of the October 2018 Petition. The Company will not make further changes to the increased rates set forth in Attachment 3, Schedule 3, of the October 2018 Petition (a copy of which is attached to the Stipulation as Exhibit A), as a result of the Update. The Company's original and updated electric revenue requirement reflects a cost of equity of 9.6% in its Allowance for Funds Used During Construction calculation for 2018.

---

<sup>2</sup> Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation are controlling, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

6. Pursuant to the terms of the Storm Hardening Order, the Company shall implement the electric rates discussed in paragraphs 3 and 5 of the Stipulation and set forth in Exhibit A of the Stipulation effective April 1, 2019 or on a date directed by the Board.
7. The monthly impact of the proposed rates on the typical residential electric customer that uses 925 kWh per month is an increase of \$0.31 or approximately 0.2%.
8. The rate adjustments established shall be provisional and subject to refund solely based upon a Board finding that RECO imprudently incurred capital expenditures under the Storm Hardening Program. Such prudence review shall take place in the Company's next base case and its base rate case subsequent to the next base case to the extent there are any Storm Hardening Program investments up to \$15,724,100 not included within the test year of the next base case. Nothing in the Stipulation will preclude any party from raising in the next base case any objection that could have been raised in the annual or semi-annual filings.

### **DISCUSSION AND FINDING**

The Board, having carefully reviewed the record in this proceeding including the October 2018 Petition and the Stipulation, **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY APPROVES** the rate adjustments calculated in Exhibit A of the Stipulation, on a provisional basis, subject to refund and review for prudence in a base rate case, to be effective for services rendered on and after April 1, 2019.

Based on the Stipulation, a typical residential electric customer using 925 kWh per month would see a bill increase from \$157.32 to \$157.63, or \$0.31, approximately 0.2%.

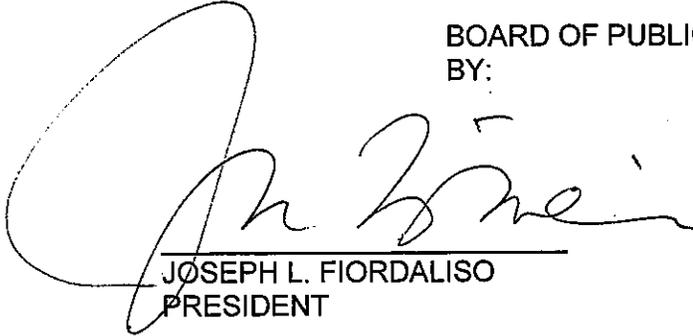
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to April 1, 2019.

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

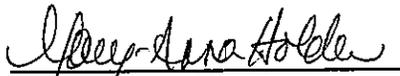
The effective date of this Order is March 23, 2019.

DATED: 3/13/19

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



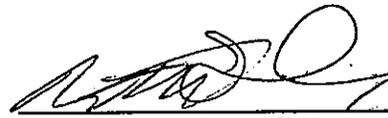
MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

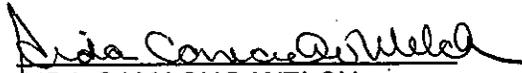


UPENDRA J. CHIVUKULA  
COMMISSIONER



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 THE PETITION OF ROCKLAND ELECTRIC COMPANY FOR  
APPROVAL OF ELECTRIC BASE RATE ADJUSTMENTS PURSUANT TO THE STORM  
HARDENING PROGRAM - DOCKET NO. ER18101114**

**SERVICE LIST**

**Rockland Electric Company**

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

Wayne Banker  
Chief Engineer of Distribution Eng.  
Orange and Rockland Utilities  
390 W. Route 59  
Spring Valley, NY10977  
[banker@oru.com](mailto:banker@oru.com)

John L. Carley, Esq.  
Consolidated Edison Co New York, Inc.  
4 Irving Place  
New York, NY10003-0987  
[carleyj@coned.com](mailto:carleyj@coned.com)

Cheryl Ruggiero  
Consolidated Edison Co New York, Inc.  
4 Irving Place  
New York, NY10003-0987  
[ruggieroc@coned.com](mailto:ruggieroc@coned.com)

**Division of Rate Counsel**  
Post Office Box 003  
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Brian Lipman, Esq.  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Ami Morita, Esq.  
[amorita@rpa.nj.gov](mailto:amorita@rpa.nj.gov)

Maria Novas-Ruiz, Esq.  
[mruiz@rpa.nj.gov](mailto:mruiz@rpa.nj.gov)

**Board of Public Utilities**

Post Office Box 350  
Trenton, NJ 08625-0350

Stacy Peterson, Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Kevin Moss  
[kevin.moss@bpu.nj.gov](mailto:kevin.moss@bpu.nj.gov)

Oneil Hamilton  
[oneil.hamilton@bpu.nj.gov](mailto:oneil.hamilton@bpu.nj.gov)

Ryan Moran  
[ryan.moran@bpu.nj.gov](mailto:ryan.moran@bpu.nj.gov)

Bethany Rocque-Romaine, Esq.  
[bethany.romaine@bpu.nj.gov](mailto:bethany.romaine@bpu.nj.gov)

Andrea Hart, Esq.  
[andrea.hart@bpu.nj.gov](mailto:andrea.hart@bpu.nj.gov)

**Department of Law & Public Safety**

Division of Law  
Post Office Box 45029  
Newark, NJ 07101-45029

Peter Van Brundt  
[peter.vanbrundt@law.njoag.gov](mailto:peter.vanbrundt@law.njoag.gov)

Geoffrey Gersten, DAG  
[geoffrey.gersten@law.njoag.gov](mailto:geoffrey.gersten@law.njoag.gov)

Alex Moreau, DAG  
[alex.moreau@law.njoag.gov](mailto:alex.moreau@law.njoag.gov)



**James C. Meyer**  
Partner  
  
Direct:  
t: 973.451.8464  
f: 973.451.8688  
jmeyer@riker.com  
Reply to: Morristown

ATTORNEYS AT LAW

February 28, 2019

Via FedEx

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

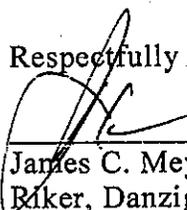
Re: I/M/O the Petition of Rockland Electric Company for Approval of Electric  
Base Rate Adjustments Pursuant to the Storm Hardening Program  
("October 2018 SHP Rate Filing")  
**BPU Docket No. ER18101114**

Dear Secretary Camacho-Welch:

Enclosed for filing please find an original and eleven copies of the  
Stipulation in the above-referenced matter executed by Rockland Electric Company, the  
Division of Rate Counsel and Board Staff.

