



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

ENERGY

IN THE MATTER OF ROCKLAND ELECTRIC)
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE) ORDER ADOPTING
FILING) STIPULATION
)
) DOCKET NO. ER12030293

Parties of Record:

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

BY THE BOARD:

In accordance with the July 22, 2002 Order of the New Jersey Board of Public Utilities ("Board") in Docket Nos. EO97070464, EO97070465 and EO97070466, on March 30, 2012, Rockland Electric Company ("RECO" or "Company") filed its annual reconciliation of over-recovered or under-recovered balances collected through its Societal Benefits Charge ("SBC") for approval by the Board, and for authorization to collect from customers sufficient funds to provide for current program cost recovery. The reconciliation and the current program costs relate to the Company's Demand-Side Management programs ("DSM") and the Company's share of the costs of the Clean Energy program ("CEP"). The matter was assigned Docket No. ER12030293 ("2012 SBC Filing").

BACKGROUND/PROCEDURAL HISTORY

The Company is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. ("O&R"), a New York utility. O&R is a subsidiary of Consolidated Edison, Inc. ("CEI"). RECO provides electric distribution service to approximately 70,000 customers in portions of Bergen, Passaic and Sussex Counties.

Pursuant to N.J.S.A. 48:3-60, the SBC was established to recover the costs incurred by the electric and gas public utilities for expenditures related to social programs including Board-approved energy efficiency and renewable energy programs, and the funding of two statewide low-income energy bill payment assistance programs, the Universal Service Fund ("USF") and

Lifeline programs. The SBC also includes a component to refund or recover over- or under-collections based on the prior year's SBC recoveries against program costs.

In the 2012 SBC Filing, RECO filed a proposed tariff leaf and supporting calculations proposing an increase in the rate components of the SBC relating to the DSM/CEP. RECO proposed an SBC rate of 0.7164 cents per kWh, including Sale and Use Tax (SUT), which reflected an increase over the previously existing rate of 0.6727 cents per kWh, for all classes of customers to be effective August 1, 2012. The proposed rate reflected (1) a 0.3920 cents per kWh rate component including SUT, reflecting \$5,964,379 in projected DSM Programs and CEP spending for the twelve-month period ending July 31, 2013 and an under-collection of \$132,493 for the period August 1, 2011 through July 31, 2012; (2) a 0.2567 cent per kWh rate component, including SUT, relating to USF, and (3) a .0677 cents per kWh rate component, including SUT, relating to Lifeline. The 2012 SBC filing did not propose any changes to the USF and Lifeline rate components of the SBC, as these components are separately reviewed and set in a statewide proceeding.

The Company subsequently recalculated the SBC based on actual data for the period August 1, 2011 through July 31, 2012. The result was a proposed SBC rate of 0.7158 cents per kWh including SUT, to be effective as of January 1, 2012. This rate included an under-collection of \$123,333 for the period August 1, 2011 through July 31, 2012, in addition to the projected DSM/CEP spending for the twelve-month period ending July 31, 2013. The Company's recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

The Staff of the Board ("Staff") and the Division of Rate Counsel ("Rate Counsel") propounded numerous discovery requests, which were responded to by the Company. On July 1, 2013, after notice in newspaper in general circulation in the Company's service territory, two public hearings were held in Mahwah, New Jersey. No members of the public attended the hearings or submitted comments on the 2012 SBC Filing.

Representatives of the Company, Staff and the Rate Counsel (collectively "the Parties"), have engaged in substantive discussions in an attempt to resolve all the outstanding issues and to finalize the Company's SBC charge. As a result of those discussions, on July 9, 2013, the Parties entered into the attached Stipulation resolving all issues in this proceeding.

