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ATTORNEYS AT LAW

February 20, 2009

Hand Delivery

Honorable Kristi Izzo
Secretary
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Re: I/M/O the Verified Petition of Rockland Electric Company For
Approval of an Energy Efficiency Stimulus Program and
Associated Rate Recovery
BPU Docket No.

Dear Secretary Izzo:

On behalf of Rockland Electric Company, enclosed for filing please find an original and eleven copies of the Verified Petition for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, including exhibits.

Please contact me if you have any questions regarding this matter. Kindly stamp the enclosed extra copy "filed" and return it to me in the enclosed postage paid envelope.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James C. Meyer", written over a horizontal line.

James C. Meyer

Enclosures

c: Attached Service List (email with mail to designees only)

3928216.1

**I/M/O VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF
AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY
BPU DOCKET NO. _____**

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

**I/M/O the Verified Petition of
Rockland Electric Company for
Approval of an Energy Efficiency Stimulus Program and Associated
Rate Recovery**

VERIFIED PETITION

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

**IN THE MATTER OF THE PETITION OF
ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF AN ENERGY EFFICIENCY
STIMULUS PROGRAM AND
ASSOCIATED RATE RECOVERY**

VERIFIED PETITION

BPU Docket No. _____

Rockland Electric Company (“RECO”, the “Company”, or “Petitioner”), a corporation of the State of New Jersey, which has its principal offices at 82 East Allendale Road, Suite 8, Saddle River, New Jersey 07458, respectfully petitions the New Jersey Board of Public Utilities (“Board”), pursuant to *N.J.S.A.48:3-98.1*, for expedited approval of (1) an energy efficiency stimulus program (“EESP”) and (2) associated rate recovery via a RGGI Surcharge, as follows:

INTRODUCTION

1. Petitioner is a public utility engaged in the distribution of electricity and the procurement of Basic Generation Service (“BGS”) for residential, commercial and industrial purposes within the State of New Jersey. RECO provides service to approximately 72,000 electric customers in northern Bergen and Passaic counties and small sections of Sussex County. RECO’s customer base includes approximately 63,000 residential customers. RECO’s residential customers include 632 customers currently enrolled in the Universal Service Fund (“USF”) program.

2. Petitioner is subject to regulation by the Board for the purpose of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution service pursuant to *N.J.S.A. 48:2-1 et seq.*

BACKGROUND

3. On January 13, 2008, Governor Corzine signed into law legislation (“RGGI Legislation”) which found that energy efficiency is an essential element of the State’s energy future and provides significant benefits to the citizens of New Jersey.¹ The Legislature also found that public utility involvement in energy efficiency is essential. *Id.* Pursuant to Section 13 of the RGGI Legislation, an electric or gas public utility (“Energy Utility”) may invest in energy efficiency and conservation programs in its service territory on a regulated basis. *See N.J.S.A. 48:3-98.1(a)(1).*

4. In October 2008, the State of New Jersey issued its Energy Master Plan setting forth a goal of reducing energy consumption by at least 20% by 2020 to lower energy costs and promote economic growth, increase reliability, and lower the State’s contributions to global warming and other air pollutants. A key component of the Energy Master Plan is the implementation of energy efficiency programs by the Energy Utilities.

5. On October 16, 2008, Governor Corzine addressed a joint session of the Legislature regarding the current economic crisis facing the State of New Jersey. The Governor presented a comprehensive economic assistance and recovery plan (“Governor’s Stimulus Plan”) intended to enhance the State’s business climate. The Governor stated that a major thrust of his Stimulus Plan is to strengthen current economic activity and grow employment “right away.” Among other things, the Governor seeks to

¹The RGGI Legislation, P.L. 2007, c. 340, is codified at *N.J.S.A. 26:2C-45 to 57*, except that section 13, relating to Energy Utility energy efficiency investments, is codified at *N.J.S.A. 48:3-98.1*

stimulate job creation and lower consumers' energy bills by moving aggressively forward with a statewide energy efficiency program that works with the Energy Utilities.²

6. Following the Governor's October 16, 2008 speech, the Office of the Governor and the Energy Utilities began communicating regarding programs that the Governor's Office desired the Energy Utilities to implement pursuant to the Governor's Stimulus Plan. The State requested the Energy Utilities to accelerate capital investments and efficiency programs to support economic development and job growth. In an email dated January 5, 2009, the Governor's Energy Policy Advisor requested that the Energy Utilities provide company-specific program proposals, with associated cost recovery and rate mechanisms, broken down into the following categories:

1. Infrastructure programs that will effectively spur an increase in construction employment, while increasing the reliability of the electric and gas distribution system.
2. Infrastructure programs that will improve the energy efficiency of the electric or gas distribution system.
3. Statewide energy efficiency programs scaled down from the menu of programs submitted by the energy utilities.

7. On January 20, 2009, RECO submitted its 2009 Energy Efficiency and Infrastructure Improvements Economic Stimulus Program ("ESP") Proposal to the Governor's Office and senior Board Staff. Thereafter, the Governor issued a press release stating that he was gratified by the responsiveness of the Energy Utilities' proposals and encouraged the Board of Public Utilities to prioritize their review "so that the economic benefit of any work they approve can flow to the people of New Jersey as soon as possible."

² New Jersey Economic Assistance and Recovery Plan, Green Economy in New Jersey, http://www.state.nj.us/governor/home/media_green.html.

8. Subsequently, the Board requested that RECO file separate formal petitions for approval of the infrastructure improvement and energy efficiency components of RECO's ESP Proposal, and associated rate recovery mechanisms. Accordingly, on February 9, 2009, RECO filed a Verified Petition in BPU Docket No. EO09010056 setting forth its proposed ESP infrastructure projects and cost recovery mechanism consistent with the State's initiative and categories 1 and 2 in Paragraph 6 above. RECO now files this Petition setting forth its proposed energy efficiency stimulus programs and cost recovery mechanism consistent with the State's initiative and category 3 in Paragraph 6 above. RECO's proposed EESP will reduce energy usage, reduce greenhouse gas emissions, and promote economic development and job creation consistent with the State's goals.

9. RECO is filing this Petition pursuant to the RGGI Legislation. The RGGI Legislation provides that Energy Utility investments in energy efficiency programs may be eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms. See *N.J.S.A. 48:3-98.1(b)*. Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. *Id.* In determining the recovery of such program costs, the Board ". . . may take into account the potential for job creation for such programs, the effect on competition for such programs, existing market barriers, environmental benefits, and the availability of such programs in the marketplace." *Id.*

10. The RGGI Legislation requires that an electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to *N.J.S.A.*

48:3-98.1 must file a petition with the Board. On May 12, 2008, in BPU Docket No. EO08030164, the Board issued an order pursuant to *N.J.S.A.* 48:3-98.1(c) that allows an Energy Utility to offer energy efficiency and conservation programs in its service territory on a regulated basis provided that the utility files a petition and obtains Board approval for such programs and the mechanism for program cost recovery (“120-Day RGGI Order”). The Board also established that certain information must be filed along with the Petition. This requested information is set forth in the minimum filing requirements attached to the 120-Day RGGI Order as Appendix A (“RGGI Minimum Filing Requirements” or “RGGI MFRs”).

11. The RGGI Minimum Filing Requirements distinguish between a full or large scale program and a small scale or pilot program. For small scale programs and pilot programs, the RGGI Minimum Filing Requirements are reduced, given the limited nature of such programs, to allow for a more accelerated review and approval process. *See* 120-Day RGGI Order at p. 4. A small scale program is defined as one that would result in either a rate increase of less than one half of one percent to the average residential customer or an additional annual total revenue requirement of less than \$5 million. A pilot program has a term of three years or less. *Id.* Both small scale and pilot programs are exempted from Section V of the RGGI Minimum Filing Requirements requiring that an up-front cost/benefit analysis be submitted. *Id.*

12. The 120-Day RGGI Order also requires a utility to meet with Board Staff and New Jersey Department of the Public Advocate, Division of Rate Counsel (“Rate Counsel”) at least 30-days prior to filing its petition to discuss the nature of the program and program cost recovery mechanism to be proposed in the petition, as well as, the

RGGI Minimum Filing Requirements to be submitted along with the petition (“30-Day RGGI Pre-Filing Meeting”). *See* 120-Day RGGI Order at p. 6. The RGGI Minimum Filing Requirements may be modified by Board Staff as determined on a case-by-case basis if public policy considerations deem specific requirements unnecessary or onerous for a particular program or class of programs. *Id.*

13. Once a petition has been filed with the Board, Board Staff shall have 30 days, commencing on the filing date, to determine whether the petition is administratively complete, advise the utility in writing that the petition is administratively complete or that the petition is not administratively complete and set forth the deficiencies and the items required to remedy the deficiencies. *Id.* at p. 6. The RGGI Legislation also provides that unless the Board issues a written order within 180 days after the filing of the petition approving, modifying or denying the requested recovery, the recovery required by the utility shall be granted effective on the 181st day after the filing without further order by the Board. *N.J.S.A. 48:3-98.1(b).*

THE ENERGY EFFICIENCY PROGRAMS

14. Consistent with the Governor’s Stimulus Plan and the State’s energy efficiency goals as set forth in the Energy Master Plan and elsewhere, RECO has proposed several energy efficiency programs in the EESP. A summary chart of the proposed energy efficiency programs, time frames to implement, and associated costs is attached as Exhibit A. A more detailed description of the programs is set forth in Exhibit B. In Exhibit C, RECO sets forth a calculation of proposed EESP costs, EESP component of the RGGI Surcharge, and bill impacts. As set forth in Exhibits A and B hereto, RECO’s proposed energy efficiency programs are as follows:

(1) the direct installation of cost-effective whole house electrical energy savings measures in high use residential homes, the provision of rebate incentives for installation of efficiency equipment, and the provision of energy kits with compact fluorescent light bulbs and energy education kits, at an estimated annual cost of approximately \$700,000 and total cost for three years of over \$2 million for the participation of 9,300 residential customers annually;

(2) the provision of online software to allow customers to conduct “do it yourself” home energy audits by linking to the customers’ billing history and identifying areas for energy reduction, at an estimated first year cost of \$200,000 and total cost of \$350,000;

(3) the performance by RECO of a market potential study to determine the baseline efficiency for its service territory to allow the development of appropriate program goals and permit the design of cost-effective programs that target all customer segments, at an estimated cost of \$400,000 to be incurred in the first year of the EESP; and

(4) the implementation of a Universal Service Fund (“USF”) Low Income Audit and Direct Install Program to provide free energy efficiency measures, recommended as a result of an energy audit, to customers in RECO’s USF Program at a cost of \$320,000 for participation of 100 customers in the first year of the EESP.

15. RECO’s energy efficiency programs are targeted primarily to residential customers since RECO’s service territory is primarily residential in character and to provide benefits to the citizens of the State in the form of reductions in energy costs in this time of economic distress.

16. RECO's EESP proposals are an outgrowth of program proposals made by RECO in its Energy Efficiency Pilot Program Verified Petition filed with the Board on August 28, 2008 in BPU Docket No. EO8090702 ("EE Pilot Petition"). To the extent necessary to satisfy any of the Board's requirements in reviewing the instant Petition, the provisions of the EE Pilot Petition are incorporated herein by reference.

SUMMARY OF BENEFITS

17. RECO's EESP will provide timely assistance to the State as it attempts to stimulate the economy and bolster the job market. As discussed in Exhibit D, the Company estimates that RECO's EESP potentially could create nine incremental jobs outside of the Company and one incremental in-house position. Further, as recognized in the Energy Master Plan, energy cost savings to consumers that result from energy efficiency measures can fuel economic growth.

18. RECO's energy efficiency programs have numerous other benefits. The programs implement several near term efforts to achieve energy usage reductions while concurrently working towards development of additional initiatives to achieve the State's long-term goals. In particular, the energy efficiency programs will provide near term assistance to those customers most vulnerable to the economic crisis (i.e, residential and low income customers) in achieving energy savings via direct installations and audits. RECO's market potential study will lay additional groundwork for achieving the State's energy efficiency goals by facilitating the design of cost-effective programs targeting both the residential and business customer segments in future years.

19. RECO's EESP is a direct result of the Governor's Stimulus Plan and the Board's request for a filing. It provides for investment in energy efficiency programs in

an accelerated manner in order to support economic development and job growth in the State. In addition, the programs will result in customer energy savings while promoting the State's environmental goals of conservation and reductions in greenhouse gas emissions.

**REQUEST FOR WAIVER OF CERTAIN RGGI MINIMUM FILING
REQUIREMENTS**

20. The Governor's Stimulus Plan calls for the Energy Utilities to implement energy efficiency programs in 2009 in order to stimulate the State's economy. To meet this goal, RECO expedited its filing and needs the Board and Board Staff to expedite their review and approval of RECO's EESP. The need for such expedited action to meet the Governor's goals warrants a waiver of certain of the usual RGGI filing requirements.

21. RECO, as well as representatives from the State's other Energy Utilities, met on several occasions during October, November and December 2008, with representatives from Board Staff, Rate Counsel and the Governor's Office to discuss the details of a potential suite of energy efficiency programs that an Energy Utility could choose to implement to support the Governor's Economic Stimulus Plan. A meeting regarding RECO's proposals for energy efficiency in its service territory was held with the Governor's Office and Board Staff on November 17, 2008, and the Company submitted proposals for energy efficiency programs for its service territory to the Governor's Office and Board Staff on November 19, 2008, and December 5, 2008. In response to a request from the Governor's Office, on December 19, 2008, RECO submitted its proposal on a cost recovery methodology for its initial energy efficiency/economic stimulus proposal. Subsequently, as set forth above (see ¶6), by email dated January 5, 2009, the Governor's Energy Policy Advisor requested that the

Energy Utilities provide company-specific program proposals, with associated cost recovery and rate mechanisms responsive to an expanded economic stimulus model which would include utility infrastructure proposals related to reliability and energy efficiency. On January 20, 2009, RECO submitted its ESP Proposal, including cost recovery methodology, in writing to the Governor's Office and senior Board Staff (see ¶7). RECO requests that these meetings and communications satisfy the 30-Day RGGI Pre-Filing Meeting requirement regarding the nature of the EESP and associated cost recovery mechanism proposed in this Petition. In the alternative, RECO requests a waiver of the 30-Day RGGI Pre-Filing Meeting due to the expedited nature of this matter.