Kindly stamp the extra copy "filed" and return in the enclosed self-  
addressed postage paid envelope. Please contact me with any questions.

Respectfully submitted,

  
James C. Meyer  
Riker, Danzig, Scherer, Hyland & Perretti, LLP  
Attorneys for  
Rockland Electric Company

cc: Attached Service List  
(by email and U.S. Mail to designees only)

5028430v1

Headquarters Plaza, One Speedwell Avenue, Morristown, NJ 07962-1981 • t: 973.538.0800 f: 973.538.1984  
50 West State Street, Suite 1010, Trenton, NJ 08608-1220 • t: 609.396.2121 f: 609.396.4578  
500 Fifth Avenue, New York, NY 10110 • t: 212.302.6574 f: 212.302.6628

www.riker.com

**SERVICE LIST**

I/M/O Petition of Rockland Electric Company for Approval of Electric Base Rate Adjustments Pursuant to the Storm Hardening Program  
BPU Docket No. ER1810114 [February 28, 2018]

**Board of Public Utilities**

#Aida Camacho-Welch  
Office of the Secretary  
Board of Public Utilities  
44 South Clinton Avenue, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[aida.camacho@bpu.nj.gov](mailto:aida.camacho@bpu.nj.gov)  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Bethany Rocque-Romaine  
NJ BPU Legal Specialist  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[bethany.romaine@bpu.nj.gov](mailto:bethany.romaine@bpu.nj.gov)

Kevin Moss  
Bureau of Rates and Tariffs  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[kevin.moss@bpu.nj.gov](mailto:kevin.moss@bpu.nj.gov)

James Giuliano  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[james.giuliano@bpu.nj.gov](mailto:james.giuliano@bpu.nj.gov)

Noreen Giblin, Chief Counsel  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Noreen.giblin@bpu.nj.gov](mailto:Noreen.giblin@bpu.nj.gov)

Paul Flanagan, Esq.  
Executive Director  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[paul.flanagan@bpu.nj.gov](mailto:paul.flanagan@bpu.nj.gov)

▲ Stacy Peterson  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Oneil Hamilton  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Oneil.hamilton@bpu.nj.gov](mailto:Oneil.hamilton@bpu.nj.gov)

Megan Lupo  
Legal Specialist  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[megan.lupo@bpu.nj.gov](mailto:megan.lupo@bpu.nj.gov)

Dr. Son Lin Lai  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[son.lai@bpu.nj.gov](mailto:son.lai@bpu.nj.gov)

Dr. Ben Witherell, Chief Economist  
Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350  
[ben.witherell@bpu.nj.gov](mailto:ben.witherell@bpu.nj.gov)

**Deputy Attorneys General**

Alex Morcau, DAG \*  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, NJ 07101  
[alex.moreau@law.njoag.gov](mailto:alex.moreau@law.njoag.gov)

Jenique Jones, Paralegal  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, NJ 07101-45029  
[jenique.jones@law.njoag.gov](mailto:jenique.jones@law.njoag.gov)

Geoffrey Gersten, DAG.  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, NJ 07101-45029  
[geoffrey.gersten@law.njoag.gov](mailto:geoffrey.gersten@law.njoag.gov)

Peter Van Brundt, Esq.  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, NJ 07101-45029  
[Peter.VanBrundt@law.njoag.gov](mailto:Peter.VanBrundt@law.njoag.gov)

**Division of Rate Counsel**

Stefanie A. Brand, Director\*  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Brian O. Lipman  
Litigation Manager  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Ami Morita, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[amorita@rpa.nj.gov](mailto:amorita@rpa.nj.gov)

Maria Novas-Ruiz, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[mnovas-ruiz@rpa.nj.gov](mailto:mnovas-ruiz@rpa.nj.gov)

Debora Layugan, Paralegal  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[dlayugan@rpa.nj.gov](mailto:dlayugan@rpa.nj.gov)

▲▲▲ Celesto Clark, Legal Secretary  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[cclerk@rpa.nj.gov](mailto:cclerk@rpa.nj.gov)

Diane Schulze  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[dschulze@rpa.nj.gov](mailto:dschulze@rpa.nj.gov)

\*Receives two hard copies of pleadings; #Only receives filed pleadings; ▲ Receives one hard copy of discovery;  
▲▲▲ Receives three hard copies of discovery

**SERVICE LIST**

I/M/O Petition of Rockland Electric Company for Approval of Electric Base Rate Adjustments Pursuant to the Storm Hardening Program  
BPU Docket No. ER18101114 [November 26, 2018]

James Glassen, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[jglassen@rpa.nj.gov](mailto:jglassen@rpa.nj.gov)

Kurt Lewandowski, Esq.  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625-0003  
[klewando@rpa.nj.gov](mailto:klewando@rpa.nj.gov)

Charles Salamone  
Cape Power Systems Consulting  
630 Cumberland Drive  
Flagler Beach, FL 32136  
[csalamone@capowersystems.com](mailto:csalamone@capowersystems.com)

Andrea Crane  
The Columbia Group, Inc.  
2805 East Oakland Park Boulevard, #401  
Fort Lauderdale, FL 33306  
[etcolumbia@aol.com](mailto:etcolumbia@aol.com)

Max Chang  
Synapse Energy Economics, Inc.  
485 Massachusetts Avenue, Suite 2  
Cambridge, MA 02319  
[mchang@synapse-energy.com](mailto:mchang@synapse-energy.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](mailto:carleyj@coned.com)

James Meyer, Esq.\*  
Riker Danzig Scherer Hyland &  
Perretti LLP  
Headquarters Plaza  
One Speedwell Avenue  
P.O. Box 1981  
Morristown, NJ 07962-1981  
[jmeyer@riker.com](mailto:jmeyer@riker.com)

Wayne Banker  
Chief Engineer of Distribution  
Engineering Orange and Rockland  
Utilities, Inc.  
390 W. Route 59  
Spring Valley, NY 10977  
[banker@oru.com](mailto:banker@oru.com)

Cheryl Ruggiero  
Department Manager  
Rate Engineering Department  
Consolidated Edison Co. of New  
York, Inc.  
4 Irving Place  
New York, NY 10003-0987  
[cruggiero@coned.com](mailto:cruggiero@coned.com)

4999352v1

\*Receives two hard copies of pleadings; #Only receives filed pleadings; ▲ Receives one hard copy of discovery;  
▲ ▲ ▲ Receives three hard copies of discovery

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

IN THE MATTER OF THE PETITION OF	)	
ROCKLAND ELECTRIC COMPANY	)	
FOR APPROVAL OF ELECTRIC	)	BPU DOCKET NO. ER18101114
BASE RATE ADJUSTMENTS	)	
PURSUANT TO THE STORM	)	
HARDENING PROGRAM	)	

**STIPULATION**

**APPEARANCES:**

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

**Brian Lipman, Esq.**, Litigation Manager, **Ami Morita, Esq.**, Managing Attorney – Electric, **Maria Novas-Ruiz, Esq.**, Assistant Deputy Rate Counsel, for New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

**Alex Moreau, Esq. and Peter Van Brunt, Esq.**, Deputy Attorneys General, for Staff of the Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

This Stipulation is made as of February 28, 2019 by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the Board of Public Utilities (“Board Staff”) and the New Jersey Division of Rate Counsel (“Rate Counsel”) the only parties to this proceeding (collectively, the “Parties”).