STIPULATION

Under the terms of the Stipulation, the Parties have agreed to the following salient terms:

1. The Company shall be allowed to implement an SBC of 0.6980 cents per kWh, including SUT ("Revised SBC"). As set forth on Page 1 of 4 of Exhibit A attached to the Stipulation, this rate includes: a 0.3914 cents per kWh rate component, including SUT, relating to the Company's under collection of \$123,333, including interest, for prior period DSM/CEP costs for the period August 1, 2011 through July 31, 2012 ("2011-2012 Recovery Period"), and projected DSM/CEP costs of \$5,964,379 for the period August 1, 2012 through July 31, 2013. The Revised SBC also includes the 0.2428 cents per kWh

and 0.0638 cents per kWh components, including SUT, relating to the Company's USF and Lifeline programs, respectively.¹

2. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, but not to exceed the Company's overall rate of return, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455.
3. The revised tariff leaf relating to the Revised SBC shall become effective on the first day of the month following the Board's service of written authorization approving this Stipulation or as soon thereafter as possible.
4. Upon approval of this Stipulation and receipt of written authorization from the Board, RECO shall file the revised tariff leaf relating to the Revised SBC, in the form set forth in Exhibit B attached to the Stipulation, approved by the Signatory Parties in this Stipulation, as soon as possible.

DISCUSSION AND FINDINGS

The Board has carefully reviewed the record in this matter. Accordingly, the Board is satisfied and **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues and is in public interest. The Board **FURTHER FINDS** that: (1) the Parties have voluntarily agreed to the Stipulation; and (2) the Stipulation fully disposes of all issues in controversy and is consistent with the law. Therefore, the Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein. The Board **HEREBY DIRECTS** the Parties to comply with the terms and conditions incorporated within the Stipulation.

The Board recognizes that the Stipulation is responsive to and balances the respective needs of both the utility and its customers. The Board also recognizes that the impact of the SBC rate change on the average monthly bill of a typical residential customer using 925 kWh translates to less than a 1% increase on a monthly basis or approximately a \$.40 increase.

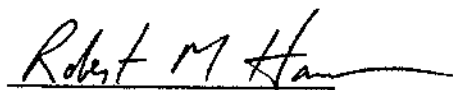
The Board **HEREBY FURTHER DIRECTS** the Company to file revised tariff sheet reflecting the terms and provisions of this Order within ten (10) days of the service of this Order.

¹ These USF and Lifeline rates were approved by the Board in its September 13, 2012 Order in Docket No. ER12060565 effective as of October 1, 2012, and were not the subject of this proceeding. The September 27, 2012 update did not include the USF and Lifeline rates that became effective on October 1, 2012. However, the Revised SBC rate of .6980 cents per kWh includes the USF and Lifeline rates effective on October 1, 2012, as well as the September 27, 2012 updated DSM/CEP rate component.

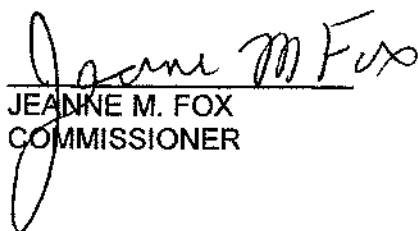
The rate authorized herein, which remains subject to Board audit, shall be implemented for service rendered on and after September 1, 2013.

DATED: 8/21/13

BOARD OF PUBLIC UTILITIES
BY:



ROBERT M. HANNA
PRESIDENT




JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



MARYANNA HOLDEN
COMMISSIONER



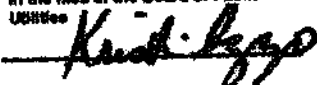
DIANNE SOLOMON
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL
SOCIETAL BENEFITS CHARGE FILING
Docket Nos. ER12030293

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

I/M/O Rockland Electric Company Annual Societal
Benefits Charge Filing: 2012

: BPU Docket No.
: ER12030293
:
:

STIPULATION OF SETTLEMENT

APPEARANCES:

Margaret Comes, Esq., Senior Attorney, for Petitioner Rockland Electric Company

Diane Schulze, Assistant Deputy Rate Counsel, for the Division of Rate Counsel
(Stefanie A. Brand, Esq., Director)

Carolyn McIntosh and Alex Moreau, Deputy Attorneys General, for the Staff of the New
Jersey Board of Public Utilities (John J. Hoffman, Acting Attorney General of New
Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT ("Stipulation") is made as of July 9,
2013 by and among Rockland Electric Company ("RECO" or the "Company"), Staff of
the New Jersey Board of Public Utilities ("Staff"), and the New Jersey Division of Rate
Counsel ("Rate Counsel") (collectively referred to herein as the "Signatory Parties").