22. In addition, a waiver of certain RGGI MFRs is necessary for RECO to make this expedited filing and commence the EESP consistent with the Governor's timeline. RECO seeks a waiver of the following RGGI MFRs:

- Pre-filed testimony (I.d. General Filing Requirements)
- The submission of proposed draft contracts (II.j. Program Description). RECO will submit the contracts as developed.
- The submission of marketing materials (II.m. Program Description). RECO will submit the materials as developed.

23. RECO has identified the Board's RGGI MFRs and the corresponding information that RECO is submitting in support of this Petition in Exhibit E hereto. RECO notes that its EESP qualifies as both a small scale program and a pilot program because annual revenue requirements are less than \$5 million and it has a term of three years, respectively. RECO is therefore not required to submit a cost/benefit analysis, as

set forth in Section V of the RGGI MFRs. Furthermore, it is RECO's understanding that the Rutgers Center for Energy, Economic, and Environmental Policy ("CEEP") will be performing any required cost/benefit analysis with respect to the other Energy Utilities' energy efficiency stimulus filings. Accordingly, RECO is not submitting any cost/benefit analysis as part of this EESP filing.

COST RECOVERY PROPOSAL

24. The costs associated with the EESP will consist primarily of customer incentives and outside vendor costs for equipment purchases and installation, incremental internal administrative costs, marketing and program evaluation costs. In addition, the EESP includes costs for a market potential study. The customer incentives and outside vendor costs for each of the sub-programs of the EESP and market potential study costs will be deferred and amortized over a three-year period as a regulatory asset. The amortization will be included in the EESP's revenue requirements. The internal incremental administrative, marketing and evaluation costs will be expensed as incurred (not deferred as a regulatory asset) and also will be a component of the EESP's revenue requirements.

25. RECO requests that the Board approve rate recovery of the revenue requirement associated with the EESP ("the EESP Revenue Requirement"). Each month the Company will calculate an EESP Revenue Requirement. The monthly calculation of the EESP Revenue Requirement will include all EESP costs including amortization of deferred EESP costs (the regulatory asset), internal incremental administrative costs, program evaluation costs, and a return on the balance of unrecovered EESP costs.

The EEPS Revenue Requirement will be calculated as follows:

	Net Investment * Weighted Average Cost of Capital
+	Amortization Expense
+	Administrative Costs
+	Program Evaluation Costs
+	<u>Marketing Costs</u>
=	Revenue Requirement

The net investment in this calculation is defined as the deferred EESP costs to date, less accumulated amortization, less accumulated deferred income taxes applicable to the deferred EESP costs.

Pursuant to the RGGI Legislation,³ RECO proposes to apply an after-tax overall rate of return of 8.18% to the net investment. The rate of return is based on the Company's most recently approved overall weighted average cost of capital ("WACC") together with the income tax effects, except that RECO will use a return on equity of 10.5% in the weighted cost of capital calculation. RECO's after-tax overall WACC authorized by the Board in RECO's most recent base rate case was 7.83% based upon a return on equity of 9.75%.⁴ The additional 75 basis points return on equity is appropriate for RECO's undertaking of significant investment, in response to an urgent request of the State to provide economic stimulus, at a time of increased business risks associated with the volatility in financial markets. In addition, the proposed after-tax rate of return of 8.18% and cost of equity of 10.5% will remain fixed during the life of this EESP.

26. The EESP Revenue Requirement, including the above-described return, will be recovered through a RGGI Surcharge, as discussed below. In addition, the RGGI

³ N.J.S.A. 48:3-98.1(b) and N.J.S.A. 48:3-98.1(a)(3).

⁴ I/M/O the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for Electric Services, Its Depreciation Rates, and for Other Relief, Docket No. ER06060483, Decision and Order Approving Stipulation and Adopting Initial Decision (March 22, 2007).

Surcharge will recover any prior period over or under-recoveries. The difference between the monthly actual EESP Revenue Requirement and monthly actual amounts collected through the RGGI Surcharge for the EESP will be subject to deferred accounting, with interest,⁵ and reconciled annually. Any prior period over or under-recovery, including accumulated interest, will be included in the following year's RGGI Surcharge.

27. The RGGI Surcharge will be a non-bypassable cents per kilowatt hour surcharge applicable to all RECO distribution customers. The RGGI Surcharge will be published in a separate tariff leaf, attached hereto as Exhibit F. The RGGI Surcharge will be set annually based on the Company's forecasted EESP Revenue Requirement, adjusted for any prior period over- or under-recoveries including interest, and a forecast of the Company's kWh deliveries to customers for the period in which the RGGI Surcharge will be in effect. The resulting rate in cents per kWh will then be increased to reflect Sales and Use Tax ("SUT"). The RGGI Surcharge will initially be set to recover, commencing April 1, 2009, the estimated EESP Revenue Requirement approved by the Board for the period April 1, 2009 through March 31, 2010 based on projected kilowatt-hour deliveries during that same period. The RGGI Surcharge will be reset annually to recover the forecasted EESP Revenue Requirement for the succeeding twelve month interval, plus true-ups for any prior period over-under collections.

28. The RGGI Surcharge is consistent with the RGGI Legislation which expressly permits the utility's recovery of energy efficiency program costs through various ratemaking methodologies approved by the Board. *See N.J.S.A. 48:3-98.1(b).*

⁵ Interest will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket No. ER08060455 and will be included in the deferred balance for both an over-collection and for an under-collection.

The RGGI Surcharge has been approved by the Board for the recovery of costs associated with its Demand Response Program filed in BPU Docket No. EO08050326. The Company also proposed the RGGI Surcharge for the recovery of costs associated with its proposed Energy Efficiency Pilot Program in BPU Docket No. EO8090702, Residential Solar Loan Program in BPU Docket No. EO8090703, and SREC-based Financing Program in BPU Docket No. EO8090703.

29. RECO proposes to implement the RGGI Surcharge for the EESP effective April 1, 2009. RECO proposes an initial RGGI Surcharge rate for the EESP of \$0.000430 per kWh, including SUT, to be effective April 1, 2009 to recover the initial EESP costs for period April 1, 2009 through March 31, 2010. The calculation of the year one EESP Costs and the RGGI Surcharge for the EESP is set forth in Exhibit C.

30. In order to provide flexibility in responding to market conditions and customer demand, RECO should be allowed to carry over any sub-program over or under-spending into subsequent years, so long as the total spending for the EESP does not exceed the three-year total. Furthermore, based upon market conditions and the level of market response to each sub-program during the initial year, RECO should be allowed to transfer approved EESP spending levels between sub-programs in subsequent years, subject to notice to and approval by BPU Staff, in order to maximize energy efficiency and EESP resources.

COMMUNICATIONS

31. Communications and correspondence related to this petition should be sent as follows:

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quinj@oru.com

MISCELLANEOUS

32. A draft Form of Notice of Filing and of Public Hearings is attached as Exhibit G. This Form of Notice sets forth the requested changes to RECO's electric rates and will be placed in newspapers having a circulation within the Company's service territory upon receipt, scheduling and publication of a public hearing date. Two public hearings will be held in the Company's service territory. The notice will be served on the County Executives and Clerks of all municipalities within the Company's service territory upon receipt, scheduling and publication of the public hearing date.

33. Two copies of this Petition will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 31 Clinton Street, Newark, New Jersey 07101.

34. Attached hereto and incorporated as a part of this Petition are the following exhibits:

Exhibit A - Summary of Program Costs

Exhibit B - Program Descriptions

Exhibit C - Calculation of proposed EESP costs, RGGI Surcharge, and bill impacts

Exhibit D - Overview of Job Growth and Potential Increase in Employment Opportunities

Exhibit E - RGGI MFR Requirements

Exhibit F - Proposed Tariff Leaf for RGGI Surcharge

Exhibit G - Form of Public Notice

REQUEST FOR EXPEDITED REVIEW AND APPROVAL

35. In order to achieve the Governor's goal of 2009 implementation of the EESP, RECO requests that the Board and Board Staff take several actions to permit an expeditious review and approval of this Petition. Specifically, RECO requests that the Board retain jurisdiction of this matter and not transfer it to the Office of Administrative Law. Further, RECO requests that the Board not hold evidentiary hearings, since they are not required or necessary for approval of the EESP and related authorizations. Instead, RECO requests that the parties focus their energies on settlement of this matter.

As stated by the Board in its 120-Day RGGI Order, “The Board encourages all interested parties to work toward a settlement for the Board’s consideration before the expiration to the 180 day period.” *See* 120- Day RGGI Order at 5. RECO will work with Board Staff and Rate Counsel to reach an amicable, mutually acceptable resolution of any issue(s) that may arise in this proceeding on an expedited basis. RECO also requests that Board and Board Staff, to the greatest extent practicable, shorten the 30-day administrative completeness review, shorten the 180 day review period, and expeditiously approve this filing.

CONCLUSION AND REQUESTS FOR APPROVAL

For all the foregoing reasons, RECO requests that the Board retain this matter and expeditiously issue an Order that:

1. Finds the EESP and component programs in the public interest and authorizes RECO to implement and administer the energy efficiency programs under the terms set forth in this Petition and accompanying Exhibits;
2. Grants a wavier of the provisions of the RGGI Minimum Filing Requirements as requested herein;
3. Authorizes RECO to recover all costs requested herein associated with the EESP, through a RGGI Surcharge, which would be filed annually;
4. Approves the RGGI Surcharge mechanism, set forth in the proposed amendments to RECO’s Schedule for Electric Service, P.U.C. No. 2 - ELECTRICITY, a copy of which is attached to the Petition as Exhibit F;

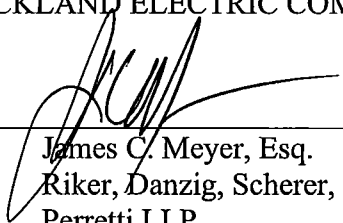
5. Approves the RGGI Surcharge of \$0.000430 per kWh, including SUT, as just and reasonable, and authorizes RECO to implement the rates proposed herein on or about April 1, 2009; and

6. Grants such other and further relief as may be just and proper and required to protect RECO's interests.

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By



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Attorneys for Rockland Electric
Company

Dated: February 20, 2009

STATE OF NEW YORK)
 : SS
COUNTY OF ROCKLAND)

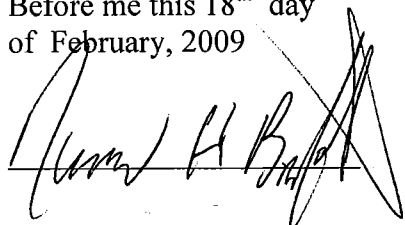
EDWIN J. ORTIZ, of full age, being duly sworn according to law, on his oath
deposes and says:

1. I am the Vice President-Customer Service of Rockland Electric Company,
the petitioner in the foregoing Petition.
2. I have read the annexed petition, and the matters and things contained
therein are true to the best of my knowledge and belief.



Edwin J. Ortiz

Sworn to and subscribed to
Before me this 18th day
of February, 2009



DAVID H. BRAUNFOTEL
NOTARY PUBLIC, State of New York
No. 5019642
Qualified in Rockland County
Commission Expires October 25, 2009

EXHIBIT A

Energy Efficiency Stimulus Program (Year 1)				
Program	Capital Cost	O&M Cost	Total Cost	Timeframe to Implement
Residential Direct Install Program	\$ 500,000	\$ 200,000	\$ 700,000	April '09 to April '10
On-Line Audit Program	\$ 150,000	\$ 50,000	\$ 200,000	April '09 to April '10
Market Potential Study	\$ 400,000	\$ -	\$ 400,000	April '09 to April '10
USF Low Income Audit and Direct Install Program	\$ 275,000	\$ 45,000	\$ 320,000	April '09 to April '10
Total	\$ 1,325,000	\$ 295,000	\$ 1,620,000	
Energy Efficiency Stimulus Program (Year 2)				
Residential Direct Install Program	\$ 460,000	\$ 200,000	\$ 660,000	April '10 to April '11
On-Line Audit Program	\$ 50,000	\$ 25,000	\$ 75,000	April '10 to April '11
Total	\$ 510,000	\$ 225,000	\$ 735,000	
Energy Efficiency Stimulus Program (Year 3)				
Residential Direct Install Program	\$ 460,000	\$ 200,000	\$ 660,000	April '11 to April '12
On-Line Audit Program	\$ 50,000	\$ 25,000	\$ 75,000	April '11 to April '12
Total	\$ 510,000	\$ 225,000	\$ 735,000	

Rockland Electric Company USF Low Income Audit and Install Program

<p>Description of Program</p>	<p>The Universal Service Fund (USF) Low Income Audit and Direct Install Program (Program) is designed to provide customers currently enrolled in Rockland Electric Company's (RECO or the Company) USF Program with energy efficiency measures free of charge based on results of an energy audit. This market segment is challenged economically to meet basic needs alone and therefore realizes a critical market barrier to making energy efficiency investments.</p> <p>The audit will be provided by BPI certified auditors, include appropriate health and safety testing, initial blower door readings, an assessment of cost effective retrofit opportunities and recommendations for energy efficiency improvements. The results are shared with the customer as an educational tool and to seek the customer's buy-in for measures to be completed or customer actions taken which will result in energy savings.</p> <p>The Company will provide a maximum measures value of \$2,000 per household. Measures covered must be identified by the audit as cost effective and may include: blower door guided air sealing, weather stripping, caulking, bypass sealing, duct sealing, electric DHW savings measures such temperature reduction, low flow showerheads and aerators, tank wrap, HVAC tune-up, filter change and repairs, programmable thermostats, envelope measures including insulation, windows or door replacement, refrigerator removal and replacements, and room air conditioner removal and replacement.</p>
<p>Market Segment/ Efficiency Targeted</p>	<p>RECO presently has 630 USF customers in the service territory. For this program RECO will identify the highest users for target marketing with the goal of completing 100 qualified customers the first year.</p>
<p>Delivery Method</p>	<p>RECO will select an implementation contractor through a competitive bid process. It is possible the same contractor may provide a similar service under the direct installation component of the residential direct installation program.</p> <p>RECO will identify the USF customers with the highest electric usage for initial marketing. Through direct mail and follow-up telemarketing, these customers will be offered the program until the first 100 customer enrollments are completed.</p> <p>Participating customers will receive an energy audit provided by a BPI certified auditor which will include health and safety testing, identification of cost effective measures, and information to encourage the customer to accept the measures offered by the program as well as to proceed with actions they might do on their own to facilitate reduction of energy use.</p> <p>Upon customer acceptance, installation of recommended measures may take place at the initial visit and or follow-up visits as necessary to properly</p>