On October 15, 2018, the Company filed a petition (“October 2018 Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking BPU approval to recover the revenue requirements associated with capitalized electric investment costs incurred pursuant to RECO’s Storm Hardening Program through and including December 31, 2018. Upon review of the October 2018 Petition, conducting and reviewing responses to discovery, and discussing the facts and issues in settlement conferences, the Parties stipulate and agree as follows:

1. The October 2018 Petition sought Board approval for electric base rate changes to provide for cost recovery associated with the Company's Storm Hardening Program. The Board approved the Storm Hardening Program in its Order dated January 28, 2016 in BPU Docket Nos. AX13030197 and ER14030250 ("Storm Hardening Order"). In that Order, the Board adopted a Stipulation ("Stipulation") that explicitly authorizes the request for rate increases in the October 2018 Petition.

2. Paragraph 30 of the Stipulation provides as follows in part:

The Company shall proceed on the following schedule following public notice and public hearing, recognizing that the prudence of the investments will be determined in the Next Base Case, as addressed above. The schedule below anticipates semi-annual notice, public hearings, and rate adjustments to cover all rate charges for the SHP investments:

\* \* \*

e. Revenue Requirements associated with program investments that are placed into service from July 1, 2018 through December 31, 2018 shall go into base rates effective April 1, 2019. RECO shall make its initial filing for such rates by October 15, 2018, and update such filing for actual data through December 31, 2018 by January 15, 2019.

3. The October 2018 Petition sought the BPU's authorization to establish rates to recover the annualized increase in electric revenue requirement of \$416,647. The proposed revenue requirement increase is associated with Storm Hardening investment costs. The annualized increase in the revenue requirement was supported by Attachment 1, Schedule 1 attached to the October 2018 Petition, which was based on expenditures associated with Storm Hardening Program electric plant the Company placed in service through December 31, 2018, including (i) expenditures made but not placed in rates on or before August 31, 2018 pursuant to

any prior rate filing, and (ii) expenditures from September 1, 2018 through December 31, 2018 that were forecasted in the October 2018 Petition.

4. Notice of the October 2018 Petition, including the date, time and place of public hearing, was placed in newspapers having a circulation within the Company's electric service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's electric service territories. In accordance with that notice, two public hearings were held on February 27, 2019. No members of the public provided comments addressing this matter.

5. On January 15, 2019, the Company provided updated schedules in this matter (the "Update"), which replaced the projected data in the original schedules with actual data through December 31, 2018, reflecting the updated annualized increase to electric revenue requirements associated with Storm Hardening investment costs. The updated annual increase in revenue requirements is only \$307 greater than the increase set forth in the October 2018 Petition (*i.e.*, the revenue requirement increase changed from \$416,647 to \$416,954 in the Update). In light of this minimal change to the revenue requirement increase in the Update, the Company did not propose to change the calculated increased service classification distribution rates to be implemented from those that were filed as part of the October 2018 Petition. The Company will not make further changes to the increased rates set forth in Attachment 3, Schedule 3, of the October 2018 Petition (a copy of which is attached hereto as Exhibit A), as a result of the Update. The Company's original and updated electric revenue requirement reflects a cost of equity of 9.6% in its Allowance for Funds Used During Construction calculation for 2018.

6. Pursuant to the terms of the Storm Hardening Order, the Company shall implement the electric rates discussed in paragraphs 3 and 5 of this Stipulation and set forth in Exhibit A hereto effective April 1, 2019 or on a date directed by the Board.

7. The monthly impact of the proposed rates to the typical residential electric customer that uses 925 kWh per month is an increase of \$0.31 or approximately 0.2%.

8. The rate adjustments established herein shall be provisional and subject to refund solely based upon a Board finding that RECO imprudently incurred capital expenditures under the Storm Hardening Program. Such prudence review shall take place in the Company's next base case and its base rate case subsequent to the next base case to the extent there are any Storm Hardening Program investments up to \$15,724,100 not included within the test year of the next base case. Nothing herein will preclude any party from raising in the next base case any objection that could have been raised in the annual or semi-annual filings.

9. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation has not been signed.

10. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

11. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding on them in any other proceeding, except to enforce the terms of this Stipulation.

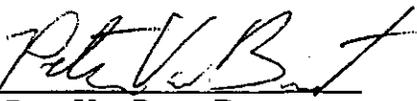
12. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto respectively submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety in accordance with the terms hereof.

**ROCKLAND ELECTRIC COMPANY**

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

**GURBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW**  
**JERSEY**  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

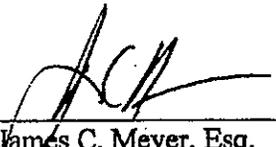
By   
\_\_\_\_\_  
Peter Van Brunt, Esq.  
Deputy Attorney General

**NEW JERSEY DIVISION OF RATE COUNSEL**

By \_\_\_\_\_  
Maria T. Novas-Ruiz, Esq.  
Asst. Deputy Rate Counsel

WHEREFORE, the Parties hereto respectively submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety in accordance with the terms hereof.

