



Agenda Date: 10/25/19
Agenda Item: 2F

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor,
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ROCKLAND)
ELECTRIC COMPANY'S ANNUAL SOCIETAL)
BENEFITS CHARGE (2019) FILING)
)
) ORDER APPROVING
) STIPULATION
)
) DOCKET NO. ER19040430

Parties of Record:

Margaret Comes, Esq., Associate Counsel, for Petitioner 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" or "BPU") considers a Stipulation of Settlement ("2019 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 2019 Societal Benefits Charge ("SBC") filing in Docket No. ER19040430.

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 (2) 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 ("2019 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, 2018 through July 31, 2019 and of projected spending during the projected period through July 31, 2020. 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 2019 Filing, which reflected actual data through February 2019, RECO proposed a decrease in the rate component of the SBC Component Programs from the currently effective rate of 0.6050

¢/kWh, to 0.5674 ¢/kWh, including Sales and Use Tax ("SUT"). The 2019 Filing explained the decrease in the rate component was the result of an anticipated over-collection of \$447,464 for the period of August 1, 2018 through July 31, 2019.

Subsequently, the Company updated its proposed revenue requirement based on actual data for the period August 1, 2018 through July 31, 2019, and projected costs for the SBC DSM/CEP Components for the period August 2019 through July 2020. As a result of the Board's Order in Docket No. ER19060736 dated September 27, 2019¹ the combined USF/Lifeline electric rate decreased \$0.0004¢/kWh to 0.2087 ¢/kWh including SUT. As a result of these factors, the Company's proposed total SBC rate decreased from 0.6050 ¢/kWh to 0.5669 ¢/kWh, including SUT.

STIPULATION

Following discovery, the Parties engaged in discussions in an attempt to resolve all the outstanding issues related to the Company's 2019 Filing. As a result of those discussions, the Parties executed the 2019 Stipulation to resolve this matter. The 2019 Stipulation provides as follows:²

1. The Company shall be allowed to implement a total SBC rate of 0.5669 ¢/kWh, including SUT, which includes the decrease in the USF/Lifeline electric rate to \$0.2087 ¢/kWh, including SUT. As set forth in Exhibit A attached to the Stipulation, this rate includes: a 0.3582 ¢/kWh rate component, including SUT, relating to a true-up of the Company's DSM and CEP costs for the period August 1, 2018 through July 31, 2019, and projected DSM and CEP costs for the period August 2019 through July 2020; and, the combined USF/Lifeline rate of \$0.2087 ¢/kWh, including SUT. All SBC component rates are subject to audit by the Board.
2. As a result of the decrease in the SBC to 0.5669 ¢/kWh, including SUT, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see a decrease in their annualized monthly bill from \$115.10 to \$114.86, or (0.21)%, based on rates in effect on October 1, 2019.
3. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two (2) 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 60 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 proceeding, including the 2019 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

¹ In re the 2019/2020 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service fund Program Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. ER 19060736. (September 27, 2019)

² Although summarized in this Order, the detailed terms of the 2019 Stipulation are controlling, subject to the findings and conclusions of this Order.

through August 2019 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 and is consistent with the law. The Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein. The Board **HEREBY DIRECTS** the Parties to comply with the terms and conditions incorporated within the Stipulation.

The Board **HEREBY APPROVES** the rate adjustments calculated in Attachment 1 of the 2019 Stipulation, to be effective for services rendered on and after November 1, 2019. The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order prior to November 1, 2019.

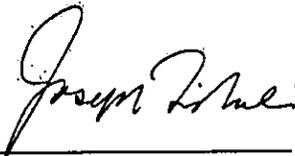
Based on the Stipulation, a typical residential customer using 808 kilowatt-hour per summer month and 7,800 kilowatt-hour on annual basis, will see a decrease in their annualized monthly bill of \$0.24 from \$115.10 to \$114.86, or (0.21%).

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.

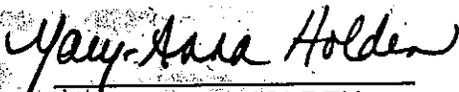
The effective date of this Order is October 25, 2019.

DATED: 10/25/19

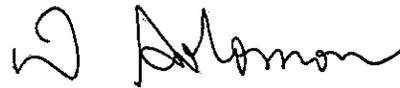
BOARD OF PUBLIC UTILITIES
BY:



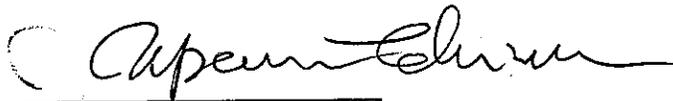
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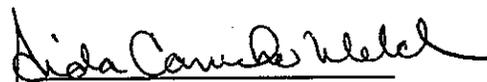


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY'S ANNUAL
SOCIETAL BENEFITS CHARGE FILING (2019) FILING
BPU DOCKET NO. ER19040430

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Rockland Electric Company

Margaret Comes
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October 3, 2019