**Rockland Electric Company
USF Low Income Audit and Install Program**

	complete up to \$2000 worth of the most cost effective measures.		
Estimated Program Participants	100	Estimated savings	183 MWh
Link to existing programs	Customers will be made aware of available programs such as the NJ Clean Energy Rebate Programs, Home Performance as well as related RECO programs. Additionally, the auditor will reference HEAP and WAP programs although most USF program participants are already aware of such offerings.		
Existing Incentives	<ul style="list-style-type: none"> • HWAP • HEAP • Comfort Partners* <p>*RECO has petitioned to be removed from Comfort Partners and proposes this program to address a greater number of low-income weatherization participants in the RECO territory.</p>	Proposed Incentives	<ul style="list-style-type: none"> • BPI Audit including health and safety testing, and energy education • Installation of up to \$2000 of measures at no cost.
Estimated avoided air emissions	183 MWh reduced = 245,000 lbs. CO* * using 1340 lbs CO per MWh Source : Energy Information Administration, Updated State and Regional Level. Greenhouse Gas Emission Factors for Electricity (March 2002), http://www.eia.doe.gov/oiaf/1605/e-factor.html .		
Anticipated Job Creation	2.5 – BPI certified auditor, installation technician, scheduling and clerical assistance.		
Budget information	\$320,000 (1 year)		

Rockland Electric Company
USF Low Income Audit and Install Program

Marketing Approach	RECO proposes to identify the highest electric users among the 630 USF Program participants within the RECO service territory. Starting with the highest users, customers will be approached through direct mail and follow-up telemarketing. The first 100 customers to enroll will receive program benefits.
Cost Recovery/ Rate design	RGGI Surcharge
Contractor Role	RECO will utilize qualified BPI certified contractor(s) for provision of the energy audit and installation. It is expected that contractors will provide much of the air-sealing and other measures directly at the audit as well as utilizing qualified subcontractors for specialized services such as insulation, HVAC repairs, and appliance removal and replacement.

**Rockland Electric Company
Market Potential Study**

<p>Description of Program</p>	<p>The study will provide the information necessary to develop targeted electric energy efficiency and demand reduction programs within the RECO service territory. RECO recognizes that our service territory presents different challenges to the energy efficiency initiative and believes it is necessary to identify the market to best formulate programs and marketing strategies to meet the goals of the Governor’s Economic Stimulus Package and the Energy Master Plan. The study will examine the economically achievable potential within the service territory from existing technologies and practices, the potential to address newer improved technologies, and provide real data to move the market for energy efficiency throughout the service territory.</p> <p>The characteristics of the RECO service territory are unique:</p> <p>Residential – The characteristics of the housing stock in RECO service territory are different than in most other areas of New Jersey. The average usage is 35% higher than in our adjacent New York (O&R) territory. We also note that the RECO service territory includes a high saturation of higher income communities. This results in a different market condition, and potentially different drivers for energy efficiency. For example, we expect that there exists a higher frequency of central air-conditioning, pools and other luxury related energy use, such as landscape lighting and home gyms, than in many other service territories. Additionally, this population may be motivated by different drivers to make energy efficiency upgrades.</p> <p>Commercial – The RECO service territory includes a smaller total number of small, medium and large commercial and industrial customers. In the case of large commercial and industrial customers there are relatively few however their energy use and potential for efficiency improvements may potentially be significant. For medium and small commercial customers, it will be necessary to determine what equipment is in place, what options exist to remove and replace inefficient technologies from the market and what drivers are necessary to motivate these customers to initiate change.</p> <p>Finally, the data gathered will be used to inform and design accurately targeted energy efficiency programs in the future. As RECO supports and prepares to step enthusiastically into the energy efficiency program administration role that the State is calling all utilities to do, the study will provide the background to effectively produce the change which the Energy Master Plan calls upon us to make, “20 by 2020”.</p>
<p>Market Segment/</p>	<p>All RECO service territory</p>

**Rockland Electric Company
Market Potential Study**

Efficiency Targeted			
Delivery Method	The study will be performed in early 2009 by a company selected through a competitive procurement process. The study will include mining existing demographic data, utility usage data, etc. as well as conducting various “feet on the street” information gathering activities such as customer surveys and energy audits. Based on the results, RECO will refine existing programs and formulate new program strategies to provide even more effective, and cost-effective energy efficiency programs.		
Estimated Program Participants	NA	Estimated savings	The study will result in program design refinements and new program strategies to be proposed for the 2010 and beyond energy efficiency portfolio of programs.
Link to existing programs	The study will drive review of existing program strategies and provide information necessary to enhance existing program performance and design new programs and to determine if certain existing programs may be terminated with regard to RECO because they are not responsive to the needs of the service territory.		
Existing Incentives	NA	Proposed Incentive	NA
Estimated avoided air emissions	Enhancements to existing programs and new program design will increase GHG reduction performance		
Anticipated Job Creation	1.5 FTE including lead consultant and survey labor for the duration of the study.		
Budget information	\$400,000 (1 year)		
Marketing Approach	NA		
Cost Recovery/ Rate design	RGGI Surcharge		

**Rockland Electric Company
Market Potential Study**

Contractor Role	RECO will select a contractor through a competitive bid process for this project. The contractor will identify a study process, provide a detailed work scope, and a study outline initially. Upon approval, the contractor will then conduct data gathering and processing of that data. The end result will be a presentation and report detailing the findings and recommendations.
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**Rockland Electric Company
On-Line Energy Audit Program**

Description of Program	<p>The on-line energy audit will provide a detailed home energy audit that is simple to understand and will inform customers about their energy efficiency status, help them determine what energy efficiency improvements steps will be beneficial to them and provide the cost benefit analysis for making those improvements. The system will be linked to the RECO customer billing system so that their utility energy use information is accurate and current.</p> <p>Utilizing detailed breakdowns of their energy consumption end uses, appliance and equipment inventories and dollar expenditures, recommendations for energy efficient retrofits and energy efficiency tips are offered along with corresponding energy savings benefits and estimated costs. Driving the customer's actual historical usage through proven engineering algorithms and local weather data, the customer will receive recommendations along with simple payback calculations to help justify their decisions to proceed with energy efficiency upgrades.</p> <p>The On-line tool will provide energy education, support recommended measures with cost benefit analysis and provide direction for consumers to take the next step. Many consumers that may not take advantage of related programs for various reasons prior to gaining this knowledge in advance. As such, the on-line profile will help overcome this barrier, allowing customer to educated themselves in the privacy of their own home, at their own schedule.</p> <p>The program can also be used as a promotional tool for other energy efficiency and demand response programs in the future. For instance, if the audit reveals that the customer's refrigerator is approaching the end of its useful life, the audit can refer the customer to available rebates in the State.</p>
Market Segment/ Efficiency Targeted	All RECO residential customers with existing RECO accounts.
Delivery Method	RECO has already begun to research existing software for this program. The Company will solicit qualified providers through a competitive RFP process. The contractor selected will work with RECO to fully integrate the software with RECO's customer billing system and maintain current references to related energy efficiency programs which might be available to support customers with their energy efficiency activities.

**Rockland Electric Company
On-Line Energy Audit Program**

Estimated Program Participants	10,000 Web Site Visits	Estimated savings	Savings will ultimately be generated through the customer's energy efficiency actions, many related to existing programs as customers are informed and motivated to take action.
Link to existing programs	<ul style="list-style-type: none"> • The audit will provide recommendations and cost benefit analysis which will drive users to take a wide variety of actions. These actions may lead to participation in numerous programs offered by RECO, the NJ Clean Energy Programs and/or other utility programs, including but not limited to: <ul style="list-style-type: none"> • RECO's Residential Whole House Direct Installation Program • RECO's High Efficiency HVAC and Appliance Incentive Program • RECO's AC Cycling Program *upon approval • NJ Clean Energy, Home Performance with Energy Star Program • NJ Clean Energy Cool/Warm Advantage Programs • NJ Clean Energy, Energy Star Products Program • The audit program will be designed to promote these programs as applicable to the customer based on the data received. 		
Existing Incentives	NA	Proposed Incentive	NA
Estimated avoided air emissions	This program will drive customers to take action independently or through other RECO, NJ Clean Energy or other utility programs.		
Anticipated Job Creation	1.1 FTE – Programmer analyst to customize software to RECO specifications and then maintain software with enhancements and keep current as new programs and new technologies become available. I don't know what this means. What do we need internally? What will be required externally and for how long?		
Budget information	\$350,000 (3 years)		
Marketing Approach	The on-line tool will be marketed through bill inserts, web site presence and print ads. Additionally, the customer call center will drive customers to the site as a first level resource for customers seeking to reduce their energy use, energy costs, and carbon foot print.		
Cost Recovery/ Rate design	RGGI Surcharge		

**Rockland Electric Company
On-Line Energy Audit Program**

Contractor Role	RECO will select a contractor through a competitive bid process for this program. The contractor will customize the energy audit software to meet the RECO program specifications, including area specific weather data access, rates, related program information and interface with the customer billing system. On-going support and maintenance is expected to maintain currency as new programs become available.
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Rockland Electric Company
RESIDENTIAL WHOLE HOUSE PROGRAM

Description of Program	<p>The primary objective of the Residential Whole House Program is to motivate residential energy consumers to take action and provide a variety of resources to support customers in their efforts to reduce energy consumption in their homes. This program will utilize three, non-mutually exclusive strategies to reach RECO residential electric customers.</p> <p>Direct Installation</p> <p>The Direct Installation program component will achieve electric energy savings measures identified through a no-cost whole-house comprehensive energy audit. The audit will identify potential health and safety situations, disaggregate energy use in the home, and identify where potential energy improvement practices and measures will have the most cost-effective benefits for the residents. As part of the energy education the audit will include information about related programs through RECO, the NJ Clean Energy Programs and other utility programs which may be beneficial to the resident. The program will offer installation of cost effective measures up to a total value of \$2000 with 80% of that cost subsidized by the program. Customers may select from a list of qualified measures identified through the audit for their home. With the customer's acceptance of measures offered, the contractor will install measures including:</p> <ul style="list-style-type: none"> • CFLs (free). • Domestic Hot Water efficiency measures where electric water heating is present (temp turn down, tank wrap, low flow showerhead and aerators). • Blower door guided air-sealing and duct sealing where electric heat and or central air-conditioning is present. • Insulation and duct insulation where electric heat and or central air-conditioning is present. • <i>Upon the NJBPU's approval of RECO's AC cycling initiative, this program will include controlling thermostat installation for customers who wish to participate.</i> <p>By identifying high use customers and actively marketing them for the program, this program will access customers who may not otherwise be motivated to implement major measures. Offering the audit at no fee overcomes the market barrier presented by similar programs requiring a significant up-front cost from the customer. Many consumers are unwilling to commit to an audit fee let alone committing to a fee before they are aware of what measures might benefit them and understanding the related cost benefit for them. By presenting the customer with this information at no cost the program will overcome this market barrier. The cost benefit, with the 80% subsidy for qualified measures, will provide a very attractive cost benefit decision for these customers, increasing the frequency with which customers accept the offer and implement qualified energy savings measures.</p> <p>RECO will seek an implementation contractor who will utilize an audit</p>
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Rockland Electric Company
RESIDENTIAL WHOLE HOUSE PROGRAM

package which is acceptable to the NJ Clean Energy Home Performance Program, thereby assuring the audit results are transferable. At the customer's request, the energy audit will be forwarded to the NJ Home Performance with Energy Star Program for further work. Additionally, as a component of the energy education provided with the audit, the audit findings will be related to opportunities which may exist for that customer to work energy efficiency solutions through related Clean Energy or other utility programs as may be available to that customer. Upon request and agreement of the customer, the audit would also be made available to Public Service Electric & Gas's energy efficiency department for follow up action, as applicable.

Customers may participate by making a request through RECO directly or through the selected contractor.

High Efficiency Electric HVAC and Appliance Incentives

Consumers often make purchase decisions based on first cost, a known market barrier where high efficiency HVAC equipment and appliances are often higher cost. This is true of both consumers looking at purchase price and sellers who may not represent the higher efficiency option fearing it may jeopardize a sale. RECO will offer incentives for the purchase and installation of high efficiency electric HVAC equipment and appliances to RECO customers to help address the incremental additional costs associated with the high efficiency equipment and appliances.

These incentives will be made available based on the qualification guidelines established by the NJ Clean Energy Programs, thereby not creating confusion in the market. The additional incentive amounts will increase the frequency of customer selection of the high-efficiency alternative when making new or replacement equipment or appliance purchase decisions. Additionally, the added rebate dollars will encourage HVAC sales and installation companies as well as appliance retailers to stock and sell high efficiency products. Incentives will be provided for:

Central A/C and Heat Pump
 Mini Split (Ductless) A/C and Heat Pump
 ECM motors in furnaces
 Energy Star Clothes Washer
 Energy Star Dehumidifier
 Energy Star RAC

Customers may participate by purchasing and installing qualified equipment and then applying directly through RECO or submitting copies of qualified applications for the NJ Clean Energy Programs to RECO.