**ROCKLAND ELECTRIC COMPANY**

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

**GRUBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW**  
**JERSEY**  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

By \_\_\_\_\_  
Peter Van Brunt, Esq.  
Deputy Attorney General

**NEW JERSEY DIVISION OF RATE COUNSEL**

By   
Maria T. Novas-Ruiz, Esq.  
Asst. Deputy Rate Counsel

# EXHIBIT A

**ROCKLAND ELECTRIC COMPANY**

**Storm Hardening Base Rate Reset**

**Rates Including Sales and Use Tax**

**ROCKLAND ELECTRIC COMPANY**  
**Calculation of Proposed Distribution Rates**  
**Including Sales and Use Tax @ 6.625%**

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
<b>Service Classification No. 1</b>			
Customer Charge (\$/mo)	4.25	0.28	4.53
Rates Including Sales and Use Tax			
First 600 kWh -W (\$/kWh)	0.04121	0.00273	0.04394
Over 600 kWh -S (\$/kWh)	0.05193	0.00344	0.05537
Over 600 kWh -W (\$/kWh)	0.04121	0.00273	0.04394
Water Heat -S (\$/kWh)	0.05193	0.00344	0.05537
Water Heat -W (\$/kWh)	0.04121	0.00273	0.04394
Space Heat -W (\$/kWh)	0.04121	0.00273	0.04394
<b>Service Classification No. 2 Unmetered</b>			
Customer Charge (\$/mo)	9.91	0.66	10.57
Usage:			
All kWh -S (\$/kWh)	0.03293	0.00218	0.03511
All kWh -W (\$/kWh)	0.02984	0.00198	0.03182
<b>Service Classification No. 2 Non-demand Metered</b>			
Customer Charge (\$/mo)	11.50	0.76	12.26
Usage:			
All kWh -S (\$/kWh)	0.03293	0.00218	0.03511
All kWh -W (\$/kWh)	0.02984	0.00198	0.03182
<b>Service Classification No. 2 Secondary</b>			
Customer Charge (\$/mo)	15.35	1.02	16.37
Demand:			
First 5 kW -S (\$/kW)	1.65	0.11	1.76
First 5 kW -W (\$/kW)	1.38	0.09	1.47
Over 5 kW -S (\$/kW)	3.31	0.22	3.53
Over 5 kW -W (\$/kW)	2.80	0.19	2.99
Usage:			
First 4,920 kWh -S (\$/kWh)	0.03214	0.00213	0.03427
First 4,920 kWh -W (\$/kWh)	0.03012	0.00200	0.03212
Over 4,920 kWh -S (\$/kWh)	0.02695	0.00179	0.02874
Over 4,920 kWh -W (\$/kWh)	0.02646	0.00175	0.02821
<b>Service Classification No. 2 Space Heating</b>			
Space Heat -S (\$/kWh)	0.04200	0.00278	0.04478
Space Heat -W (\$/kWh)	0.02521	0.00167	0.02688

**ROCKLAND ELECTRIC COMPANY**  
**Calculation of Proposed Distribution Rates**  
**Including Sales and Use Tax @ 6.625%**

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
<b>Service Classification No. 2 Primary</b>			
Customer Charge (\$/mo)	80.00	5.30	85.30
Demand:			
All kW -S (\$/kW)	6.47	0.43	6.90
All kW -W (\$/kW)	5.54	0.37	5.91
Usage:			
All kWh -S (\$/kWh)	0.01393	0.00092	0.01485
All kWh -W (\$/kWh)	0.01393	0.00092	0.01485
<b>Service Classification No. 3</b>			
Customer Charge (\$/mo)	6.10	0.40	6.50
Peak -S (\$/kWh)	0.05636	0.00373	0.06009
Peak -W (\$/kWh)	0.05056	0.00335	0.05391
Off Peak - S (\$/kWh)	0.02030	0.00134	0.02164
Off Peak - W (\$/kWh)	0.02030	0.00134	0.02164
<b>Service Classification No. 5</b>			
Customer Charge (\$/mo)	4.25	0.28	4.53
First 600 kWh - S (\$/kWh)	0.04183	0.00277	0.04460
Over 600 kWh - S (\$/kWh)	0.05083	0.00337	0.05420
All kWh - W (\$/kWh)	0.04183	0.00277	0.04460
<b>Service Classification No. 7</b>			
Customer Charge (\$/mo)	199.16	13.19	212.35
Demand			
Period I (\$/kW)	2.76	0.18	2.94
Period II (\$/kW)	0.68	0.05	0.73
Period III (\$/kW)	2.53	0.17	2.70
Period IV (\$/kW)	0.68	0.05	0.73
Usage:			
Period I (\$/kWh)	0.01660	0.00110	0.01770
Period II (\$/kWh)	0.01243	0.00082	0.01325
Period III (\$/kWh)	0.01660	0.00110	0.01770
Period IV (\$/kWh)	0.01243	0.00082	0.01325

**ROCKLAND ELECTRIC COMPANY**  
**Calculation of Proposed Distribution Rates**  
**Including Sales and Use Tax @ 6.625%**

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
<b>Service Classification No. 7 High Voltage Distribution</b>			
Customer Charge (\$/mo)	2,145.95	142.17	2,288.12
<b>Demand</b>			
Period I (\$/kW)	0.86	0.06	0.92
Period II (\$/kW)	0.20	0.01	0.21
Period III (\$/kW)	0.79	0.05	0.84
Period IV (\$/kW)	0.20	0.01	0.21
<b>Usage</b>			
Period I (\$/kWh)	0.00190	0.00013	0.00203
Period II (\$/kWh)	0.00142	0.00009	0.00151
Period III (\$/kWh)	0.00190	0.00013	0.00203
Period IV (\$/kWh)	0.00142	0.00009	0.00151
<b>Service Classification No. 7 Space Heating</b>			
Space Heat -S (\$/kWh)	0.04401	0.00292	0.04693
Space Heat -W (\$/kWh)	0.02722	0.00180	0.02902
<b>Service Classification No. 4</b>			
5800 SV (\$/luminaire/mo.)	7.13	0.47	7.60
9500 SV	7.74	0.51	8.25
16000 SV	9.42	0.62	10.04
27500 SV	12.02	0.80	12.82
46000 SV	19.50	1.29	20.79
16000 SV Offset	19.03	1.26	20.29
27500 SV	15.89	1.05	16.94
46000 SV	22.34	1.48	23.82
1000 OBI	4.72	0.31	5.03
2500 OBI	6.31	0.42	6.73
6000 CB	9.69	0.64	10.33
4000 MV	6.39	0.42	6.81
7900 MV	7.53	0.50	8.03
12000 MV	9.79	0.65	10.44
22500 MV	12.43	0.82	13.25
40000 MV	18.90	1.25	20.15
59000 MV	23.89	1.58	25.47
4000 MV	9.72	0.64	10.36
7900 MV	11.91	0.79	12.70
7900 MV Offset	13.99	0.93	14.92
3400 IN	7.46	0.49	7.95
5950 IN	7.60	0.50	8.10
8500 IN	8.58	0.57	9.15
12750 IN	10.72	0.71	11.43
21250 IN	13.93	0.92	14.85
5890 LED	8.17	0.54	8.71
9365 LED	10.02	0.66	10.68
15 Foot Brackets	0.44	0.03	0.47
Undrg - Co. Owned	16.27	1.08	17.35
Undrg - Cust. Owned	3.96	0.26	4.22

