

# NOTICE TO ROCKLAND ELECTRIC COMPANY CUSTOMERS

## Notice of a Filing And Notice of Public Hearings

### In the Matter of the 2020/2021 Annual Compliance Filing for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charge Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 BPU Docket No. ER20060392

**PLEASE TAKE NOTICE** that, on June 25, 2020, Rockland Electric Company (“RECO” or “the Company”) made an Annual Compliance Filing with the Board of Public Utilities (“Board” or “BPU”) and provided supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of RECO’s Societal Benefits Charge (“SBC”). The requested program changes result in an increase to the USF component and an increase to the Lifeline component of the SBC. The requested change in the USF and Lifeline components is made pursuant to Board Orders, and includes the recovery of funding for the USF Program through uniform statewide rates. The USF Program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, (“EDECA”), to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey’s Department of Community Affairs is the Administrator of the USF Program and the New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2019/2020 USF program year, and the available estimates for the 2020/2021 USF program year, it is anticipated that the statewide USF rates will be set to recover \$125.6 million, of which, \$100.2 million would be recovered through electric rates with the remaining \$25.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.0 million would be recovered through electric rates with the remaining \$24.6 million recovered through gas rates on a statewide basis. The above requests will not result in any profit to RECO. The revenues received under the proposed USF and Lifeline Program factors are designed to permit RECO to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline Program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2021.

The Company’s June 25, 2020 filing requests changes to its current USF/Lifeline Program charges, as described below, to become effective on October 1, 2020.

The proposed charges for electric customers are as follows:

<b>Universal Service/Lifeline Fund Components of Societal Benefits Charge</b>				
	<b>Present</b>	<b>Present</b> (Incl. Sales and Use Tax)	<b>Proposed</b>	<b>Proposed</b> (Incl. Sales and Use Tax)
USF-Electric per kWh	\$0.001249	\$0.001332	\$0.001428	\$0.001523

Lifeline-Electric per kWh	\$0.000708	\$0.000755	\$0.000712	\$0.000759
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The effect of the proposed changes in the electric USF/Lifeline Program charge on typical residential electric bills, if approved by the Board, is illustrated below:

<b>Residential Electric Service</b>				
Typical Average Monthly Bill (Includes Sales and Use Tax)				
			Increase	
	Present Charges (1)	Proposed Charges (2)	Amount	Percent
650 kWh average monthly use	\$106.23	\$106.36	\$0.13	0.12
925 kWh average monthly use	153.50	153.68	0.18	0.12
1,500 kWh average monthly use	252.14	252.43	0.29	0.12

- (1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2020 and assumes that the customer receives BGS-RSCP service from RECO.
- (2) Same as (1) except includes change in USF/Lifeline.

Based upon RECO's June 25, 2020 filing, the Statewide Average residential customer using 808 kilowatt hours per summer month, and 7,800 kilowatt hours on an annual basis, would see an increase of \$1.52 in the annual bill from \$1,274.76 to \$1,276.28, or approximately 0.12%. The percentage change applicable to specific customers will vary according to the applicable service classification and the level of the customer's usage.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by RECO.

The 2020 USF and Lifeline filing is posted on the Company's website at <https://www.oru.com/en/nj-rates-tariffs>.

The following date and time(s) for telephonic public hearings have been scheduled for telephonic public hearings have been scheduled on the 2020 USF and Lifeline filing so that members of the public may present their views:

Date: August 20, 2020  
Times: 4:30 PM and 5:30 PM  
Telephone number: 1-877-658-7506  
Passcode: 944 009 9452

Due to the COVID-19 pandemic, a telephonic hearing on the 2020 USF and Lifeline hearing will be conducted at the date and times listed above by a hearing officer designated by the Board. Representatives from the Company, Board's Staff and the New Jersey Division of Rate Counsel

will participate via phone in the public hearing. Members of the public are invited to listen and participate by phone via the above designated Telephone number and passcode and may express their views on this filing. Any comments made will be part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening devices, 48 hours prior to the above hearings to the Board's Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov). The Board is also accepting written and/or emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Trenton, P.O. Box 350, New Jersey 08625-0350. Email comments should be submitted to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov). Please include the name of the petition and the docket number when submitting comments.

## **ROCKLAND ELECTRIC COMPANY**