Energy Efficiency Kit

Rockland Electric Company
RESIDENTIAL WHOLE HOUSE PROGRAM

	<p>RECO will offer an energy efficiency kit including three CFL bulbs and energy efficiency educational materials for customers. Customers will have to take action to request the kit through a bill insert return, or website request, thereby establishing that there is a preliminary interest on behalf of the customer. Customers who actively seek and request the kit are more likely to utilize the bulbs and benefit from the information provided. The educational materials will include tips on energy savings practices as well as information on additional resources and programs available to support customers in the RECO service territory as they take on energy efficiency projects.</p>
<p>Market Segment/ Efficiency Targeted</p>	<p>RECO residential customers may participate in any or all of the three program components. In fact, RECO encourages the components to interact with each other, encouraging action which may include the direct installation and or purchase and installation of incentive-eligible high efficiency HVAC and appliances.</p>
<p>Delivery Method</p>	<p>The entire program is open to all RECO residential customers however different components are designed to influence the market through different channels and attract customers with different interest levels. While all facets of the program will be made available through different media, website, direct mail, bill insert and bill messages as well as coordinated outreach with certain NJ Clean Energy Programs, each program component will also benefit from specialized outreach and implementation strategies.</p> <p>The direct installation component is designed to offer the most support to high electric users, especially those who heat and or cool their home with electricity. The offering will be announced through targeted outreach to high users in communities where it is likely many residents do not have the income to support comprehensive energy efficiency improvements on their own. Interested customers will receive an energy audit which will include health and safety testing, identification of cost effective measures, and information to encourage the customer to proceed with installation of these measures as well as to apply the benefits of other RECO, NJ Clean Energy or other related utility programs as may be available to the customer to ultimately incorporate other energy efficiency upgrades in their home (information on rebate incentives, for example). Upon customer acceptance of recommended measures, the audit contractor will begin installation of qualified measures up to a total value of \$2000 per home. The program will subsidize 80% of the cost of the measures. The customer contribution will be 20% of the installed cost, payable directly to the installation contractor.</p> <p>The high efficiency electric HVAC and appliance incentives will drive the selection of high efficiency alternatives for the equipment covered. Customers will be made aware of the initiative through media, bill inserts-messages, website etc. but, also through coordinated outreach with the NJ Clean Energy Programs (NJCEP). Presently the NJCEP conducts outreach to HVAC contractors through the WARMAdvantage and COOLAdvantage</p>

**Rockland Electric Company
RESIDENTIAL WHOLE HOUSE PROGRAM**

	<p>Programs. This outreach is done through the Eastern Heating and Cooling Council who identifies contractors and reaches out to them to assure knowledge of the NJCEP offering and the availability of related training. Also, under the NJCEP Energy Star Products Program, account managers are dispatched to appliance retailers to assure that covered appliances, point of purchase materials and sales training is in place. RECO proposes to work with these representatives to include the RECO program materials so that trade allies servicing the RECO service territory are aware of the RECO offering and supplied with program applications. Customers who complete purchase and installation of qualified equipment will submit a program application directly to RECO. If the customer is also participating in the related NJ Clean Energy Program, they may supply a copy of that application and purchase documentation to RECO in lieu of a RECO program application.</p> <p>Upon receipt, RECO will review the customer and equipment information supplied to assure compliance with the guidelines. If critical information is omitted, RECO will contact the customer to request this missing information and hold the incentive processing pending receipt of this. RECO will select a 10% portion for quality assurance site inspections. If possible and appropriate, RECO will coordinate inspection results with the NJ Clean Energy Programs. Upon confirmation, that all qualifications are achieved, RECO will release the incentive payment directly to the customer.</p> <p>The energy efficient kits will be made available to customers through announcements on the RECO website, through bill inserts and bill messages and potentially via direct mail and media advertising. Customers will be required to take action to request the kit, thereby indicating they are interested and more likely to install the CFLs and review the energy education materials contained in the kit. A portion of customers will be surveyed as a follow-up to monitor installation of the CFLs and gauge other customer energy efficiency actions taken.</p>		
<p>Estimated Program Participants</p>	<p>3 Year Totals Direct Install - 315 EE Incentives – 3600 EE Kits – 24,000</p>	<p>Estimated savings</p>	<p>3 Year Totals Direct Install - 495 MWh EE Incentives – 255 MWh EE Kits – 1266 MWh</p>
<p>Link to existing programs</p>	<p>Existing programs under OCE include: Comfort Partners (Low Income Program) Home Performance with Energy Star CoolAdvantage Energy Star Products Program</p>		

**Rockland Electric Company
RESIDENTIAL WHOLE HOUSE PROGRAM**

<p>Existing Incentives</p>	<ul style="list-style-type: none"> • NJ CEP Home Performance with Energy Star currently offers tiered incentive levels based on the total amount of work performed. • NJ CEP CoolAdvantage provides incentives for high efficiency electric HVAC equipment. • NJ Energy Star Products provides incentives for high efficiency appliances. 	<p>Proposed Incentives</p>	<ul style="list-style-type: none"> • Direct Installation Free energy audit and energy efficiency counseling. • 80% subsidy of installed measures costs for eligible measures. • High Efficiency HVAC and Appliance Incentives: \$100 Cust - Central A/C \$150 Cust - Central HP \$100 per Mini Split \$500 Duct Sealing \$100 Electronically Commutated Motor \$75 per Tier 2 Clothes Washer \$25 per Dehumidifier \$20 per RAC • Energy Efficiency Kit 3 Free CFL Bulbs Energy Efficiency Education Information
<p>Estimated avoided air emissions</p>	<p>2,016 MWh reduced = 2,701,440 lbs. CO* over 3 years * using 1340 lbs CO per MWh Source : Energy Information Administration, Updated State and Regional Level. Greenhouse Gas Emission Factors for Electricity (March 2002), http://www.eia.doe.gov/oiaf/1605/e-factor.html. To be based on existing NJDEP protocols.</p>		
<p>Anticipated Job Creation</p>	<p>4 – BPI certified auditor, installation technician, rebate processing and inspection and kit fulfillment.</p>		
<p>Budget information</p>	<p>\$2,020,000 (3 years)</p>		

Rockland Electric Company
RESIDENTIAL WHOLE HOUSE PROGRAM

<p>Marketing Approach</p>	<p>RECO proposes that different components of the program will be marketed differently to address targeted participants and address point of sale decisions as most beneficial to program results. All program components will be announced through Company outreach including the RECO website, bill messages, and community events. Differences which are program component specific include:</p> <p>Direct Installation – will target high users, electric heat and or central air conditioning, in potentially less affluent communities.</p> <p>Incentives – will include both customer marketing as well as outreach to trade ally partners including HVAC contractors and appliance retailers</p> <p>Kits – to assure higher installation frequencies of CFLs and better follow-up with follow on customer actions encouraged by the included education materials, customers have to submit a kit request. This will be done by completing a request form supplied through the website or hardcopy through direct mail, media or bill insert.</p>
<p>Cost Recovery/ Rate design</p>	<p>RGGI Surcharge</p>
<p>Contractor Role</p>	<p>RECO will utilize qualified BPI certified contractor(s) for provision of the energy audit and installation components of the program. Rebate and kit fulfillment contractors may be utilized for those portions of the program. All contractors will be selected through a competitive bid process.</p> <p>The audit and direct installation contractor will work with RECO to assure that the software product used to provide the audit and recommendations is compliant with RECO specifics. On and on-going basis the contractor will be responsible to provide customers with the energy audit and installation services. This contractor may opt to subcontract elements of the work scope including software provision and or components of the installation work such as but not limited to, insulation services.</p> <p>Contracted fulfillment services will be outsourced through a competitive procurement process.</p> <p>Incentive processing depending on volume and internal staff availability may be outsourced through a competitive procurement process.</p>

ROCKLAND ELECTRIC COMPANY
ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
PROPOSED ECONOMIC STIMULUS SURCHARGE (EXCLUDES SALES AND USE TAX)

RGGI Surcharge Rate

		Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	TOTAL EXPENSES	ESSP Rate/KWH
April 2009 - March 2010														\$221,250	
O&M Spending		\$15,085	\$15,820	\$18,659	\$22,390	\$22,785	\$20,144	\$17,139	\$15,948	\$18,610	\$19,825	\$17,858	\$16,986		
Deferred Cost Recovery		\$33,639	\$35,280	\$41,612	\$49,930	\$50,812	\$44,923	\$38,222	\$35,565	\$41,501	\$44,211	\$39,824	\$37,881	\$493,401	
														\$714,651	0.00040109
April 2010 - March 2011														\$242,500	
O&M Spending		\$17,457	\$17,566	\$20,139	\$24,156	\$25,334	\$22,901	\$18,883	\$17,752	\$19,600	\$21,163	\$19,228	\$18,321		
Deferred Cost Recovery		\$47,947	\$48,247	\$55,312	\$66,346	\$69,582	\$62,899	\$51,863	\$48,757	\$53,832	\$58,126	\$52,812	\$50,319	\$666,042	
														\$908,542	0.000489858
April 2011 - March 2012														\$225,000	
O&M Spending		\$15,248	\$15,261	\$19,245	\$22,593	\$23,810	\$20,463	\$18,375	\$16,193	\$18,141	\$19,754	\$18,366	\$17,552		
Deferred Cost Recovery		\$55,511	\$55,561	\$70,064	\$82,253	\$86,682	\$74,498	\$66,896	\$58,951	\$66,044	\$71,918	\$66,863	\$63,901	\$819,142	
														\$1,044,142	0.000543315
April 2012 - March 2013														\$56,250	
O&M Spending		\$4,101	\$3,931	\$4,875	\$5,412	\$5,802	\$5,318	\$4,346	\$3,991	\$4,518	\$5,123	\$4,702	\$4,132		
Deferred Cost Recovery		\$25,873	\$24,802	\$30,759	\$34,148	\$36,606	\$33,556	\$27,421	\$25,180	\$28,510	\$32,323	\$29,668	\$26,073	\$354,919	
														\$411,169	0.000207166

ROCKLAND ELECTRIC COMPANY
ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
TOTAL EXPENDITURES

Program Expenditures- Deferred Costs

CUSTOMER INCENTIVE & OUTSIDE SPENDING 2009	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 TOTAL SPENDING
USF Low Income				\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$22,917	\$206,250
Residential Direct Install, Kits, & Rebates				\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$375,000
Personal Energy Profile - On lIne				\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$112,500
Market Potential Stdy				\$33,333	\$33,333	\$33,333	\$33,333	\$33,333	\$33,333	\$33,333	\$33,333	\$33,333	\$300,000
TOTAL	\$0	\$0	\$0	\$110,417	\$110,417	\$110,417	\$110,417	\$110,417	\$110,417	\$110,417	\$110,417	\$110,417	\$993,750

CUSTOMER INCENTIVE & OUTSIDE SPENDING 2010	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010 TOTAL SPENDING
USF Low Income	\$22,917	\$22,917	\$22,917	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,750
Residential Direct Install, Kits, & Rebates	\$41,667	\$41,667	\$41,667	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$470,000
Personal Energy Profile - On lIne	\$12,500	\$12,500	\$12,500	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$75,000
Market Potential Stdy	\$33,333	\$33,333	\$33,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
TOTAL	\$110,417	\$110,417	\$110,417	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$713,750

CUSTOMER INCENTIVE & OUTSIDE SPENDING 2011	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	2011 TOTAL SPENDING
USF Low Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Direct Install, Kits, & Rebates	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$38,333	\$460,000
Personal Energy Profile - On lIne	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$42,500	\$510,000

CUSTOMER INCENTIVE & OUTSIDE SPENDING 2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	2012 TOTAL SPENDING	INCENTIVE & OUTSIDE
USF Low Income	\$0	\$0	\$0										\$0	\$275,000
Residential Direct Install, Kits, & Rebates	\$38,333	\$38,333	\$38,333										\$115,000	\$1,420,000
Personal Energy Profile - On lIne	\$4,167	\$4,167	\$4,167										\$12,500	\$250,000
Market Potential Stdy	\$0	\$0	\$0										\$0	\$400,000
TOTAL	\$42,500	\$42,500	\$42,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,500	\$2,345,000

ROCKLAND ELECTRIC COMPANY
 ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
 TOTAL EXPENDITURES

Program Expenditures - O&M

ADMINISTRATIVE SPENDING 2009	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 TOTAL SPENDING
USF Low Income				\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$26,250
Residential Direct Install, Kits, & Rebates				\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$45,000
Personal Energy Profile - On lIne				\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$7,500
Market Potential Stdy				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$78,750

ADMINISTRATIVE SPENDING 2010	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010 TOTAL SPENDING
USF Low Income	\$2,917	\$2,917	\$2,917	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,750
Residential Direct Install, Kits, & Rebates	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
Personal Energy Profile - On lIne	\$833	\$833	\$833	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$6,250
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$8,750	\$8,750	\$8,750	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$75,000

ADMINISTRATIVE SPENDING 2011	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	2011 TOTAL SPENDING
USF Low Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Direct Install, Kits, & Rebates	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
Personal Energy Profile - On lIne	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$5,000
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$65,000

ADMINISTRATIVE SPENDING 2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	2012 TOTAL SPENDING	TOTAL ADMIN SPENDING
USF Low Income	\$0	\$0	\$0										\$0	\$35,000
Residential Direct Install, Kits, & Rebates	\$5,000	\$5,000	\$5,000										\$15,000	\$180,000
Personal Energy Profile - On lIne	\$417	\$417	\$417										\$1,250	\$20,000
Market Potential Stdy	\$0	\$0	\$0										\$0	\$0
	\$5,417	\$5,417	\$5,417	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,250	\$235,000

ROCKLAND ELECTRIC COMPANY
ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
TOTAL EXPENDITURES

Program Expenditures - O&M

MARKETING SPENDING 2009	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 TOTAL SPENDING
USF Low Income				\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$1,875
Residential Direct Install, Kits, & Rebates				\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$90,000
Personal Energy Profile - On IIne				\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$26,250
Market Potential Stdy				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$13,125	\$118,125

MARKETING SPENDING 2010	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010 TOTAL SPENDING
USF Low Income	\$208	\$208	\$208	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$625
Residential Direct Install, Kits, & Rebates	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Personal Energy Profile - On IIne	\$2,917	\$2,917	\$2,917	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$23,750
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$13,125	\$13,125	\$13,125	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$144,375

MARKETING SPENDING 2011	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	2011 TOTAL SPENDING
USF Low Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Direct Install, Kits, & Rebates	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Personal Energy Profile - On IIne	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$11,667	\$140,000