In accordance with the Board of Public Utilities (the "Board") Final Decision and
Order dated July 22, 2002, in the Board's Docket Nos. EO97070464 et al., Leaf No. 57 of

the Company's Schedule for Electric Service B.P.U. No. 3 – Electricity ("Electric Tariff") requires the Company to submit to the Board an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge ("SBC") and to provide for current program cost recovery. Accordingly, as described below, the Company filed revisions to the Demand Side Management ("DSM") and Clean Energy Program ("CEP") components of the SBC rate on March 30, 2012 ("2012 SBC Filing").

In its 2012 SBC Filing, RECO proposed an SBC rate of 0.7164 ¢/kWh, including SUT, which reflected an increase over the previously existing rate of 0.6727 ¢/kWh. The proposed rate reflected: (1) a 0.3920 ¢/kWh rate component, including SUT, reflecting \$5,964,379 in projected DSM Programs and Clean Energy Program spending for the twelve-month period ending July 31, 2013 and an under-collection of \$132,493 for the period August 1, 2011 through July 31, 2012; (2) a 0.2567 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and (3) a 0.0677 ¢/kWh rate component, including SUT, relating to Lifeline. The RECO 2012 SBC Filing did not propose any changes to the Universal Service Fund ("USF") and Lifeline rate components of the SBC.¹

The Company subsequently recalculated the SBC based on actual data for the period August 1, 2011 through July 31, 2012 submitted by RECO in response to RCR-SBC-14 on September 26, 2012. The result was a proposed SBC rate of 0.7158 cent per kWh, including SUT, from the rate of 0.6727 cent per kWh, including SUT, that became effective January 1, 2012. The rate included an under-collection of \$123,333 for the

¹ These rates were not subject to review in this SBC proceeding.

period August 1, 2011 through July 31, 2012, in addition to the projected DSM/CEP spending for the twelve-month period ending July 31, 2013. The Company's recalculation did not propose any changes to the USF and Lifeline rate components of the SBC.

Since RECO's submission of the RECO 2012 SBC Filing, Rate Counsel and Staff have propounded, and the Company has responded to detailed discovery requests. The Signatory Parties also have engaged in discussions in an attempt to resolve all outstanding issues. On July 1, 2013 two public hearings were held in Mahwah, New Jersey. No members of the public attended the hearings or submitted comments opposing the SBC adjustment.

Given the completeness of the record and the intention of the Signatory Parties to reasonably, fully and finally resolve all open issues relating to the RECO 2012 SBC Filing, and in consideration of the recitals and mutual promises and covenants set forth herein, the Signatory Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. SBC Rate. The Company shall be allowed to implement an SBC of 0.6980 cent per kWh ("Revised SBC"), including SUT. As set forth on Page 1 of 4 of Exhibit A attached hereto, this rate includes: a 0.3914 cent per kWh rate component, including SUT, relating to the Company's under-collection of \$123,333, including interest, for prior period DSM and CEP costs for the period August 1, 2011 through July 31, 2012 ("2011-2012 Recovery Period") and projected DSM and CEP costs of \$5,964,379 for the period August 1, 2012 through July 31, 2013. The Revised SBC also includes the 0.2428

cent per kWh and 0.0638 cent per kWh rate components, including SUT, relating to the Company's USF and Lifeline programs, respectively.² All SBC component rates are subject to audit by the Board.

2. SBC Interest Rate. Interest shall continue to be calculated at a rate based on U.S. Treasury securities at two-year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus sixty basis points, but not to exceed Rockland Electric's overall rate of return, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455.

3. Effective Date. The revised tariff leaf relating to the Revised SBC shall become effective on the first day of the month following the Board's service of written authorization approving this Stipulation or as soon thereafter as possible ("Effective Date").

