



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE VERIFIED PETITION OF)
ROCKLAND ELECTRIC COMPANY FOR APPROVAL)
OF AN ENERGY EFFICIENCY STIMULUS PROGRAM)
AND ASSOCIATED RATE RECOVERY – 2016 ANNUAL)
TRUE-UP) DOCKET NO. ER17020083

Parties of Record:

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

BY THE BOARD:¹

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

BACKGROUND/PROCEDURAL HISTORY

By Order² dated November 23, 2009 in Docket Nos. EO09010056 and EO09010061, the Board approved a stipulation authorizing RECO to implement an Energy Efficiency Stimulus Program ("2009 EES Program") with three energy efficiency programs to be implemented for a one year period ending December 31, 2010. The 2009 EES Program included three sub-programs: (1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; (2) an On-Line Energy Audit Sub-Program, where the Company selected a vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and (3) a Low Income Audit and Install Sub-Program

¹ Commissioner Upendra J. Chivukula did not participate.

² In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. EO09010056 and EO09010061 (November 23, 2009). ("November 2009 Order")

("Low Income Audit I Program") where the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency measures at no cost to the customer. The November 2009 Order authorized the Company to recover costs associated with the 2009 EES Program through an EES Program Surcharge component of its RGGI Surcharge. Pursuant to the November 2009 Order, the Company is required to submit annual cost recovery filings to establish future RGGI Surcharge rates.

By Order³ dated March 30, 2011, the Board authorized RECO to continue its 2009 EES Program through December 31, 2011. Subsequently, through a series of Board Orders,⁴ the Board authorized RECO to extend only the Low Income Audit I Program through December 2013.

By petition dated June 21, 2013, the Company filed for authorization to implement a Low Income Audit and Direct Install Energy Efficiency II Program ("Low Income Audit II Program"). By Order⁵ dated April 24, 2014, the Board approved the Low Income Audit II Program, which was similar to the Low Income Audit I Program. The April 2014 Order authorized the Company to implement a Low Income Audit II Program Surcharge component of its RGGI Surcharge of 0.0083 cents per kWh, including Sales and Use Tax ("SUT") (0.0078 cents per kWh, excluding SUT).

By Order⁶ dated June 29, 2016, the Board approved a stipulation ("June 2016 Stipulation") authorized the Company to implement a RGGI Surcharge of 0.0192 cents per kWh, including SUT (0.0180 cents per kWh, excluding SUT). The RGGI Surcharge contained two components: (1) an EES Program Surcharge⁷ of 0.0179 cents per kWh, including SUT (0.0168 cents per kWh, excluding SUT), and (2) a Low Income Audit II Program Surcharge of 0.0013 cents per kWh, including SUT (0.0012 cents per kWh, excluding SUT). The Signatory Parties agreed in the June 2016 Stipulation that, going forward, the Company would make one annual filing to review both the EES Program and the Low Income Audit II Program true-ups ("Combined Filing"), and the Combined Filing would be filed by February 1 of each year, commencing February 1, 2017.

³ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO10120987 (March 30, 2011).

⁴ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO12020115 (March 12, 2012); and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery Mechanisms- Extension Request, BPU Docket No. EO12121073 (March 20, 2013).

⁵ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535 (April 24, 2014). ("April 2014 Order")

⁶ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2014 Annual True-Up, BPU Docket No. EO14090972; In re the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2015 Annual True-Up, BPU Docket No. ER15090996; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2015 Annual True-Up, BPU Docket No. ER15040424 (June 29, 2016).

⁷ The EES Program Surcharge component of the RGGI Surcharge recovers costs associated with the 2009 EES Program and associated extensions through December 31, 2013.

By Order⁸ dated December 12, 2016, the Board authorized the Company to implement a RGGI Surcharge of 0.0162 cents per kWh, including SUT (0.0152 cents per kWh, excluding SUT). The RGGI Surcharge contained two components: (1) an EES Program surcharge of 0.0179 cents per kWh, including SUT (0.0168 cents per kWh, excluding SUT), which remained unchanged; and (2) a revised Low Income Audit II Program credit of 0.0017 cents per kWh, including SUT (0.0016 cents per kWh, excluding SUT).

February 2017 Petition

By petition dated February 1, 2017, the Company filed its Combined Filing annual true-up ("2016 True-Up Petition") for the EES Program and Low Income Audit II Program component rates of the RGGI Surcharge. The 2016 True-Up Petition proposed a decrease in the RGGI Surcharge to a credit of 0.0104 cents per kWh, including SUT, which included a decrease in the EES Program rate to a credit of 0.0034 cents per kWh, including SUT, and a decrease in the Low Income Audit II Program rate to a credit of 0.0070 cents per kWh, including SUT.