**ROCKLAND ELECTRIC COMPANY**  
**Calculation of Proposed Distribution Rates**  
**Including Sales and Use Tax @ 6.625%**

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
<b>Service Classification No. 6</b>			
5800 SV (\$/luminaire/mo.)	5.01	0.33	5.34
9500 SV	6.02	0.40	6.42
16000 SV	6.46	0.43	6.89
5800 SV	6.97	0.46	7.43
9500 SV	7.65	0.51	8.16
16000 SV	9.40	0.62	10.02
27500 SV	12.06	0.80	12.86
46000 SV	19.90	1.32	21.22
27500 SV	12.06	0.80	12.86
46000 SV	19.90	1.32	21.22
16000 SV Offset	18.50	1.23	19.73
4000 MV	7.78	0.52	8.30
7900 MV	8.99	0.60	9.59
22500 MV	14.33	0.95	15.28
4000 MV	8.55	0.57	9.12
7900 MV	9.77	0.65	10.42
22500 MV	15.18	1.01	16.19
1000 In	6.95	0.46	7.41
2500 In	8.97	0.59	9.56
12000 MV	12.29	0.81	13.10
40000 MV	22.25	1.47	23.72
59000 MV	27.71	1.84	29.55
3400 IN	7.50	0.50	8.00
5950 IN	7.66	0.51	8.17
8500 IN	8.63	0.57	9.20
12750 IN	10.79	0.71	11.50
21250 IN	14.03	0.93	14.96
5890 LED	8.21	0.54	8.75
9365 LED	10.10	0.67	10.77
15 Foot Brackets	0.49	0.03	0.52
<b>Service Classification No. 6</b>			
Customer Charge - Metered	10.81	0.72	11.53
Customer Charge - Unmetered	2.25	0.15	2.40
Energy (kWh) - Summer	0.04682	0.00310	0.04992
Energy (kWh) - Winter	0.04682	0.00310	0.04992

**ROCKLAND ELECTRIC COMPANY**

**Storm Hardening Base Rate Reset**

**Rates in Brief**

**Service Classification No. 1**

		Present		Proposed	
		Summer	Winter	Summer	Winter
Customer Charge:	per month	\$4.53	\$4.53	\$4.53	\$4.53
Distribution Charge:					
First 600 kWh	¢ per kWh	4.363	4.363	4.394	4.394
Over 600 kWh	¢ per kWh	5.498	4.363	5.537	4.394
Transmission Charge (incl Trans Surch):					
First 250 kWh	¢ per kWh	2.559	2.559	2.559	2.559
Over 250 kWh	¢ per kWh	2.559	2.559	2.559	2.559
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430
Securitization Charges:					
TBC	¢ per kWh	0.276	0.276	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328	0.328	0.328
Basic Generation Service:					
First 600 kWh	¢ per kWh	6.748	8.430	6.748	8.430
Over 600 kWh	¢ per kWh	9.620	8.430	9.620	8.430
Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable
Water Heating:					
Distribution					
601 - 1,100 kWh	¢ per kWh	5.498	4.363	5.537	4.394
Basic Generation Service					
601 - 1,100 kWh	¢ per kWh	9.620	8.430	9.620	8.430
Space Heating:					
Distribution					
Over 1,100 kWh	¢ per kWh	5.498	4.363	5.537	4.394
Basic Generation Service					
Over 1,100 kWh	¢ per kWh	9.620	8.430	9.620	8.430
Minimum Charge:					
Monthly	monthly	\$4.53		\$4.53	
Per Contract	per contract	\$27.18		\$27.18	

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**  
**Secondary Demand Billed**

		Present		Proposed	
		Summer	Winter	Summer	Winter
Customer Charge:	per month	\$16.37	\$16.37	\$16.37	\$16.37
Distribution Charge:					
Demand Charge					
First 5 kW	per kW	\$1.75	\$1.46	\$1.76	\$1.47
Over 5 kW	per kW	3.51	2.96	3.53	2.99
Usage Charge					
First 4,920 kWh	¢ per kWh	3.403	3.189	3.427	3.212
Over 4,920 kWh	¢ per kWh	2.853	2.802	2.874	2.821
Transmission Charge (incl Trans Surch):					
Demand Charge					
First 5 kW	per kW	\$1.51	\$1.27	\$1.51	\$1.27
Over 5 kW	per kW	1.51	1.27	\$1.51	\$1.27
Usage Charge					
First 4,920 kWh	¢ per kWh	1.161	1.161	1.161	1.161
Over 4,920 kWh	¢ per kWh	1.161	1.161	1.161	1.161
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430
Securitization Charges:					
TBC	¢ per kWh	0.276	0.276	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328	0.328	0.328

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**  
**Secondary Demand Billed (Continued)**

	Present		Proposed		
	Summer	Winter	Summer	Winter	
Basic Generation Service: (Non-CIEP Billed)					
Demand Charge					
First 5 kW	per kW	\$2.07	\$1.57	\$2.07	\$1.57
Over 5 kW	per kW	7.18	5.54	7.18	5.54
Usage Charge					
First 4,920 kWh	¢ per kWh	5.337	4.956	5.337	4.956
Over 4,920 kWh	¢ per kWh	5.337	4.956	5.337	4.956
Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable
Minimum Charge:		\$16.37 plus the demand charge		\$16.37 plus the demand charge	

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**  
**Non-Demand Billed - Metered**

		Present		Proposed	
		Summer	Winter	Summer	Winter
Customer Charge:	per month	\$12.26	\$12.26	\$12.26	\$12.26
Distribution Charge:					
Usage Charge					
All kWh	¢ per kWh	3.461	3.137	3.511	3.182
Transmission Charge (incl Trans Surch):					
Usage Charge					
All kWh	¢ per kWh	1.161	1.161	1.161	1.161
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430
Securitization Charges:					
TBC	¢ per kWh	0.276	0.276	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328	0.328	0.328
Basic Generation Service:					
Usage Charge					
All kWh	¢ per kWh	7.055	6.091	7.055	6.091
Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable
Minimum Charge:		\$12.26		\$12.26	

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**  
**Non-Demand Billed - Unmetered**