4. Tariff. Upon Board approval of this Stipulation and receipt of written authorization from the Board, RECO shall file the revised tariff leaf relating to the Revised SBC, in the form set forth in Exhibit B hereto, approved by Signatory Parties in this Stipulation, as soon as possible.

5. Voluntariness. The Signatory Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein

² These USF and Lifeline Rates were approved by the Board in its September 13, 2012 Order in Docket No. ER12060565 effective October 1, 2012, and were not the subject of this proceeding. It should be noted that the September 27, 2012 update did not include the USF and Lifeline rates that became effective on October 1, 2012. However, the SBC rate of .6980 cents per kWh includes the USF and Lifeline rates effective on October 1, 2012, as well as the September 27, 2012 updated DSM/Clean Energy Programs SBC rate component.

6. Expedition Board Approval. Each Signatory Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its approval without modification or condition.

7. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully and finally resolve all issues relating to the RECO 2012 SBC Filing. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Signatory Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Signatory Parties are not waiving any legal or procedural rights, arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Signatory Party aggrieved thereby, exercised by written notice to the other Parties within ten days after receipt of any such adverse decision, be null and void in which case the Signatory Parties shall be placed in the same position that they were in immediately prior to its execution.

8. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. Although binding on the Signatory Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Signatory Parties (or non-signatories) and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any

other proceeding, except to enforce the terms of this Stipulation. The Signatory Parties agree that the unique resolution of the issues relating to the RECO 2012 SBC Filing shall apply only to this proceeding and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Signatory Parties or of the Board with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

9. Captions. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

10. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

11. Execution. This Stipulation may be executed in one or more counterparts. Each Signatory Party has caused its duly authorized representative to execute below and deliver this Stipulation.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes, Esq.

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By: Alex Moreau
Alex Moreau
Deputy Attorney General

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

By 
**Diane Schulze
Asst. Deputy Rate Counsel**

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
BPU Docket Number ER12030293**

<u>SBC Rate Components</u>	Rate incl. RA; Excl. SUT <u>(¢/kWh)</u>	Rate incl. RA & SUT <u>(¢/kWh)</u>
DSM/Clean Energy Programs	0.3658	0.3914
Universal Service Fund	0.2269	0.2428
Lifeline	<u>0.0596</u>	<u>0.0638</u>
Total	0.6523	0.6980

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")¹ in
BPU Docket Number ER12030283**

**Reconciliation of Demand Side Management / Clean Energy Component of the SBC
for the Period August 1, 2011 - July 31, 2012**

SBC Recoveries: (08/01/11 - 07/31/12) - See Page 3	\$5,215,409
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/11 - 07/31/12) - See Page 3	5,571,897
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	(232,474)
Total SBC Costs to be Recovered (08/01/11 - 07/31/12)	5,339,223
SBC (Over)/Under Recovery Balance	123,814
Interest (Over)/Under Recovery Balance - See Page 3	(481)
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2012	\$123,333

Determination of Demand Side Management / Clean Energy Component of SBC

Projected Sales (kWh) 12 months ending July 31, 2013	1,664,171,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000074
Projected Spending - 12 months ending July 31, 2013 - See Page 4	\$5,964,379
\$ per kWh Projected Spending to be Surcharged	\$0.003584
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003658
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC including SUT (\$ per kWh)</u>	\$0.003914

Notes: 1 Rate component of SBC relating to recovery of demand-side management ("DSM") and the Clean Energy Program as described in paragraphs (1) and (2) on Leaf No. 58 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include the costs and the associated rate components of the SBC relating to the Universal Service Fund and Lifeline.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2011 through July 2012 Cost Recovery Period**