On November 9, 2017, the Company updated its actual expenses and revenues through September 30, 2017 and its projected expenses for the remainder of 2017. As a result of the updates, the proposed EES Program component of the RGGI Surcharge rate decreased from the current surcharge of 0.0179 cents per kWh to a credit of 0.0034 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT). The proposed Low Income Audit II Program component of the RGGI Surcharge rate decreased from the current credit of 0.0017 cents per kWh to a credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT). As a result of the updates to the EES Program and the Low Income Audit II Program, the Company's current RGGI Surcharge of 0.0162 cents per kWh, including SUT (0.0152 cents per kWh, excluding SUT), would decrease to a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT).

STIPULATION

Following discovery, the Signatory Parties reached a settlement of all issues and on November 20, 2017 executed the Stipulation. The Stipulation provides the following:⁹

7. The Signatory Parties agree that the Company will implement a RGGI Surcharge credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT), to be effective the first day of the month following service of the Board Order approving the Stipulation in accordance with N.J.S.A. 48:2-40. As set forth in Appendix A attached to the Stipulation, the RGGI Surcharge contains two components: (1) an EES Program credit of 0.0034 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT), and (2) a Low Income Audit II Program credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT). The updated rates are based on the actual program costs and recoveries

⁸ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER16020097 (December 12, 2016).

⁹ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

from January 2016 to September 2017, estimated program costs and recoveries from October 2017 to December 2017, as set forth in Appendices A through C attached to the Stipulation.

8. The Signatory Parties agree that the proposed rate, as set forth in Appendix A, attached to the Stipulation, is just and reasonable and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which the Board Order approving the Stipulation is served on the parties of record.
9. If the Board approves the Stipulation, the RGGI Surcharge will be set at a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT), as set forth in Appendix A to the Stipulation, which would be in effect until changed by the Board. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will decrease \$0.18 from \$112.99 to \$112.81, or a decrease of 0.16%. RECO shall file the revised tariff leaf with the new rates in the form set forth in Appendix D to the Stipulation, approved by Signatory Parties in the Stipulation, as soon as possible, but no later than ten business days from the Effective Date.

DISCUSSION AND FINDING

The Board has carefully reviewed the record in this matter, including the 2016 True-Up Petition and the Stipulation. Accordingly, the Board is satisfied and **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues and demonstrates that the costs through September 2017 have been reviewed and determined to be both reasonable and prudent, and is therefore in public interest. 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 Signatory Parties to comply with the terms and conditions incorporated within the Stipulation.

As a result of the Board's approval of the Stipulation, the RGGI Surcharge will decrease from the current rate of 0.0162 cents per kWh, including SUT (0.0152 cents per kWh, excluding SUT) to a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT).

These changes shall become effective for services rendered on or after January 1, 2018. The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order prior to January 1, 2018. RECO is further **DIRECTED** to reflect the reduction of the SUT rate in its tariff compliance filing.


As a result of the Board's approval of the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will experience a decrease in the current monthly average bill from \$112.99 to \$112.81, or \$0.18, or 0.16%.

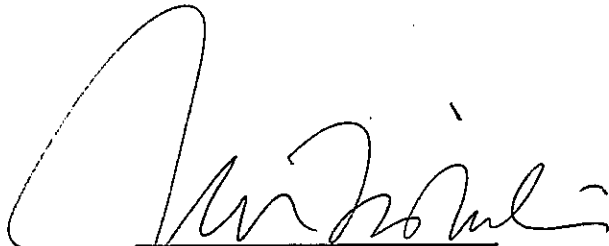
The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determine to be appropriate as a result of any such audit.

This Board Order shall be effective on December 29, 2017.


DATED: 12/19/17

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT

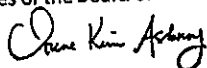

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

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



**IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF AN ENERGY EFFICIENCY STIMULUS PROGRAM AND ASSOCIATED
RATE RECOVERY – 2016 ANNUAL TRUE-UP
BPU DOCKET NO. ER17020083**

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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

November 21, 2017

Irene Kim Asbury, Secretary
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**RE: I/M/O THE VERIFIED PETITION OF ROCKLAND ELECTRIC
COMPANY FOR APPROVAL OF AN ENERGY EFFICIENCY
STIMULUS PROGRAM AND ASSOCIATED RATE RECOVERY – 2016
ANNUAL TRUE-UP
BPU DOCKET NO. ER17020083**

Stipulation of Settlement

Dear Secretary Asbury:

Enclosed in the above matter is Stipulation of Settlement and Appendices A through D in the above matter.