MARKETING SPENDING 2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	2012 TOTAL SPENDING	TOTAL MARKETING SPENDING
USF Low Income	\$0	\$0	\$0										\$0	\$2,500
Residential Direct Install, Kits, & Rebates	\$10,000	\$10,000	\$10,000										\$30,000	\$360,000
Personal Energy Profile - On IIne	\$1,667	\$1,667	\$1,667										\$5,000	\$75,000
Market Potential Stdy	\$0	\$0	\$0										\$0	\$0
	\$11,667	\$11,667	\$11,667	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$437,500

ROCKLAND ELECTRIC COMPANY
 ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
 TOTAL EXPENDITURES

Program Expenditures - O&M

EVALUATION SPENDING 2009	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 TOTAL SPENDING
USF Low Income				\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$5,625
Residential Direct Install, Kits, & Rebates				\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$15,000
Personal Energy Profile - On IIne				\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$3,750
Market Potential Stdy				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$24,375

EVALUATION SPENDING 2010	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010 TOTAL SPENDING
USF Low Income	\$625	\$625	\$625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,875
Residential Direct Install, Kits, & Rebates	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Personal Energy Profile - On IIne	\$417	\$417	\$417	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,250
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$2,708	\$2,708	\$2,708	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$23,125

EVALUATION SPENDING 2011	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	2011 TOTAL SPENDING
USF Low Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Direct Install, Kits, & Rebates	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Personal Energy Profile - On IIne	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Potential Stdy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000

EVALUATION SPENDING 2012	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	2012 TOTAL SPENDING	EVALUATION SPENDING
USF Low Income	\$0	\$0	\$0										\$0	\$7,500
Residential Direct Install, Kits, & Rebates	\$1,667	\$1,667	\$1,667										\$5,000	\$60,000
Personal Energy Profile - On IIne	\$0	\$0	\$0										\$0	\$5,000
Market Potential Stdy	\$0	\$0	\$0										\$0	\$0
	\$1,667	\$1,667	\$1,667	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$72,500

ROCKLAND ELECTRIC COMPANY
ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
PROGRAM EXPENSES - CARRYING COSTS ON DEFERRED COSTS

Amortization Period	3 Years
Equity Component	46.51%
RGGI Surcharge Rate	10.50%
	4.88%
After-Tax WACC	8.18%
Effective Tax Rate	40.92%
Interest Expense	3.29%

	TME 3/2010	TME 3/2011	TME 3/2012	TME 3/2013	TME 3/2014	TME 3/2015
Expenditures						
Program Costs - Deferred Costs	\$1,325,000	\$510,000	\$510,000	\$0		
TOTAL - Deferred Energy Efficiency Program Costs	\$1,325,000	\$510,000	\$510,000	\$0		
Cumulative Expenditures Deferred - EEP	\$1,325,000	\$1,835,000	\$2,345,000	\$2,345,000		
Amortization - TME 3/2010 Expenditures	\$441,667	\$441,667	\$441,667			
Amortization - TME 3/2011 Expenditures		\$170,000	\$170,000	\$170,000		
Amortization - TME 3/2012 Expenditures			\$170,000	\$170,000	\$170,000	
Cumulative Amortization	\$441,667	\$1,053,333	\$1,835,000	\$2,175,000	\$2,345,000	\$2,345,000
Gross Expenditures	\$1,325,000	\$1,835,000	\$2,345,000	\$2,345,000	\$2,345,000	\$2,345,000
Accumulated Amortization	\$441,667	\$1,053,333	\$1,835,000	\$2,175,000	\$2,345,000	\$2,345,000
Net Expenditures	\$883,333	\$781,667	\$510,000	\$170,000	\$0	\$0
Accumulated Deferred Tax	\$361,460	\$319,858	\$208,692	\$69,564	\$0	\$0
Under/(Over) Recovery Balance	\$521,873	\$461,809	\$301,308	\$100,436	\$0	\$0
Return Requirement	\$42,678	\$37,766	\$24,640	\$8,213	\$0	\$0
Equity Portion	\$25,486	\$22,553	\$14,715	\$4,905	\$0	\$0
	2009	2010	2011	2012	2013	2014
Revenue	\$493,401	\$666,042	\$819,142	\$354,919	\$171,654	\$0
Expenses:						
Amortization	\$441,667	\$611,667	\$781,667	\$340,000	\$170,000	\$0
Administrative Costs	-	-	-	-	-	-
Interest Expense	8,596	16,203	12,570	6,617	1,654	-
Deferred Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Taxable Income	\$43,138	\$38,173	\$24,906	\$8,302	\$0	\$0
Federal and State Taxes	\$17,652	\$15,620	\$10,192	\$3,397	\$0	\$0
Net Income	\$25,486	\$22,553	\$14,715	\$4,905	\$0	\$0

ROCKLAND ELECTRIC COMPANY
ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY
TOTAL O&M COSTS

O&M SUMMARY

2009

O&M - Energy Efficiency Programs	\$	221,250
	\$	221,250

2010

O&M - Energy Efficiency Programs	\$	242,500
	\$	242,500

2011

O&M - Energy Efficiency Programs	\$	225,000
	\$	225,000

2012

O&M - Energy Efficiency Programs	\$	56,250
	\$	56,250

TOTAL O&M SPENDING

	\$	745,000
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ROCKLAND ELECTRIC COMPANY
ECONOMIC STIMULUS PROGRAM FOR ENERGY EFFICIENCY PROGRAMS
CAPITAL STRUCTURE

Case ER06060483
Docket PUC 09134-2006N

Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending December 31, 2006
(000's)

	Amount (\$000's)	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	\$ 396,168	49.19%	6.26%	3.08%	3.08%
Short Term Debt	34,651	4.30%	5.00%	0.22%	0.22%
Common Equity	374,608	46.51%	10.50%	4.88%	8.27%
Total	<u>\$ 805,427</u>	<u>100%</u>		<u>8.18%</u>	<u>11.56%</u>

Rockland Electric Company
Energy Efficiency Stimulus Program
Revenue Impacts
By Category

	Twelve-Month Periods Commencing		
	<u>Apr-09</u>	<u>Apr-10</u>	<u>Apr-11</u>
Required EESP Revenue	\$714,651	\$908,542	\$1,044,142
RECO Sales (MWH)	1,781,787	1,854,708	1,921,800
EESP Component of RGGI Surcharge (¢/kWh)	0.040	0.049	0.054
EESP Component of RGGI Surcharge (including SUT)*	0.043	0.052	0.058
Change in EESP Component of RGGI Surcharge	0.043	0.009	0.006
<u>Average Rates (¢/kWh)</u>			
Residential	17.663	17.672	17.678
Small	16.648	16.657	16.663
Large	15.912	15.921	15.927
<u>Percentage Increase/(Decrease)</u>			
Residential	0.24%	0.05%	0.03%
Small	0.26%	0.05%	0.04%
Large	0.27%	0.06%	0.04%
* SUT at	7.0%		

ROCKLAND ELECTRIC COMPANY

Energy Efficiency Stimulus Program

Impact of EESP Component of RGGI Surcharge on a Typical Residential Customer

	<u>Current*</u>	Twelve-Month Periods Commencing		
		<u>Apr-09</u>	<u>Apr-10</u>	<u>Apr-11</u>
Annualized Monthly Bill	\$278.64			
EESP Revenue Requirement		\$714,651	\$908,542	\$1,044,142
Forecast Sales (kWh)		1,781,787,200	1,854,707,600	1,921,800,000
EEPS Component of RGGI Surcharge (cents/kWh)		0.0401	0.0490	0.0543
EEPS Component of RGGI Surcharge Including SUT (cents/kWh)		0.0430	0.0520	0.0580
EEPS Component of RGGI Surcharge Monthly Bill Amount		\$0.40	\$0.48	\$0.54
Monthly Bill Including EEPS Component of RGGI Surcharge		\$279.04	\$279.12	\$279.18
Change in Monthly Bill		\$0.40	\$0.08	\$0.06
Percent Bill Increase From Then-Current Rates		0.14%	0.03%	0.02%
Percent Bill Increase From Current Rates		0.14%	0.17%	0.19%

* At January 1, 2009 Rates
925 kWh per month

Rockland Electric Energy Efficiency Programs
 Overview of Job Growth and Potential Increase in Employment Opportunities

Rockland Electric Company has proposed four energy efficiency programs as a component of the Governor’s Economic Stimulus Initiative. The nature of these programs is such that RECO will contract with qualified companies with expertise in the delivery of these programs to conduct the work with RECO’s oversight. Specific labor assignments to the tasks involved can only be accurately determined once the programs are approved and contracted. As such, the table below is RECO’s estimate of labor assignments and their translation into jobs creation. Specifically, RECO estimates that approximately nine incremental jobs, outside of Company staff, will result from the implementation of RECO’s proposed energy efficiency programs. Additionally, RECO anticipates the addition of one in-house position for program administration. RECO also recognizes that some indirect benefit to the job market may exist, such as increased HVAC sales due to the incentive, however, these estimates are not included here.

Program	Work Description	Work Volume	Labor Estimate	
USF Low Income	BPI Certified Energy Auditing	100 Home Audits and customer education	1 FTE Auditing	
	Measures Installation	100 measures installation jobs includes air sealing, related measures installation and specialty subcontracting (insulation and HVAC for example)	1 FTE Measures Installation	
	Office - Scheduling and Data Entry	Telephone and clerical work to support outreach, qualification, enrollment, and reporting.	.5 Office Clerical (mailing, scheduling and data entry)	
Residential Direct Installation	Direct Installation	BPI Certified Energy Auditing	100 Home Audits and related installations	1 FTE Auditing
		Measures Installation	100 measures installation jobs includes air sealing, related measures installation and specialty subcontracting (insulation and HVAC for example)	1 FTE Measures Installation
		Office - Scheduling and Data Entry	Telephone and clerical work to support outreach, qualification, enrollment, and reporting.	.5 Office Clerical (mailing, scheduling and data entry)
	High Efficiency Equipment Rebates	Outreach and Marketing and Materials Development	Outreach to distributors and installing contractors	.35 FTE
		Rebate Processing	Rebate Processing (less than 1000 units)	.25 FTE
	Kit Distribution	Educational Materials Development	Design and printing of educational materials	.25 FTE
Order Processing		8000 Kits	.25 FTE	
Kit Assembly and Distribution		Fulfillment	.5 FTE	
Personal Energy Profile Online	Analysis and Programming	Identifying and programming software	1 FTE	
	On-going system support and development	Maintaining and on-going system development	TBD	
Market Potential Study	Market Consulting and Analysis		1 FTE	
	Telephone and Mail Survey		.5 FTE	

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
I.	General Filing Requirements	
a.	The utility shall provide with all filings, information and data pertaining to the specific program proposed, as set forth in applicable sections of N.J.A.C. 14:1-5.11 and N.J.A.C. 14:1-5.12.	Petition, Exhibit A-G, Attachments 1-6
b.	All filings shall contain information and financial statements for the proposed program in accordance with the applicable Uniform System of Accounts that is set forth in N.J.A.C. 14:1-5.12. The utility shall provide the Accounts and Account Numbers that will be utilized in booking the revenues, costs, expenses and assets pertaining to each proposed program so that they can be properly separated and allocated from the regulated and/or other programs.	See RGGI Attachments 1-4
c.	The utility shall provide supporting explanations, assumptions, calculations, and work papers for each proposed program and cost recovery mechanism petition filed under N.J.S.A. 48:3-98.1 and for all qualitative and quantitative analyses therein. The utility shall provide electronic copies of all materials and supporting materials and supporting schedules, with all inputs and formulae intact.	Petition @ Para. 14, 15, 16. Exhibit A and Exhibit B
d.	The utility shall file testimony supporting its petition.	See Petition, Request for Waiver
e.	For any small scale or pilot program, the utility shall only be subject to the requirements in this Section and Sections II, III, and IV. The utility shall, however, provide its estimate of costs and list of data intends to collect in a subsequent review of the benefits of the program. Information in Section V may be required for pilot and small programs if such programs are particularly large or complex. A "small scale" project is defined as one that would result in either a rate increase of less than half of one percent of the average residential customer's bill or an additional annual total revenue requirement of less than \$5 million. A pilot program shall be no longer than three years, but can be extended under appropriate circumstances.	The program proposal is a small scale program.
f.	If the utility is filing for an increase in rates, charges etc., or approval of a program which may increase rates/charges to ratepayers in the future, the utility shall include a draft public notice with the petition and proposed publication dates.	Public Notice- Exhibit G

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
II.	Program Descriptions	
a.	The utility shall provide a detailed description of each proposed program for which the utility seeks approval.	Petition @ Para 14-16, Exhibit A and Exhibit B
b.	The utility shall provide a detailed explanation of the differences and similarities between each proposed program and existing and/or prior programs offered by the New Jersey Clean Energy Program, or the utility.	Petition @ Para 14-16, Exhibit A and Exhibit B
c.	The utility shall provide a description of how the proposed program will complement, and impact existing programs being offered by the utility and the New Jersey Clean Energy Program with all supporting documentation.	Petition @ Para 14-16, Exhibit A and Exhibit B
d.	The utility shall provide a detailed description of how the proposed program is consistent with and/or different from other utility programs or pilots in place or proposed with all supporting documentation.	Petition @ Para 14-16, Exhibit A and Exhibit B
e.	The utility shall provide a detailed description of how the proposed program comports with New Jersey State policy as reflected in reports, including the New Jersey Energy Master Plan, the draft New Jersey Energy Master Plan, and the greenhouse gas emissions reports to be issued by the New Jersey Department of Environmental Protection pursuant to N.J.S.A 26:2C-42(b) and (c) and N.J.S.A.26:2c-43 of the Global Warming Response Act, N.J.S.A. 26:2C-37 et seq.	Petition @ Para 14-16, Exhibit A and Exhibit B
f.	The utility shall provide the features and benefits for each proposed program including the following: i. the target market and customer eligibility if incentives are to be offered; ii. The program offering and customer incentives; iii.The quality control method including inspection; iv. Program administration; and v.Program delivery mechanisms.	Petition @ Para 14-16, Exhibit A and Exhibit B
g.	The utility shall provide the criteria upon which it chose the program.	Petition @ Para 6, 14-16
h.	The utility shall provide the estimated program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives including inspections and quality control, program implementation (all contract costs) and evaluation and other.	Petition, Exhibit C
i.	The utility shall provide the extent to which the utility intends to utilize employees, contractors or both to deliver the program and, to the extent applicable, the criteria the utility will use for contractor selection.	Petition @ Para 14-16, Exhibit A and Exhibit B