	Aug-11		Sep-11		Oct-11		Nov-11		Dec-11		Jan-12		Feb-12		Mar-12		Apr-12		May-12		Jun-12		Jul-12		Total		
	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised	Actual	Advised			
SBC Recoveries	\$663,328	\$460,902	\$419,450	\$387,256	\$389,304	\$432,325	\$413,855	\$365,073	\$380,268	\$382,633	\$479,263	\$536,832	\$515,409	\$479,263	\$536,832	\$515,409	\$479,263	\$536,832	\$515,409	\$479,263	\$536,832	\$515,409	\$479,263	\$536,832	\$515,409	\$65,215,409	
Prior Period Reconciliation Adj. ¹	(8282,474)																									(8282,474)	
Legacy Program Costs	\$19,864	\$17,834	\$28,221	\$28,221	\$27,231	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221
CSP Program Costs	\$465,021	\$465,080	\$389,488	\$389,361	\$379,190	\$442,799	\$442,799	\$439,499	\$387,764	\$390,268	\$469,985	\$529,528	\$529,528	\$469,985	\$529,528	\$529,528	\$469,985	\$529,528	\$529,528	\$469,985	\$529,528	\$529,528	\$469,985	\$529,528	\$529,528	\$529,528	\$529,528
Total Program Costs	\$382,811	\$472,864	\$417,709	\$389,882	\$406,421	\$472,020	\$472,020	\$468,720	\$416,985	\$419,491	\$500,213	\$559,749	\$559,749	\$499,974	\$559,749	\$559,749	\$499,974	\$559,749	\$559,749	\$499,974	\$559,749	\$559,749	\$499,974	\$559,749	\$559,749	\$559,749	\$559,749
Interest - (Over)/Under Recovery	(\$1328)	(\$1328)	(\$1549)	(\$257)	(\$232)	(\$60)	(\$64)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$80)	(\$481)
Total Program Costs Incl. Adj's. & Interest	\$381,483	\$471,536	\$416,160	\$389,635	\$406,189	\$471,960	\$471,960	\$468,640	\$416,805	\$419,411	\$500,133	\$559,669	\$559,669	\$499,894	\$559,669	\$559,669	\$499,894	\$559,669	\$559,669	\$499,894	\$559,669	\$559,669	\$499,894	\$559,669	\$559,669	\$559,669	\$559,669
(Over)/Under Recovery	(\$275,148)	\$11,066	\$9,741	\$38,421	\$20,883	\$2,340	\$8,761	\$8,761	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883	\$20,883
Interest Rate (%) ²	0.26%	0.79%	0.84%	0.85%	0.87%	0.87%	0.83%	0.80%	0.80%	0.87%	0.86%	0.87%	0.83%	0.80%	0.87%	0.86%	0.80%	0.87%	0.86%	0.80%	0.87%	0.86%	0.80%	0.87%	0.86%	0.80%	0.80%

¹ Over recovery for the period August 1, 2010 through July 31, 2011 per Exhibit A, Page 3 of 6 of SBC Stipulation of Settlement dated November 18, 2011, in Docket Number ER11040188 adopted by the Board in its Order dated November 30, 2011.
² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

Interest calculated on a net-of-tax basis.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
BPU Docket Number ER12030293**

SBC Projected Program Costs: August 2012 - July 2013 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy</u>	<u>Legacy</u>	<u>Total</u>
Aug-12	\$587,595	\$19,964	\$607,559
Sep-12	540,161	17,824	557,985
Oct-12	474,197	28,221	503,418
Nov-12	427,752	28,221	456,973
Dec-12	450,087	29,221	479,288
Jan-13	445,204	29,221	474,425
Feb-13	442,799	29,221	472,020
Mar-13	429,409	29,221	458,630
Apr-13	397,764	29,221	426,985
May-13	390,288	29,221	419,509
Jun-13	489,585	29,221	518,806
Jul-13	<u>559,558</u>	<u>29,221</u>	<u>588,779</u>
Total	\$5,634,379	\$330,000	\$5,964,379

Notes: 1 Rate component of SBC relating to recovery of demand-side management ("DSM") and Clean Energy Program costs as described in paragraphs (1) and (2) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include costs associated with USF and Lifeline.

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM"), including the costs associated with DSM programs and DSM bidding programs ;
- (2) Clean Energy Program, ("CEP"); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at 0.6549-8980cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (\$ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.32653858	0.34839914
Universal Service Fund	0.2289	0.2428
Lifeline	0.0696	0.0638
Total SBC	0.6120823	0.6549890

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070484, EO97070485 and EO97070486.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: John McAvoy, President
Mahwah, New Jersey 07430