VIA EMAIL AND OVERNIGHT

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: I/M/O Rockland Electric Company Annual Societal Benefits Charge Filing: 2019
BPU Docket No. ER19040430
Filing of Stipulation of Settlement

Dear Secretary Camacho-Welch:

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
Margaret Comes

Enc.
c: email service list

**In the Matter of Rockland Electric
Company's Annual Societal Benefits
Charge Filing (2019)
BPU Dkt. ER19040430**

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

**I/M/O Rockland Electric Company Annual
Societal Benefits Charge Filing: 2019**

:
STIPULATION OF SETTLEMENT
:
BPU Docket No. ER19040430
:

APPEARANCES:

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

Ami Morita, Esq., Deputy Rate Counsel, Managing Attorney, Electric and Maria Novas-Ruiz, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (Stefanie A. Brand, Esq., Director)

Peter Van Brunt and Matko Ilic 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 October 1, 2019 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”).

PROCEDURAL HISTORY

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 April 1, 2019 (“2019 Filing”). This filing reflected actual data through February 2019.

In its 2019 Filing, RECO proposed a decrease in this rate component of the SBC from the currently effective rate of 0.6050 ¢/kWh to 0.5674 ¢/kWh, including Sales and Use Tax (“SUT”). The 2019 Filing explained that the decrease in the rate component was the result of an anticipated over-collection of \$447,464 for the period August 1, 2018 through July 31, 2019.

Since the 2019 Filing, the Company has updated its DSM and Clean Energy Components of the SBC based on actual data for the period August 1, 2018 through July 31, 2019, and projected DSM and Clean Energy Components of the SBC for the period August 2019 through July 2020. Additionally, as a result of the Board’s Order dated September 27, 2019,¹ the combined USF/Lifeline electric rate decreased from 0.2091 ¢/kW to 0.2087 ¢/kW, including SUT. As a result of these factors, the Company’s proposed total SBC rate is decreasing from 0.6050 ¢/kWh, including SUT to 0.5669 ¢/kWh, including SUT.

STIPULATION

Since RECO’s submission of the 2019 Filing, Rate Counsel and Staff have propounded, and the Company has responded to, detailed discovery requests. 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 2019 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

¹ In re the 2019/2020 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. ER19060736 (September 27, 2019).

record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. SBC Rate. The Company shall be allowed to implement a total SBC rate of 0.5669 ¢/kWh, including SUT, which includes the decrease in the USF/Lifeline electric rate to \$0.2087 ¢/kWh, including SUT,² As set forth in Exhibit A attached hereto, this rate includes: a 0.3582 ¢/kWh rate component, including SUT, relating to a true-up of the Company's DSM and CEP costs for the period August 1, 2018 through July 31, 2019, and projected DSM and CEP costs for the period August 2019 through July 2020; and, the combined USF/Lifeline rate of \$0.2087 ¢/kWh, including SUT. All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the decrease in the SBC to 0.5669 ¢/kWh, including SUT, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see a decrease in their annualized monthly bill from \$115.10 to \$114.86, or (0.21)%, based on rates in effect on October 1, 2019

3. SBC Interest Rate. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two (2) 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 60 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.

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").

² See footnote number one above.

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 resolve all issues relating to the 2019 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 resolution of the issues relating to the 2019 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.

CONCLUSION

WHEREFORE, the Signatory Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof. The Signatory 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.

Dated: October 1, 2019

ROCKLAND ELECTRIC COMPANY

By 
Margaret Comes, Esq.

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

By: 
Peter Van Brunt
Deputy Attorney General

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

By: 
Maria Novas-Ruiz, Esq.
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 (¢/kWh) | Rate Incl. RA & SUT (¢/kWh) |
|-----------------------------------|---|--|
| DSM/Clean Energy Programs | 0.3359 | 0.3582 |
| Universal Service Fund | 0.1249 | 0.1332 |
| Lifeline | <u>0.0708</u> | <u>0.0755</u> |
| Total | 0.5316 | 0.5669 |

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, 2018 - July 31, 2019

| | |
|--|-------------|
| SBC Recoveries: (08/01/18 - 07/31/19) - See Page 3 | \$6,069,773 |
| SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/18 - 07/31/19) - See Page 3 | 5,534,511 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 3 | 89,343 |
| Total SBC Costs to be Recovered (08/01/18 - 07/31/19) | 5,623,854 |
| SBC (Over)/Under Recovery Balance | (445,919) |
| Interest (Over)/Under Recovery Balance - See Page 3 | (4,119) |
| Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2019 | (\$450,038) |

Determination of SBC

| | |
|---|-------------------|
| Projected Sales (kWh) 12 months ending July 31, 2020 | 1,513,671,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | (\$0.000297) |
| Projected Spending - 12 months ending July 31, 2020 - See Page 4 | \$5,534,524 |
| \$ per kWh Projected Spending to be Surcharged | \$0.003656 |
| Proposed SBC Excluding SUT (\$ per kWh) | \$0.003359 |
| Sales and Use Tax ("SUT") | 1.06625 |
| <u>Proposed SBC Including SUT (\$ per kWh)</u> | \$0.003582 |