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
j.	In the event the program contemplates an agreement between the utility and its contractors and/or the utility and its ratepayers, copies of the proposed standard contract or agreement between the ratepayer and the utility, the contractor and the utility, and/or the contractor and ratepayer shall be provided.	See Petition, Request for Waiver
k.	The utility shall provide a detailed description of the process for resolving any customer complaints related to these programs.	RECO will attempt to resolve disputes with participating customers informally. RECO will select an ombudsman outside of the Customer Energy Services Group ("CES") to participate in the dispute resolution process for disputes that are not resolved by the CES. Disputes that can not be resolved informally will be resolved through the Board's existing process for customer complaints or according to the processes outlined in the applicable contract documents.
l.	The utility shall describe the program goals including number of participants on an annual basis and the energy savings, renewable energy generation and resource savings, both projected annually and over the life of the measures.	Petition @14-16, Exhibit A and B. RECO will supplement this filing with projected life time savings for measures.
m.	Marketing- The utility shall provide the following: a description of where and how the proposed program/project will be marketed or promoted throughout the demographic segments of the utility's customer base including an explanation of how prices and the service for each proposed program/project will be conveyed to customers.	See Petition, Request for Waiver

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
III.	Additional Required Information	
a.	The utility shall describe whether the proposed programs will generate incremental activity in the energy efficiency/conservation/renewable energy marketplace and what, if any impact on competition may be created, including any impact on employment, economic development and the development of new business with all supporting documentation. This shall include a breakdown of the impact on the employment within this marketplace as follows: marketing/sales, training, program implementation, installation, equipment manufacturing and evaluation and other applicable markets. With respect to the impact on competition the analysis should include the competition between utilities and other entities already currently delivering the service in the market or new markets that may be created.	See RGGI Attachment-5
b.	The utility shall provide a description of any known market barriers that may impact the program and address the potential impact on such known market barriers for each proposed program with all of the supporting documentation. This analysis shall include barriers across the various markets including residential (both single and multi-family), commercial and industrial (both privately owned or leased buildings), as well as between small, medium, and large commercial and industrial markets. This should include both new development and retrofit or replacement upgrades across the market sectors.	Petition, Exhibit A and Exhibit B
c.	The utility shall provide a qualitative/quantitative description of any anticipated environmental benefits associated with the proposed programs and a quantitative estimate of such benefits for the programs overall and for each participant in the program with all supporting documentation. This shall include an estimate of the energy saved in kWh and/or therms and the avoided air emissions, wastewater discharges, waste generation and water use or other saved or avoided resources.	Petition Para 14-16, Exhibit B
d.	To the extent known, the utility shall identify whether there are similar programs available in the existing marketplace and provide supporting documentation if applicable. This shall include those programs that provide other societal benefits to other under served markets. This should include an analysis of the services already provided in the market place, and the level of competition.	See RGGI Attachment-6

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
e.	The utility shall provide an analysis of the benefits or impacts in regards to Smart Growth.	The proposed program is not anticipated to have any impacts on Smart Growth.
f.	The utility shall provide the method for treatment of Renewable Energy Certificates ("REC") including Solar RECs or any other certificate developed by the Board of Public Utilities, including Greenhouse Gas Emissions Portfolio and Energy Efficiency Portfolio Standards including ownership, and use of the certificate revenue stream(s).	Not applicable to this proposal.
g.	The utility shall propose the method for treatment of any air emission credits and offsets, including Regional Greenhouse Gas Initiative carbon dioxide allowances and offsets including ownership, and use of the certificate revenue stream(s).	No air emission credits or offsets are anticipated in the program proposal.
h.	The utility shall analyze the proposed quantity and expected prices for a REC, solar REC, air emissions credits, offsets or allowances or other certificates to the extent possible.	Not applicable to this proposal.
IV.	Cost Recovery	
a.	The utility shall provide appropriate financial data for the proposed program. Including estimated revenues, expenses and capitalized investments, for each of the first three years of operations and at the beginning and the end of each year of said three year period. The utility shall include pro forma income statements for the proposed program, for each of the first three years of operations and actual or estimated balance sheets as at the beginning and end of each years said three year period.	See Petition @ Para 24-30, Exhibit C.
b.	The utility shall provide detailed spreadsheets of the accounting treatment of the cost recovery including describing how costs will be amortized, which accounts will be debited or credited each month, and how the costs will flow through the proposed method of recovery of program costs.	See Petition @ Para 24-30, Exhibit C.
c.	The utility shall provide a detailed explanation, with all supporting documentation, of the recovery mechanism it proposes to utilize for cost recovery of the proposed program, including proposed recovery through the Societal Benefits Charge a separate clause established for these programs, base rate revenue requirements, government funding reimbursement, retail margin, and/or other.	See Petition @ Para 24-30, Exhibit C.

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
d.	The utility's petition for approval, including proposed tariff sheets and other required information, shall be verified as to its accuracy and shall be accompanied by a certification of service demonstrating that the petition was served on the Department of the Public Advocate, Division of Rate Counsel simultaneous to its submissions to the Board.	Petition, Certification of Service
e.	The utility shall provide an annual rate impact summary by year for the proposed program, and an annual cumulative rate impact summary for all approved and proposed programs showing the impact of individual programs as well as the cumulative impact of all programs on each customer class of implementing each program and all approved and proposed programs based upon a revenue requirement analysis that identifies all estimated program costs and revenues for each proposed program on an annual basis. The utility shall also provide an annual bill impact summary by year for each program, and an annual cumulative bill impact summary by year for all approved and proposed programs showing bill impacts on a typical customer for each class.	See Petition @ Para 24-30, Exhibit C.
f.	The utility shall provide, with supporting documentation , a detailed breakdown of the total costs for the proposed program, identified by cost segment (capitalized costs, operating expense, administrative expense, etc.). This shall also include a detailed analysis and breakdown and separation of the embedded and incremental costs that will be incurred to provide the services under the proposed program with all supporting documentation.	See Petition @ Para 24-30, Exhibit C.
g.	The utility shall provide a detailed revenue requirement analysis that clearly identifies all estimated program costs and revenues for the proposed program on an annual basis, including effects upon rate base and pro forma income calculations.	See Petition @ Para 24-30, Exhibit C.
h.	The utility shall provide, with all supporting documentation: (i) a calculation of its current capital structure as well as its calculation of the capital structure approved by the Board in its most recent electric and/or gas base rate cases, and (ii) a statement as to its allowed overall rate of return approved by the board in its most recent electric and/or gas base rate case.	See Petition @ Para 24-30, Exhibit C.
i.	A utility seeking incentives or rate mechanism that decouples utility revenues from sales, shall provide all supporting justification, and rationale for incentives, along with supporting documentation, assumptions and calculations.	See Petition @ Para 24-30, Exhibit C.

Minimum Filing Requirements For Petitions Under N.J.S.A. 48:3-98.1		
Number	Requirements	Index
V.	Cost/Benefit Analysis	
a.	The utility shall provide a detailed analysis with supporting documentation of the net benefits associated with the proposed program, including, if appropriate, a comprehensive and detailed avoided costs savings study with supporting documentation. The value of the avoided environmental impacts and the environmental benefits and the value of any avoided or deferred energy infrastructure should be stated separately.	See Petition, Request for Waiver
b.	The utility shall calculate a cost/benefit analysis utilizing the Total Resource Cost ("TRC") test that assesses all program costs and benefits from a societal perspective. The utility may also provide any cost benefit analysis that it believes appropriate with supporting rationales and documentation.	See Petition, Request for Waiver
c.	The utility shall quantify all direct and indirect benefits as well as provide projected costs resulting from a proposed program that is subject to a cost/benefit test.	See Petition, Request for Waiver
d.	Renewable energy programs shall not be subject to a cost/benefit test but the utility must quantify all direct and indirect benefits resulting from a such a proposed program as well as provide the projected costs. The utility must also demonstrate how such a proposed program will support energy and environmental statewide planning objectives, such as attainment of the Renewable Portfolio Standard and any emission requirements.	See Petition, Request for Waiver
e.	The utility must demonstrate for the proposed program that it results in a positive benefit/cost ratio, or, if the utility cannot make such a demonstration, it must provide the rationale for why the proposed program should be approved.	See Petition, Request for Waiver
f.	The level of energy and capacity savings utilized in these calculations shall be based upon the most recent protocols approved by the Board of Public Utilities to measure energy savings for the New Jersey Clean Energy Program. In the event no such protocols exist, or to the extent that a protocol does not exist for a filed program, the utility must submit a measurement protocol for the program or contemplated measure for approval by the Board.	See Petition, Request for Waiver
g.	The utility shall also quantify and deduct from the energy and capacity savings under any free rider effects and the business as usual benefits from homeowners and businesses installing Energy Efficiency or Renewable Energy without the N.J.S.A. 48:33-98.1 benefits or incentives.	See Petition, Request for Waiver

Attachment – 1

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2007	Year/Period of Reporting End of 2006/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	line no.
1	UTILITY PLANT				53
2	Utility Plant (101-106, 114)	200-201	216,717,958	206,414,3354	
3	Construction Work in Progress (107)	200-201	4,066,444	2,374,0465	
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		220,784,403	208,788,3858	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	60,769,399	61,981,6357	
6	Net Utility Plant (Enter Total of line 4 less 5)		160,015,004	146,806,7558	
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0	159
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0	160
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0	161
10	Spent Nuclear Fuel (120.4)		0	0	162
11	Nuclear Fuel Under Capital Leases (120.6)		0	0	163
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0	164
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0	165
14	Net Utility Plant (Enter Total of lines 6 and 13)		160,015,004	146,806,7566	
15	Utility Plant Adjustments (116)	122	0	0	167
16	Gas Stored Underground - Noncurrent (117)		0	0	168
17	OTHER PROPERTY AND INVESTMENTS				169
18	Nonutility Property (121)		0	0	170
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0	171
20	Investments in Associated Companies (123)		0	0	172
21	Investment in Subsidiary Companies (123.1)	224-225	231,500	231,500	73
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)		0	0	74
23	Noncurrent Portion of Allowances	228-229	0	0	75
24	Other Investments (124)		0	0	76
25	Sinking Funds (125)		0	0	77
26	Depreciation Fund (126)		0	0	78
27	Amortization Fund - Federal (127)		0	0	79
28	Other Special Funds (128)		0	0	80
29	Special Funds (Non Major Only) (129)		0	0	81
30	Long-Term Portion of Derivative Assets (175)		0	0	82
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0	83
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		231,500	231,500	84
33	CURRENT AND ACCRUED ASSETS				85
34	Cash and Working Funds (Non-major Only) (130)		0	0	
35	Cash (131)		542,200	415,100	
36	Special Deposits (132-134)		6,000	6,000	
37	Working Fund (135)		14,533	10,480	
38	Temporary Cash Investments (136)		14,811,345	3,397,290	
39	Notes Receivable (141)		0	0	
40	Customer Accounts Receivable (142)		10,422,731	12,266,312	
41	Other Accounts Receivable (143)		1,551,459	1,423,790	
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		275,676	273,500	
43	Notes Receivable from Associated Companies (145)		0	0	
44	Accounts Receivable from Assoc. Companies (146)		20,241,952	20,342,990	
45	Fuel Stock (151)	227	0	0	
46	Fuel Stock Expenses Undistributed (152)	227	0	0	
47	Residuals (Elec) and Extracted Products (153)	227	0	0	
48	Plant Materials and Operating Supplies (154)	227	1,349,495	1,287,590	
49	Merchandise (155)	227	0	0	
50	Other Materials and Supplies (156)	227	0	0	
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0	
52	Allowances (158.1 and 158.2)	228-229	0	0	

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Year	Line	Title of Account	Ref.	Current Year	Prior Year
End	No.	(a)	Page No.	End of Quarter/Year	End Balance
12/31			(b)	Balance	12/31
				(c)	(d)
	53	(Less) Noncurrent Portion of Allowances		0	0
1,414,335	54	Stores Expense Undistributed (163)	227	0	0
2,374,045	55	Gas Stored Underground - Current (164.1)		0	0
1,788,385	56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
1,981,635	57	Prepayments (165)		153,440	1,334,418
1,806,755	58	Advances for Gas (166-167)		0	0
	59	Interest and Dividends Receivable (171)		0	0
	60	Rents Receivable (172)		0	0
	61	Accrued Utility Revenues (173)		7,835,789	5,578,641
	62	Miscellaneous Current and Accrued Assets (174)		0	0
	63	Derivative Instrument Assets (175)		0	0
	64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
	65	Derivative Instrument Assets - Hedges (176)		1,265,669	12,074,821
1,806,756	66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
	67	Total Current and Accrued Assets (Lines 34 through 66)		57,918,937	57,863,951
	68	DEFERRED DEBITS			
	69	Unamortized Debt Expenses (181)		4,663	45,337
	70	Extraordinary Property Losses (182.1)	230	0	0
	71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
	72	Other Regulatory Assets (182.3)	232	53,507,351	54,753,213
231,507	73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
	74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		0	0
	75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
	76	Clearing Accounts (184)		-1,956	0
	77	Temporary Facilities (185)		0	0
	78	Miscellaneous Deferred Debits (186)	233	548,292	878,406
	79	Def. Losses from Disposition of Utility Plt. (187)		0	0
	80	Research, Devel. and Demonstration Expend. (188)	352-353	50,173	60,042
	81	Unamortized Loss on Reacquired Debt (189)		13,375	173,869
	82	Accumulated Deferred Income Taxes (190)	234	7,907,014	7,723,921
	83	Unrecovered Purchased Gas Costs (191)		0	0
231,501	84	Total Deferred Debits (lines 69 through 83)		62,028,912	63,634,788
	85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		280,194,353	268,536,990
415,101					
6,001					
10,483					
397,295					
266,311					
423,794					
273,500					
342,994					
287,596					
0					
0					
0					
0					

Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 04/25/2007	Year/Period of Report end of 2006/Q4	Name Rockland
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	Line No.
1	PROPRIETARY CAPITAL				46
2	Common Stock Issued (201)	250-251	11,200,000	11,200,000	47
3	Preferred Stock Issued (204)	250-251	0	0	48
4	Capital Stock Subscribed (202, 205)	252	0	0	49
5	Stock Liability for Conversion (203, 206)	252	0	0	50
6	Premium on Capital Stock (207)	252	0	0	51
7	Other Paid-in Capital (208-211)	253	0	0	52
8	Installments Received on Capital Stock (212)	252	0	0	53
9	(Less) Discount on Capital Stock (213)	254	0	0	54
10	(Less) Capital Stock Expense (214)	254	0	0	55
11	Retained Earnings (215, 215.1, 216)	118-119	143,724,255	132,748,673	56
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-21,162,358	-21,162,358	57
13	(Less) Required Capital Stock (217)	250-251	0	0	58
14	Noncorporate Proprietorship (Non-major only) (218)		0	0	59
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0	60
16	Total Proprietary Capital (lines 2 through 15)		133,761,897	122,786,315	61
17	LONG-TERM DEBT				62
18	Bonds (221)	256-257	20,000,000	20,000,000	63
19	(Less) Required Bonds (222)	256-257	0	0	64
20	Advances from Associated Companies (223)	256-257	0	0	65
21	Other Long-Term Debt (224)	256-257	0	0	66
22	Unamortized Premium on Long-Term Debt (225)		0	0	
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		291	3,791	
24	Total Long-Term Debt (lines 18 through 23)		19,999,709	19,996,209	
25	OTHER NONCURRENT LIABILITIES				
26	Obligations Under Capital Leases - Noncurrent (227)		0	0	
27	Accumulated Provision for Property Insurance (228.1)		0	0	
28	Accumulated Provision for Injuries and Damages (228.2)		-216,185	155,000	
29	Accumulated Provision for Pensions and Benefits (228.3)		9,455,432	10,118,718	
30	Accumulated Miscellaneous Operating Provisions (228.4)		353,485	0	
31	Accumulated Provision for Rate Refunds (229)		0	0	
32	Long-Term Portion of Derivative Instrument Liabilities		0	0	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)		0	0	
35	Total Other Noncurrent Liabilities (lines 26 through 34)		9,592,732	10,273,718	
36	CURRENT AND ACCRUED LIABILITIES				
37	Notes Payable (231)		0	0	
38	Accounts Payable (232)		9,361,048	6,361,122	
39	Notes Payable to Associated Companies (233)		0	0	
40	Accounts Payable to Associated Companies (234)		21,091,163	12,009,317	
41	Customer Deposits (235)		2,098,507	2,151,427	
42	Taxes Accrued (236)	262-263	765,767	2,791,781	
43	Interest Accrued (237)		1,292,578	809,734	
44	Dividends Declared (238)		0	0	
45	Matured Long-Term Debt (239)		0	0	

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	226,365,202	216,717,959
3	Construction Work in Progress (107)	200-201	4,197,118	4,066,444
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		230,562,320	220,784,403
5	(Less) Accum. Prov. for Depr. Amort. Depr. (108, 110, 111, 115)	200-201	61,266,852	60,769,399
6	Net Utility Plant (Enter Total of line 4 less 5)		169,295,468	160,015,004
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		169,295,468	160,015,004
14	Net Utility Plant (Enter Total of lines 6 and 13)		0	0
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		0	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	231,500	231,500
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		231,500	231,500
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		1,554,459	542,200
36	Special Deposits (132-134)		0	6,000
37	Working Fund (135)		-41,430	14,333
38	Temporary Cash investments (136)		1,806,396	14,811,345
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		15,340,983	10,422,731
41	Other Accounts Receivable (143)		359,049	1,551,459
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		257,859	275,676
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		950,358	20,241,952
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	1,612,438	1,349,496
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

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Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		41,903	153,440
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		8,916,680	7,835,789
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		3,825,219	1,265,689
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		34,108,396	57,918,937
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		2,285	4,663
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	53,321,906	53,507,351
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-2,068	-1,956
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	2,390,332	548,282
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	40,302	50,173
81	Unamortized Loss on Reacquired Debt (189)		0	13,375
82	Accumulated Deferred Income Taxes (190)	234	9,029,826	7,907,014
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		64,782,593	62,028,912
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		268,417,957	280,194,353

Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2007	Year/Period of Report end of 2007/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	11,200,000	11,200,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	157,207,209	143,724,255
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-21,162,358	-21,162,358
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		147,244,851	133,761,697
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	20,000,000
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	291
24	Total Long-Term Debt (lines 18 through 23)		0	19,999,709
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		95,000	-216,185
29	Accumulated Provision for Pensions and Benefits (228.3)		8,049,369	9,455,432
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	353,485
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		8,144,369	9,592,732
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		10,065,140	9,361,048
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		7,770,598	21,091,183
41	Customer Deposits (235)		2,098,741	2,098,507
42	Taxes Accrued (236)	262-263	1,858,783	765,767
43	Interest Accrued (237)		871,813	1,292,678
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2007	Year/Period of Report end of 2007/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	0
48	Miscellaneous Current and Accrued Liabilities (242)		1,837,879	877,585
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		24,489,954	35,486,748
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		208,084	319,221
57	Accumulated Deferred Investment Tax Credits (255)	268-267	950,886	1,065,519
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	5,606	7,020
60	Other Regulatory Liabilities (254)	278	19,689,444	13,487,338
61	Unamortized Gain on Required Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		29,316,408	27,780,805
64	Accum. Deferred Income Taxes-Other (283)		38,368,375	38,713,364
65	Total Deferred Credits (lines 56 through 64)		89,538,793	81,353,267
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		268,417,957	280,194,353

Attachment – 2

Name of Respondent: Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2007	Year/Period of Report End of 2008/Q4	Name of filer Rockland
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.

2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.

3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.

4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)

6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner including a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.

7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

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Line No	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	Current (g)
1	UTILITY OPERATING INCOME						
2	Operating Revenues (400)	300-301	172,877,640	156,794,711			
3	Operating Expenses						
4	Operation Expenses (401)	320-323	139,614,004	132,238,416			
5	Maintenance Expenses (402)	320-323	4,217,118	4,414,546			
6	Depreciation Expense (403)	336-337	2,351,365	2,368,963			
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337					
8	Amort. & Depl. of Utility Plant (404-406)	336-337	238,700	238,700			
9	Amort. of Utility Plant Acq. Adj. (406)	336-337		102,060			
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)						
11	Amort. of Conversion Expenses (407)						
12	Regulatory Debits (407.3)						
13	(Less) Regulatory Credits (407.4)						
14	Taxes Other Than Income Taxes (408.1)	262-263	7,934,933	8,160,602			
15	Income Taxes - Federal (409.1)	262-263	4,073,759	7,206,721			
16	- Other (409.1)	262-263	1,848,229	1,635,429			
17	Provision for Deferred Income Taxes (410.1)	236, 272-277	3,239,166	2,854,766			
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	236, 272-277	2,833,022	4,369,146			
19	Investment Tax Credit Adj. - Net (411.4)	286	-102,397	-101,644			
20	(Less) Gains from Disp. of Utility Plant (411.6)						
21	Losses from Disp. of Utility Plant (411.7)						
22	(Less) Gains from Disposition of Allowances (411.8)						
23	Losses from Disposition of Allowances (411.9)						
24	Accretion Expense (411.10)						
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		180,582,043	184,754,405			
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 17, line 27		12,294,797	12,040,306			

Report 106/Q4	Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2007	Year/Period of Report End of 2006/Q4
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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.

10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.

11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.

13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Month Ended Yearly Only By Quarter (f)	ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
	Current Year to Date (in dollars)	Previous Year to Date (in dollars)	Current Year to Date (in dollars)	Previous Year to Date (in dollars)	Current Year to Date (in dollars)	Previous Year to Date (in dollars)	
	(g)	(h)	(i)	(j)	(k)	(l)	
							1
	172,877,840	166,794,711					2
							3
	139,614,004	132,236,415					4
	4,217,116	4,414,548					5
	2,351,365	2,365,953					6
							7
	238,700	238,700					8
		102,060					9
							10
							11
							12
							13
	7,934,933	8,160,602					14
	4,073,759	7,206,721					15
	1,849,229	1,635,429					16
	3,239,156	2,854,766					17
	2,833,022	4,359,145					18
	-102,387	-101,644					19
							20
							21
							22
							23
							24
	160,582,843	154,754,405					25
	12,294,797	12,040,306					26

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2007	Year/Period of Report End of 2006/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		12,294,757	12,040,306		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)			500		
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	116				
37	Interest and Dividend Income (419)		1,141,418	556,200		
38	Allowance for Other Funds Used During Construction (418.1)		385,110	39,854		
39	Miscellaneous Nonoperating Income (421)		70,879	-12,636		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,577,415	562,918		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	82,316	93,168		
46	Life Insurance (426.2)		-2,240	-2,176		
47	Penalties (426.3)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)		9,601	21,802		
49	Other Deductions (426.5)		6,744	6,938		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		96,501	119,732		
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	15,925	15,795		
53	Income Taxes-Federal (409.2)	262-263	355,287	130,758		
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	440	270		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-56)		371,032	151,823		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,105,882	291,363		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		1,425,000	1,425,000		
63	Amort. of Debt Disc. and Expense (428)		46,349	45,349		
64	Amortization of Loss on Reacquired Debt (428.1)		160,495	160,495		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340	41,053	96,019		
68	Other Interest Expense (431)	340	804,045	60,474		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		46,874	24,628		
70	Net Interest Charges (Total of lines 62 thru 69)		2,429,058	1,660,671		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		10,975,581	10,770,996		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		10,975,581	10,770,996		

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	208,834,293	172,877,640		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	168,970,257	139,614,004		
5	Maintenance Expenses (402)	320-323	4,580,964	4,217,116		
6	Depreciation Expense (403)	336-337	2,809,283	2,351,365		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	237,661	238,700		
9	Amort. of Utility Plant Acc. Adj. (405)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debts (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	7,934,205	7,934,933		
15	Income Taxes - Federal (409.1)	262-263	6,620,695	4,873,759		
16	- Other (409.1)	262-263	2,642,220	1,849,229		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	3,852,208	3,234,150		
18	(Less) Provision for Deferred Income Taxes - Cr. (411.1)	234, 272-277	4,027,527	2,833,022		
19	Investment Tax Credit Adj. - Net (411.4)	260	-114,639	102,397		
20	(Less) Gains from Disp. of Utility Plant (411.8)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		194,506,334	160,582,843		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 17, line 27		13,488,948	12,294,797		

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Name of Respondent		This Report Is:		Date of Report		Year/Period of Report	
Rockland Electric Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	12/31/2007		End of 2007/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		13,498,949	12,294,797			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job & Contract Work (418)						
33	Revenues From Nonutility Operations (417)						
34	(Less) Expenses of Nonutility Operations (417.1)						
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (418)		469,168	1,141,418			
38	Allowance for Other Funds Used During Construction (418.1)		83,872	365,118			
39	Miscellaneous Nonoperating Income (421)		88,016	70,879			
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		445,022	1,577,415			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)	340					
45	Donations (426.1)	340	78,012	82,316			
46	Life Insurance (426.2)		-2,208	-2,240			
47	Penalties (426.3)						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		-1,210	9,881			
49	Other Deductions (426.5)		9,161	8,744			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		83,675	96,501			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	12,708	15,325			
53	Income Taxes-Federal (409.2)	262-263	26,987	355,287			
54	Income Taxes-Other (409.2)	262-263					
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	32,190	440			
56	(Less) Provision for Deferred Income Taxes-Ct. (411.2)	234, 272-277					
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		71,886	371,032			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		289,462	1,109,882			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		118,750	1,425,000			
63	Amort. of Debt Disc. and Expense (428)		3,779	45,349			
64	Amortization of Loss on Required Debt (428.1)		13,375	100,495			
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)	340		41,063			
68	Other Interest Expense (431)	340	236,790	804,045			
69	(Less) Allowance for Borrowed Funds Used During Construction-Ct. (432)		67,237	46,874			
70	Net Interest Charges (Total of lines 62 thru 69)		305,457	2,479,098			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		13,482,954	10,975,581			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		13,482,954	10,975,581			

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Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 09/30/2008	Year/Period of Report End of 2008/Q3
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	180,820,551	158,628,240	79,715,241	68,201,418
3	Operating Expenses					
4	Operation Expenses (401)	320-323	152,766,082	128,167,831	65,723,096	53,608,527
5	Maintenance Expenses (402)	320-323	4,720,918	3,029,865	1,991,379	961,977
6	Depreciation Expense (403)	336-337	2,331,755	2,151,647	801,485	777,472
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	178,689	178,764	58,897	59,415
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	6,071,433	6,164,692	2,224,563	2,268,137
15	Income Taxes - Federal (409.1)	262-263	4,089,894	5,430,895	1,204,659	1,118,495
16	- Other (409.1)	262-263	1,631,886	2,172,251	544,224	607,594
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	2,573,072	2,794,479	839,244	3,458,513
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	2,163,788	2,605,121	-528,608	846,039
19	Investment Tax Credit Adj. - Net (411.4)	266	-53,506	-85,975	3,811	-34,776
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		172,144,435	147,398,218	74,920,966	61,979,315
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		8,676,116	11,230,022	4,795,275	8,222,103