		Present		Proposed	
		Summer	Winter	Summer	Winter
Customer Charge:	per month	\$10.57	\$10.57	\$10.57	\$10.57
Distribution Charge:					
Usage Charge					
All kWh	¢ per kWh	3.461	3.137	3.511	3.182
Transmission Charge (incl Trans Surch):					
Usage Charge					
All kWh	¢ per kWh	1.161	1.161	1.161	1.161
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430
Securitization Charges:					
TBC	¢ per kWh	0.276	0.276	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328	0.328	0.328
Basic Generation Service:					
Usage Charge					
All kWh	¢ per kWh	7.055	6.091	7.055	6.091
Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable
Minimum Charge:		\$10.57		\$10.57	

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**  
**Space Heating**

			Present		Proposed	
			Summer	Winter	Summer	Winter
Distribution Charge:						
Usage Charge						
All kWh	¢ per kWh	4.449	2.671	4.478	2.688	
Transmission Charge (incl Trans Surch):						
All kWh	¢ per kWh	1.161	1.161	1.161	1.161	
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921	
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430	
Securitization Charges:						
TBC	¢ per kWh	0.276	0.276	0.276	0.276	
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	
Total	¢ per kWh	0.328	0.328	0.328	0.328	
Basic Generation Service:						
Usage Charge						
All kWh	¢ per kWh	7.055	6.091	7.055	6.091	
Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable	

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**

**Primary**

		Present		Proposed	
		<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>
Customer Charge:	per month	\$85.30	\$85.30	\$85.30	\$85.30
Distribution Charge:					
Demand Charge					
All kW	per kW	\$6.86	\$5.86	\$6.90	\$5.91
Usage Charge					
All kWh	¢ per kWh	1.476	1.476	1.485	1.485
Transmission Charge (incl Trans Surch):					
Demand Charge					
First 5 kW	per kW	\$1.51	\$1.27	\$1.51	\$1.27
Over 5 kW	per kW	1.51	1.27	1.51	1.27
Usage Charge					
First 4,920 kWh	¢ per kWh	1.145	1.145	1.145	1.145
Over 4,920 kWh	¢ per kWh	1.145	1.145	1.145	1.145
Over 60,000 kWh or 300 hours use, whichever is greater	¢ per kWh	1.145	1.145	1.145	1.145
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430
Securitization Charges:					
TBC	¢ per kWh	0.276	0.276	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328	0.328	0.328

\*All Rates Include Sales and Use Tax

**Service Classification No. 2**  
**Primary (Continued)**

	Present		Proposed		
	Summer	Winter	Summer	Winter	
<b>Basic Generation Service:</b>					
<b>(Non-CIEP Billed)</b>					
<b>Demand Charge</b>					
First 5 kW	per kW	\$2.07	\$1.57	\$2.07	\$1.57
Over 5 kW	per kW	7.18	5.54	7.18	5.54
<b>Usage Charge</b>					
All kWh	¢ per kWh	5.337	4.956	5.337	4.956
Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable
Minimum Charge:		\$85.30 plus the demand charge		\$85.30 plus the demand charge	

\*All Rates Include Sales and Use Tax

**Service Classification No. 3**

		Present		Proposed		
		Summer	Winter	Summer	Winter	
Customer Charge:	per month	\$6.50	\$6.50	\$6.50	\$6.50	
Distribution Charge:						
	All kWh, Monday to Friday, 10 A.M. to 10 P.M.	¢ per kWh	5.965	5.352	6.009	5.391
	All Other kWh	¢ per kWh	2.148	2.148	2.164	2.164
Transmission Charge (incl Trans Surch):						
	All kWh, Monday to Friday, 10 A.M. to 10 P.M.	¢ per kWh	2.204	2.204	2.204	2.204
	All Other kWh	¢ per kWh	2.204	2.204	2.204	2.204
RGGI Surcharge	¢ per kWh	0.0921	0.0921	0.0921	0.0921	
Societal Benefits Charge	¢ per kWh	0.6430	0.6430	0.6430	0.6430	
Securitization Charges:						
	TBC	¢ per kWh	0.276	0.276	0.276	0.276
	TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
	Total	¢ per kWh	0.328	0.328	0.328	0.328
Basic Generation Service:						
	All kWh, Monday to Friday, 10 A.M. to 10 P.M.	¢ per kWh	13.585	10.568	13.585	10.568
	All Other kWh	¢ per kWh	4.356	4.356	4.356	4.356
	Reconciliation Charge	¢ per kWh	Variable	Variable	Variable	Variable
Minimum Charge:						
	The Customer Charge, not less than		\$78.00 per contract.	\$78.00 per contract.		

\*All Rates Include Sales and Use Tax

**Service Classification No. 4**

Luminaires Charge, per month

<u>Nominal Lumens</u>	<u>Luminaires Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Present Distribution Charge</u>	<u>Proposed Distribution Charge</u>
<u>Street Lighting Luminaires</u>					
5,800	Sodium Vapor	70	108	\$7.55	\$7.60
9,500	Sodium Vapor	100	142	8.20	8.25
16,000	Sodium Vapor	150	199	9.98	10.04
27,500	Sodium Vapor	250	311	12.73	12.82
46,000	Sodium Vapor	400	488	20.65	20.79
3,400	Induction	40	45	7.90	7.95
5,950	Induction	70	75	8.05	8.10
8,500	Induction	100	110	9.08	9.15
12,750	Induction	150	160	11.36	11.43
21,250	Induction	250	263	14.76	14.85
5,890	LED	70	74	8.66	8.71
9,365	LED	100	101	10.62	10.68

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

Post Top Luminaires

16,000	Sodium Vapor-Offset	150	199	\$20.16	\$20.29
--------	---------------------	-----	-----	---------	---------

Off-Roadway Luminaires

27,500	Sodium Vapor	250	311	\$16.84	\$16.94
46,000	Sodium Vapor	400	488	23.67	23.82