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 2018 through July 2019 Cost Recovery Period**

| RECO | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Total |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Actual | |
| SBC Recoveries | \$693,239 | \$658,641 | \$496,055 | \$494,069 | \$509,972 | \$503,152 | \$424,162 | \$389,438 | \$405,659 | \$408,922 | \$460,322 | \$626,141 | \$6,069,773 |
| Prior Period Reconciliation Adj. ¹ | \$89,343 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$89,343 |
| Legacy Program Costs | \$7,701 | \$4,850 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$2,869 | \$41,240 |
| CEP Program Costs | \$481,313 | \$562,236 | \$594,657 | \$542,669 | \$424,122 | \$387,693 | \$431,839 | \$487,077 | \$433,233 | \$398,461 | \$380,713 | \$389,256 | \$5,493,271 |
| Total Program Costs | \$558,356 | \$567,087 | \$597,526 | \$545,538 | \$426,991 | \$390,562 | \$434,708 | \$489,946 | \$436,102 | \$401,330 | \$383,582 | \$392,125 | \$5,623,854 |
| (Over)/Under Recovery | (\$134,883) | (\$226,437) | (\$124,966) | (\$73,497) | (\$156,478) | (\$269,068) | (\$258,523) | (\$158,015) | (\$127,571) | (\$135,163) | (\$211,903) | (\$445,919) | (\$891,838) |
| Interest - (Over)/Under Recovery | (\$264) | (\$442) | (\$256) | (\$151) | (\$322) | (\$500) | (\$483) | (\$298) | (\$224) | (\$236) | (\$307) | (\$638) | (\$4,119) |
| Total Program Costs Incl. Adjs. & Interest | \$558,092 | \$566,645 | \$597,270 | \$545,387 | \$426,669 | \$390,062 | \$434,225 | \$489,648 | \$435,878 | \$401,095 | \$383,275 | \$391,489 | \$5,619,734 |
| (Over)/Under Recovery Total | (\$135,147) | (\$91,996) | \$101,215 | \$51,318 | (\$83,303) | (\$113,090) | \$10,062 | \$100,210 | \$30,220 | (\$7,827) | (\$77,047) | (\$234,652) | (\$450,038) |
| Interest Rate (%) ² | 3.27% | 3.26% | 3.42% | 3.44% | 3.43% | 3.10% | 3.12% | 3.15% | 2.93% | 2.91% | 2.42% | 2.38% | |

Notes: ¹ Under recovery for the period August 1, 2017 through July 31, 2018 as per Page 2 of 18 of the Order approving Stipulation of Settlement dated November 20, 2018, in Docket Number ER18040362 (adopted by the Board in its Order dated December 18, 2018).

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 2019 - July 2020 (1)

| <u>Projected Program Costs</u> | | | |
|--------------------------------|-------------------------|---------------|----------------|
| <u>Month</u> | <u>Clean Energy (2)</u> | <u>Legacy</u> | <u>Total</u> |
| Aug-19 | \$461,326 | \$7,701 | \$469,027 |
| Sep-19 | 562,236 | 4,850 | 567,087 |
| Oct-19 | 594,657 | 2,869 | 597,526 |
| Nov-19 | 542,669 | 2,869 | 545,538 |
| Dec-19 | 424,122 | 2,869 | 426,991 |
| Jan-20 | 387,693 | 2,869 | 390,562 |
| Feb-20 | 431,839 | 2,869 | 434,708 |
| Mar-20 | 487,077 | 2,869 | 489,946 |
| Apr-20 | 433,233 | 2,869 | 436,102 |
| May-20 | 398,461 | 2,869 | 401,330 |
| Jun-20 | 380,713 | 2,869 | 383,582 |
| Jul-20 | <u>389,256</u> | <u>2,869</u> | <u>392,125</u> |
| Total | \$5,493,284 | \$41,240 | \$5,534,524 |

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 The Company's projected Clean Energy Program spending for the twelve month period ending July 2020 reflects the FY20 amounts approved by the BPU in Docket No. Q019050644 dated June 21, 2019.

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 ~~0.56696046~~ 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 | 0.37133359 | 0.39593582 |
| Universal Service Fund | 0.1249 | 0.1332 |
| Lifeline | 0.0708 | 0.0755 |
| Total SBC | 0.56705316 | 0.60465669 |

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: Robert Sanchez, President
Mahwah, New Jersey 07430

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 0.5669 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 | 0.3359 | 0.3582 |
| Universal Service Fund | 0.1249 | 0.1332 |
| Lifeline | 0.0708 | 0.0755 |
| Total SBC | 0.5316 | 0.5669 |

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: Robert Sanchez, President
Mahwah, New Jersey 07430