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 09/30/2008	Year/Period of Report End of 2008/Q3
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STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		8,676,116	11,230,022	4,795,275	6,222,103
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		205,234	473,709	70,540	223,189
38	Allowance for Other Funds Used During Construction (419.1)		83,298	69,648	15,716	6,887
39	Miscellaneous Nonoperating Income (421)			-129,903		-11,010
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		288,532	413,454	86,356	221,066
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	76,807	62,808	11,592	9,498
46	Life Insurance (426.2)					
47	Penalties (426.3)			-1,635		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		8,700	6,114	5,560	2,851
49	Other Deductions (426.5)					
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		85,507	67,267	17,152	12,149
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	11,714	10,337	7,195	2,841
53	Income Taxes-Federal (409.2)	262-263	37,309	111,777	15,709	57,677
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		49,023	122,114	22,904	90,518
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		154,002	224,053	46,300	118,399
61	Interest Charges					
62	Interest on Long-Term Debt (427)			118,750		
63	Amort. of Debt Disc. and Expense (428)		1,506	3,779	1,508	
64	Amortization of Loss on Reacquired Debt (428.1)			13,375		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340				
68	Other Interest Expense (431)	340	70,198	197,458	36,815	31,506
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		48,303	33,260	9,114	6,343
70	Net Interest Charges (Total of lines 62 thru 69)		23,403	300,082	29,209	26,163
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		8,806,715	11,153,993	4,812,366	6,316,339
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		8,806,715	11,153,993	4,812,366	6,316,339

Attachment – 3

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 09/30/2008	Year/Period of Report End of 2008/Q3
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)Continued

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		13,710,762	41,903
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		7,773,282	8,916,680
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		5,602,949	3,825,219
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		66,099,146	34,108,396
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		4,665	2,265
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	51,504,649	53,321,906
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-2,066	-2,068
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	85,787	2,390,332
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	32,900	40,302
81	Unamortized Loss on Required Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	9,871,256	9,029,826
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		61,497,171	64,782,593
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		305,443,849	268,417,957

Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 09/30/2008	Year/Period of Report end of 2008/Q3
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	11,200,000	11,200,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	166,013,924	157,207,209
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-21,162,358	-21,162,358
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		156,051,566	147,244,851
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		0	0
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		-313,365	95,000
29	Accumulated Provision for Pensions and Benefits (228.3)		7,479,955	8,049,369
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		7,166,590	8,144,369
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		15,658,513	10,065,140
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		20,754,135	7,770,598
41	Customer Deposits (235)		2,111,140	2,085,741
42	Taxes Accrued (236)	262-263	8,266,783	1,858,783
43	Interest Accrued (237)		909,470	871,813
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 09/30/2008	Year/Period of Report end of 2008/Q3
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	0
48	Miscellaneous Current and Accrued Liabilities (242)		945,056	1,837,879
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		2,159,704	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		50,804,801	24,489,954
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		256,741	298,064
57	Accumulated Deferred Investment Tax Credits (255)	266-267	897,380	950,886
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	289	5,006	5,606
60	Other Regulatory Liabilities (254)	278	21,115,269	19,689,444
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort. (281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		30,381,021	29,316,408
64	Accum. Deferred Income Taxes-Other (283)		38,765,475	38,368,375
65	Total Deferred Credits (lines 56 through 64)		91,420,892	86,538,783
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		305,443,849	268,417,957

Attachment – 4

Name of Respondent Rockland Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/25/2007	Year/Period of Report End of 2006/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p>					
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)		
1	Sales of Electricity	90,408,508	88,098,498		
2	(440) Residential Sales				
3	(442) Commercial and Industrial Sales				
4	Small (or Comm.) (See Instr. 4)	83,557,231	79,432,547		
5	Large (or Ind.) (See Instr. 4)	4,394,093	4,505,468		
6	(444) Public Street and Highway Lighting	915,715	855,271		
7	(445) Other Sales to Public Authorities				
8	(446) Sales to Railroads and Railways				
9	(448) Interdepartmental Sales	179,275,547	172,891,784		
10	TOTAL Sales to Ultimate Consumers				
11	(447) Sales for Resale	179,275,547	172,891,784		
12	TOTAL Sales of Electricity	787,128			
13	(Less) (449.1) Provision for Rate Refunds	178,488,419	172,891,784		
14	TOTAL Revenues Net of Prov. for Refunds				
15	Other Operating Revenues				
16	(450) Forfeited Discounts	-19,449	20,612		
17	(451) Miscellaneous Service Revenues				
18	(453) Sales of Water and Water Power	145,829	119,744		
19	(454) Rent from Electric Property				
20	(455) Interdepartmental Rents	-5,737,159	-6,237,429		
21	(456) Other Electric Revenues				
22	(456.1) Revenues from Transmission of Electricity of Others				
23	(457.1) Regional Control Service Revenues				
24	(457.2) Miscellaneous Revenues				
25		-6,610,779	-6,097,079		
26	TOTAL Other Operating Revenues	172,877,640	155,794,711		
27	TOTAL Electric Operating Revenues				

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Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/25/2007	Year/Period of Report End of 2006/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

2. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
 3. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
 4. For Lines 2, 4, 5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
 5. Include unmetered sales. Provide details of such Sales in a footnote.

Year to Date Quarterly/Annual (d)	MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)		
					1
18,496	755,276	802,531	62,609	62,454	2
					3
2,547	837,362	862,297	8,971	8,933	4
5,468	65,172	66,759	119	119	5
5,271	6,791	6,820	27	27	6
					7
					8
					9
1,784	1,664,601	1,738,407	71,726	71,533	10
					11
1,784	1,664,601	1,738,407	71,726	71,533	12
					13
1,784	1,664,601	1,738,407	71,726	71,533	14

Line 12, column (b) includes \$ 2,257,146 of unbilled revenues.
 Line 12, column (d) includes 11,218 MWH relating to unbilled revenues.

Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	109,386,156	90,408,508
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	99,925,150	83,557,231
5	Large (or Ind.) (See Instr. 4)	4,663,775	4,394,093
6	(444) Public Street and Highway Lighting	1,870,317	915,715
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	215,845,398	179,275,547
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	215,845,398	179,275,547
13	(Less) (449.1) Provision for Rate Refunds		787,128
14	TOTAL Revenues Net of Prov. for Refunds	215,845,398	178,488,419
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues	12,520	-19,449
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	173,148	145,829
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	-8,026,784	-5,737,159
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	-7,841,116	-5,610,779
27	TOTAL Electric Operating Revenues	208,004,282	172,877,640

Name of Respondent Rockland Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2007	Year/Period of Report End of 2007/Q4
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ELECTRIC OPERATING REVENUES (Account 460)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2, 4, 5 and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
778,754	755,276	63,084	62,609	2
				3
862,158	837,362	8,341	8,971	4
50,859	65,172	27	27	5
12,181	6,791	622	119	6
				7
				8
				9
1,703,952	1,664,601	72,274	71,726	10
				11
1,703,952	1,664,601	72,274	71,726	12
				13
1,703,952	1,664,601	72,274	71,726	14

Line 12, column (b) includes \$ 0 of unbilled revenues.
Line 12, column (d) includes 0 MWH relating to unbilled revenues

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Name of Respondent Rockland Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 09/30/2008	Year/Period of Report End of 2008/Q3
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	238,078,337	226,365,202
3	Construction Work in Progress (107)	200-201	948,778	4,197,118
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		239,027,115	230,562,320
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	61,411,083	61,266,852
6	Net Utility Plant (Enter Total of line 4 less 5)		177,616,032	169,295,468
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		177,616,032	169,295,468
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		0	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	231,500	231,500
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		231,500	231,500
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		494,573	1,554,459
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		10,483	-41,430
38	Temporary Cash Investments (136)		13,137,735	1,806,396
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		22,194,815	16,340,983
41	Other Accounts Receivable (143)		525,337	359,049
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		377,414	257,659
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		935,669	950,358
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	2,090,955	1,812,438
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Attachment – 5

Response to RGGI Section III (a):

RECO has filed a petition to replace its participation in the NJ CEP Comfort Partners Program with its own low income direct installation program. The USF Direct Install Program proposed in this petition will allow RECO to more adequately address the needs of the low income market segment. RECO has proposed to target known customers in this market segment and complete 100 sites in the first year of operation. This is a significantly greater number than have been addressed through Comfort Partners.

RECO's residential program will overlap three of the NJ CEP initiatives with the potential to increase participation in each. The Direct Installation component of that program will increase the number of customers receiving energy audits and, in turn, increase the number of energy efficient measures being installed in the service territory. The program as proposed may also drive participating customers to the NJ CEP Home Performance Program for support with measures above and beyond those provided under the RECO program. As such, the program has the potential to drive additional measures' installations through the NJ CEP Home Performance Program.

RECO's energy efficient HVAC equipment and appliance incentive component of the residential program provides additional rebate dollars to customers considering the purchase and installation of qualifying equipment. The additional dollars will provide a greater portion of the incremental costs between standard equipment and the high efficiency option thereby increasing the likelihood that the customer will opt for the higher efficiency model and will create greater interest on behalf of trade allies in the RECO service territory. This combination of benefits is designed to increase the frequency with which customers select higher efficiency options, in turn, providing increased participation in the related NJ CEP HVAC and Energy Efficient Products Programs.

Attachment – 6

Response to RGGI Section III (d):

RECO has proposed four programs. The Market Potential Study will provide information to existing programs as well as to the design of new programs, helping them better meet the EMP goals. The On Line Profile has a NJ CEP counter part, the Home Analyzer, which is not supported by NJ CEP for RECO customers. RECO has proposed this initiative to assist customers to identify and take action on meaningful energy efficiency projects. As such this initiative is very similar to the NJ CEP Home Analyzer except that the RECO Program will tie directly to the customer's own utility history giving them a more precise analysis and can be tied to RECO's energy efficiency programs to serve as a marketing tool to encourage participation. The Residential program, with a direct installation component, a energy efficient HVAC and appliance incentive component and an energy efficiency kit component, will also drive customers to various RECO, Gas Utility and NJ Clean Energy Programs as appropriate to the measures that the customer is considering. The direct installation component is similar to the NJ CEP Home Performance program, however, will be targeted to customers who may see the initial audit cost of the Home Performance Program as a barrier. The energy efficient HVAC and appliance initiatives proposed by RECO are very similar to their counter parts in the NJ Clean Energy HVAC and Energy Efficient Products Programs. The additional dollars available through RECO's initiative will provide an additional incentive which will help to overcome the incremental cost differences which many customers see as a barrier to purchasing and installing the high efficiency alternative to standard HVAC and appliances.

GENERAL INFORMATION

No. 30 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the revenue requirement, including current costs and any refund or recovery of prior period over- or under-collection balances, related to the Company's Energy Efficiency Stimulus Program ("EESP"). The RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference will be included in the following year's RGGI Surcharge.

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0430 cents per kWh including sales and use tax ("SUT").

The difference between the actual monthly revenue requirement associated with the EESP and RGGI Surcharge recoveries will be deferred, with interest, for future recovery. Interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, will be included in the deferred balance for both an over-collection and for an under-collection.

On January 1 of each year, the Company shall file with the Board the RGGI Surcharge to be effective for the twelve-month period commencing the following April 1. The RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EESP revenue requirement over the twelve-month period commencing the following April 1.

ISSUED:

EFFECTIVE:

ISSUED BY: William Longhi, President
Saddle River, New Jersey 07458

NOTICE TO ROCKLAND ELECTRIC COMPANY CUSTOMERS

Notice of a Filing And Notice of Public Hearings For Proposed Energy Efficiency Stimulus Program And an Associated Cost Recovery Mechanism

TAKE NOTICE that, on February 20, 2009, Rockland Electric Company (“RECO” or “the Company”) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (“Board”, “BPU”) in Docket Number _____ seeking Board approval to implement and administer a RECO Energy Efficiency Stimulus Program (“EESP”) and to implement an associated cost recovery mechanism.

RECO has filed its EESP in response to Governor Corzine’s request for New Jersey’s electric and gas utilities to assist in promoting broad economic recovery in the State by increasing investments in energy efficiency.

Under the EESP, RECO is proposing to implement a small scale program that will result in the investment of approximately \$ 3.1 million over a three-year period. The Company proposes through this regulated service to initiate energy efficiency proposals that will benefit all customers.

RECO is requesting, for purposes of this small scale pilot program, that the Board grant approval of recovery of all program costs. Cost recovery would be via a separate rate mechanism called the Regional Greenhouse Gas Initiative (“RGGI”) Surcharge to be filed each year. Further, pursuant to the RGGI legislation, the Company is requesting that the carrying charge on its deferred balances for the Program be set at 8.18%. This rate of return is based upon RECO’s overall weighted average cost of capital (“WACC”) authorized by the Board in the Company’s most recent base rate case, together with tax effects, except that RECO will use a return on equity of 10.5 % in the WACC calculation. RECO’s after-tax overall WACC authorized by the Board in RECO’s most recent base rate case was 7.83% based upon a return on equity of 9.75%. The additional 75 basis points return on equity is appropriate for RECO’s undertaking of significant investment, in response to an urgent request of the State to provide economic stimulus, at a time of increased business risks associated with the volatility in financial markets. In addition, the proposed after-tax rate of return of 8.18% and cost of equity of 10.5% will remain fixed during the life of this program.

The proposed charges for customers are as follows:

	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
RGGI Surcharge- per kWh	0.0000¢	0.0000¢	0.0401¢	0.0430¢

The effect of the proposed RGGI Surcharge on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service				
Typical Average Monthly Bill (Includes Sales and Use Tax)				
	Bill Amount		Increase	
	Present (1)	Proposed (2)	Amount	Percent
650 kWh average monthly use	\$122.30	\$122.58	\$0.28	0.23
925 kWh average monthly use	172.94	173.34	0.40	0.23
1,500 kWh average monthly use	278.64	279.28	0.64	0.23

- (1) Based upon Basic Generation Service Fixed Pricing (BGS-FP) and Delivery Rates in effect January 1, 2009 and assumes that the customer receives BGS-FP service from RECO.
- (2) Same as (1) except includes RGGI Surcharge.

Any final rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of this filing may be modified and/or allocated by the Board in accordance with the provisions of *N.J.S.A. 48:2-21* and for other good and legally sufficient reasons. Therefore, the above described charges may increase or decrease based upon the Board's decision.

Copies of the Company's February 20, 2009 filing are available for review at the Company's headquarters at 82 East Allendale Road, Saddle River, New Jersey 07458 and at the Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

The following date, times and location for public hearings have been scheduled on the above filing so that members of the public may present their views.

Date
Time
Location
Room
Street
City, New Jersey, Zip Code

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the Board of Public Utilities at Two Gateway Center,

Newark, New Jersey 07102 ATTN: Kristi Izzo whether or not they attend the public hearings.

ROCKLAND ELECTRIC COMPANY