**Service Classification No. 4 (Continued)**

Luminaries Charge, per month

<u>Nominal Lumens</u>	<u>Luminaires Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Present Distribution Charge</u>	<u>Proposed Distribution Charge</u>
<b><u>Street Lighting Luminaires</u></b>					
1,000	Open Bottom Inc	92	92	\$5.00	\$5.03
2,500	Open Bottom Inc	189	189	6.69	6.73
6,000	Closed Bottom Inc	405	405	10.27	10.33
4,000	Mercury Vapor	100	127	6.77	6.81
7,900	Mercury Vapor	175	211	7.98	8.03
12,000	Mercury Vapor	250	296	10.37	10.44
22,500	Mercury Vapor	400	459	13.17	13.25
40,000	Mercury Vapor	700	786	20.02	20.15
59,000	Mercury Vapor	1,000	1,105	25.31	25.47
<b><u>Post-Top Luminaires</u></b>					
4,000	Mercury Vapor	100	130	\$10.30	\$10.36
7,900	Mercury Vapor	175	215	12.61	12.70
7,900	Mercury Vapor – Off-Set	175	215	14.82	14.92
<b>Additional Charge:</b>					
UG Svc- Company owned and maintained -		per mo.		\$17.23	\$17.35
UG Svc- Customer owned and maintained -		per mo.		\$4.19	\$4.22
15 Foot Brackets		per mo.		\$0.47	\$0.47
Transmission Charge (incl Trans Surch):		¢ per kWh		1.2810	1.2810
RGGI Surcharge		¢ per kWh		0.0921	0.0921
Societal Benefits Charge		¢ per kWh		0.6430	0.6430
<b>Securitization Charges:</b>					
TBC		¢ per kWh		0.276	0.276
TBC-Tax		¢ per kWh		<u>0.052</u>	<u>0.052</u>
Total		¢ per kWh		0.328	0.328
<b>Basic Generation Service:</b>					
Summer		¢ per kWh		5.033	5.033
Winter		¢ per kWh		4.763	4.763
Reconciliation Charge		¢ per kWh		Variable	Variable

\*All Rates Include Sales and Use Tax

**Service Classification No. 5**

			Present		Proposed	
			Summer	Winter	Summer	Winter
Customer Charge:	per month		\$4.53	\$4.53	\$4.53	\$4.53
Distribution Charge:						
First 600 kWh	¢ per kWh		4.427	4.427	4.460	4.460
Over 600 kWh	¢ per kWh		5.380	4.427	5.420	4.460
Transmission Charge (incl Trans Surch):						
First 600 kWh	¢ per kWh		2.207	2.207	2.207	2.207
Over 600 kWh	¢ per kWh		2.207	2.207	2.207	2.207
RGI Surcharge	¢ per kWh		0.0921	0.0921	0.0921	0.0921
Societal Benefit Charge	¢ per kWh		0.6430	0.6430	0.6430	0.6430
Securitization Charges:						
TBC	¢ per kWh		0.276	0.276	0.276	0.276
TBC-Tax	¢ per kWh		<u>0.052</u>	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh		0.328	0.328	0.328	0.328
Basic Generation Service:						
First 600 kWh	¢ per kWh		7.031	6.770	7.031	6.770
Over 600 kWh	¢ per kWh		9.059	6.770	9.059	6.770
Reconciliation Charge	¢ per kWh		Variable	Variable	Variable	Variable
Minimum Charge:			\$4.53		\$4.53	
Monthly						
Minimum Per Contract			\$27.18		\$27.18	

\*All Rates Include Sales and Use Tax

**Service Classification No. 6**

Luminaire Charges for Service Types A and B, monthly

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Present Distribution Charge</u>	<u>Proposed Distribution Charge</u>
<b><u>Power Bracket Luminaires</u></b>					
5,800	Sodium Vapor	70	108	\$5.31	\$5.34
9,500	Sodium Vapor	100	142	6.38	6.42
16,000	Sodium Vapor	150	199	6.85	6.89
<b><u>Street Lighting Luminaires</u></b>					
5,800	Sodium Vapor	70	108	\$7.38	\$7.43
9,500	Sodium Vapor	100	142	8.10	8.16
16,000	Sodium Vapor	150	199	9.96	10.02
27,500	Sodium Vapor	250	311	12.77	12.86
46,000	Sodium Vapor	400	488	21.08	21.22
3,400	Induction	40	45	7.94	8.00
5,950	Induction	70	75	8.11	8.17
8,500	Induction	100	110	9.14	9.20
12,750	Induction	150	160	11.43	11.50
21,250	Induction	250	263	14.86	14.96
5,890	LED	70	74	8.70	8.75
9,365	LED	100	101	10.69	10.77
<b><u>Flood lighting Luminaires</u></b>					
27,500	Sodium Vapor	250	311	\$12.77	\$12.86
46,000	Sodium Vapor	400	488	21.08	21.22
The following luminaires will no longer be installed. Charges are for existing luminaires only.					
<b><u>Post Top Luminaires</u></b>					
16,000	Sodium Vapor-Offset	150	199	\$19.60	\$19.73
<b><u>Power Bracket Luminaires</u></b>					
4,000	Mercury Vapor	100	127	\$8.24	\$8.30
7,900	Mercury Vapor	175	215	9.52	9.59
22,500	Mercury Vapor	400	462	15.18	15.28
<b><u>Street Lighting Luminaires</u></b>					
4,000	Mercury Vapor	100	127	\$9.05	\$9.12
7,900	Mercury Vapor	175	211	10.35	10.42
22,500	Mercury Vapor	400	459	16.08	16.19

\*All Rates Include Sales and Use Tax

**Service Classification No. 6 (Continued)**

Luminaire Charges for Service Types A and B, monthly

Nominal Lumens	Luminaire Type	Watts	Total Wattage	Present Distribution Charge	Proposed Distribution Charge
<b><u>Street Lighting Luminaires (Continued)</u></b>					
1,000	Incandescent	-	92	\$7.36	\$7.41
2,500	Incandescent	-	189	9.50	9.56
<b><u>Flood lighting Luminaires</u></b>					
12,000	Mercury Vapor	250	296	\$13.02	\$13.10
40,000	Mercury Vapor	700	786	23.57	23.72
59,000	Mercury Vapor	1,000	1,105	29.35	29.55
15 Ft Brackets			per month	\$0.52	\$0.52
<b>Distribution Charges for Service Type C:</b>					
<b>Metered</b>					
Customer Charge (Metered)			per month	\$11.53	\$11.53
Customer Charge (Unmetered)			per month	\$2.40	\$2.40
Distribution Charge			¢ per kWh	4.956	4.992
Transmission Charge (incl Trans Surch):			¢ per kWh	1.281	1.281
RGGI Surcharge			¢ per kWh	0.0921	0.0921
Societal Benefit Charge			¢ per kWh	0.6430	0.6430
<b>Securitization Charges:</b>					
TBC			¢ per kWh	0.276	0.276
TBC-Tax			¢ per kWh	<u>0.052</u>	<u>0.052</u>
Total			¢ per kWh	0.328	0.328
<b>Basic Generation Service:</b>					
Summer			¢ per kWh	5.033	5.033
Winter			¢ per kWh	4.729	4.729
Reconciliation Charge			¢ per kWh	Variable	Variable
<b><u>Minimum Charges:</u></b>					
<b>Type A or B:</b>					
Sum of the monthly Distribution and Transmission Charges as specified in RATE – MONTHLY, Part (1a) times twelve.					
Type C:	Metered		per month	\$11.53	\$11.53
			minimum for initial term	\$138.36	\$138.36
	Unmetered		per month	\$2.40	\$2.40
			minimum for initial term	\$28.80	\$28.80

\*All Rates Include Sales and Use Tax

**Service Classification No. 7**

**Primary**

		<u>Present</u>	<u>Proposed</u>
		<u>Year-round</u>	<u>Year-round</u>
Customer Charge:	per month	\$212.35	\$212.35
Distribution Charge:			
Demand Charge			
Period I	All kW @ per kW	\$2.92	\$2.94
Period II	All kW @ per kW	0.73	0.73
Period III	All kW @ per kW	2.68	2.70
Period IV	All kW @ per kW	0.73	0.73
Usage Charge			
Period I	All kWh @ ¢ per kWh	1.758	1.770
Period II	All kWh @ ¢ per kWh	1.317	1.325
Period III	All kWh @ ¢ per kWh	1.758	1.770
Period IV	All kWh @ ¢ per kWh	1.317	1.325
Transmission Charge (incl Trans Surch):			
Demand Charge			
Period I	All kW @ per kW	\$2.55	\$2.55
Period II	All kW @ per kW	0.67	0.67
Period III	All kW @ per kW	2.55	2.55
Period IV	All kW @ per kW	0.67	0.67
Usage Charge			
Period I	All kWh @ ¢ per kWh	0.787	0.787
Period II	All kWh @ ¢ per kWh	0.787	0.787
Period III	All kWh @ ¢ per kWh	0.787	0.787
Period IV	All kWh @ ¢ per kWh	0.787	0.787
RGGI Surcharge	¢ per kWh	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430
Securitization Charges:			
TBC	¢ per kWh	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328
CIEP Standby Fee	¢ per kWh	0.01599	0.01599

\*All Rates Include Sales and Use Tax

**Service Classification No. 7 (Continued)**

**Primary**

		<u>Present</u>	<u>Proposed</u>
		<u>Year-round</u>	<u>Year-round</u>
<b>Basic Generation Service:</b>			
Capacity Obligation Charge			
Summer	\$/kW/Month	9.7561	9.7561
Winter	\$/kW/Month	9.7561	9.7561
Hourly Energy Charge**	¢ per kWh	3.245	3.245
Ancillary Services	¢ per kWh	0.000	0.000
Retail Margin	¢ per kWh	0.000	0.000
Reconciliation Charge	¢ per kWh	Variable	Variable
<b>Space Heating:</b>			
Distribution Charge			
Summer	¢ per kWh	4.662	4.693
Winter	¢ per kWh	2.883	2.902
Transmission Charge (incl Trans Surch):			
Year-round	¢ per kWh	0.787	0.787

Definition of Rating Periods:

- Period I - 10:00 a.m. to 10:00 p.m. prevailing time, Monday through Friday except holidays, June through September.
- Period II - 10:00 p.m. to 10:00 a.m. prevailing time, Monday through Friday and all hours on Saturday, Sunday and holidays, June through September.
- Period III - 10:00 a.m. to 10:00 p.m. prevailing time, Monday through Friday except holidays, October through May.
- Period IV - 10:00 p.m. to 10:00 a.m. prevailing time, Monday through Friday, all hours on Saturday, Sunday and holidays, October through May.

Minimum Charge: The Customer Charge

\*\* Average based on forecast of BGS Prices for 12 ME March 2016.

**Service Classification No. 7**  
**High Voltage Distribution**

		<u>Present</u>	<u>Proposed</u>
		<u>Year-round</u>	<u>Year-round</u>
Customer Charge:	per month	\$2,288.12	\$2,288.12
Distribution Charge:			
Demand Charge			
Period I	All kW @ per kW	\$0.91	\$0.92
Period II	All kW @ per kW	0.21	0.21
Period III	All kW @ per kW	0.83	0.84
Period IV	All kW @ per kW	0.21	0.21
Usage Charge			
Period I	All kWh @ ¢ per kWh	0.202	0.203
Period II	All kWh @ ¢ per kWh	0.150	0.151
Period III	All kWh @ ¢ per kWh	0.202	0.203
Period IV	All kWh @ ¢ per kWh	0.150	0.151
Transmission Charge (incl Trans Surch):			
Demand Charge			
Period I	All kW @ per kW	\$2.55	\$2.55
Period II	All kW @ per kW	0.67	0.67
Period III	All kW @ per kW	2.55	2.55
Period IV	All kW @ per kW	0.67	0.67
Usage Charge			
Period I	All kWh @ ¢ per kWh	0.787	0.787
Period II	All kWh @ ¢ per kWh	0.787	0.787
Period III	All kWh @ ¢ per kWh	0.787	0.787
Period IV	All kWh @ ¢ per kWh	0.787	0.787
RGGI Surcharge	¢ per kWh	0.0921	0.0921
Societal Benefits Charge	¢ per kWh	0.6430	0.6430
Securitization Charges:			
TBC	¢ per kWh	0.276	0.276
TBC-Tax	¢ per kWh	<u>0.052</u>	<u>0.052</u>
Total	¢ per kWh	0.328	0.328
CIEP Standby Fee	¢ per kWh	0.01599	0.01599

\*All Rates Include Sales and Use Tax

**Service Classification No. 7 (Continued)**  
**High Voltage Distribution**

		<u>Present</u>	<u>Proposed</u>
		<u>Year-round</u>	<u>Year-round</u>
Basic Generation Service:			
Capacity Obligation Charge			
Summer	\$/kW/Month	9.7561	9.7561
Winter	\$/kW/Month	9.7561	9.7561
Hourly Energy Charge**	¢ per kWh	3.245	3.245
Ancillary Services	¢ per kWh	0.000	0.000
Retail Margin	¢ per kWh	0.000	0.000
Reconciliation Charge	¢ per kWh	Variable	Variable

Definition of Rating Periods:

- Period I - 10:00 a.m. to 10:00 p.m. prevailing time, Monday through Friday except holidays, June through September.
- Period II - 10:00 p.m. to 10:00 a.m. prevailing time, Monday through Friday and all hours on Saturday, Sunday and holidays, June through September.
- Period III - 10:00 a.m. to 10:00 p.m. prevailing time, Monday through Friday except holidays, October through May.
- Period IV - 10:00 p.m. to 10:00 a.m. prevailing time, Monday through Friday, all hours on Saturday, Sunday and holidays, October through May.

Definition of Rating Periods:

Minimum Charge: The Customer Charge

\*\* Average based on forecast of BGS Prices for 12 ME March 2016.