Respectfully,

Margaret Comes

Margaret Comes
Associate Counsel

c: Stacy Peterson

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 – 2016
ANNUAL TRUE-UP

STIPULATION OF SETTLEMENT

BPU DOCKET NO. ER17020083

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Brian O. Lipman, Litigation Manager, Felicia Thomas-Friel, Deputy Rate Counsel and
Kurt S. Lewandowski, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie
A. Brand, Director)

Alex Moreau and Renee Greenberg, Deputy Attorneys General, for Staff of the New Jersey
Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, as of the 20th day of November, 2017, by and among Rockland
Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public
Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (referred to
collectively as the “Signatory Parties”) to execute this Stipulation of Settlement (“Stipulation”)
and join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”)
issue a Final Decision and Order approving this Stipulation, including the attachments and
proposed sheets of the Company’s electric service tariff as set forth herein.

BACKGROUND

1. By this Stipulation, the Signatory Parties recommend a revised rate for the Company's Regional Greenhouse Gas Initiative ("RGGI") Surcharge, which currently has two components: (1) the Energy Efficiency Stimulus Program ("EES Program") component, and (2) the Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit II Program") component.

2. The EES Program was established by the Board in its Decision and Order Approving Stipulation dated November 23, 2009 ("November 2009 Order") in Docket Nos. EO09010056 and EO09010061. The 2009 EES Program included three sub-programs: (1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; (2) an On-Line Energy Audit Sub-Program ("On-Line Sub-Program"), where the Company selected a vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and (3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program") where the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency measures at no cost to the customer.

3. On June 21, 2013, the Company filed a Verified Petition in Docket No. ER13060535 ("Petition") seeking Board approval to administer a new energy efficiency program called the Low Income Audit and Direct Install Program Energy Efficiency II Program ("Low Income Audit II"), which was similar in most respects to the Low Income Audit I program. The Low Income Audit II Program was approved by Board Order dated April 24, 2014 in Docket No. ER13060535.

4. On May 18, 2016 in Docket Nos. EO14090972, ER15090996, and ER15040424, the Signatory Parties entered into a stipulation (“May 2016 Stipulation”) agreeing that going forward, the Company would make one annual filing to review both the EES Program and the Low Income Audit II Program true-ups (“Combined Filing”), and the Combined Filing would be filed by February 1 of each year, commencing February 1, 2017. The May 2016 Stipulation was approved by the Board.¹

5. By petition dated February 1, 2017, the Company made its Combined Filing annual true-up 2016 in Docket No. ER17020083. The 2016 true-up proposed a decrease in the RGGI Surcharge to a credit of 0.0104 cents per kWh, including Sales and Use Tax (“SUT”), which included a decrease in the EES Program rate to a credit of 0.0034 cents per kWh, including SUT, and a decrease in the Low Income Audit II Program rate to a credit of 0.0070 cents per kWh, including SUT. The Company has updated its actual expenses and revenues through September 2017 and its projected expenses and revenues from October through December 2017. As a result of the updates, the proposed EES Program component of the RGGI Surcharge rate decreased from the current surcharge of 0.0179² cents per kWh to a credit of 0.0034 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT). The proposed Low Income Audit II Program component of the RGGI Surcharge rate decreased from the current credit of 0.0017³ cents per kWh to a credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT). As a result of the updates to the EES Program and the Low Income Audit II Program, the Company’s current RGGI Surcharge of 0.0162 cents per kWh, including SUT

¹ *Order Approving Stipulation*, BPU Docket Nos. EO14090972, ER15090996, and ER15040424 (June 29, 2016).

² Rate effective January 1, 2017 as approved in BPU Docket No. ER16020097 (Board Order dated December 12, 2016).

³ Rate effective January 1, 2017 as approved in BPU Docket No. ER16020097 (Board Order dated December 12, 2016).

(0.0152 cents per kWh, excluding SUT), decreases to a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT).

6. The Signatory Parties have now agreed to submit this Stipulation to the Board for its review and approval, the terms of which are set forth herein. Specifically, the Signatory Parties hereby STIPULATE AND AGREE as follows:

STIPULATED MATTERS

A. RGGI Surcharge

7. The Signatory Parties agree that the Company will implement a RGGI Surcharge credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT), to be effective the first day of the month following service of the Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40. As set forth in Appendix A attached to this Stipulation, the RGGI Surcharge contains two components: (1) an EES Program credit of 0.0034 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT), and (2) a Low Income Audit/II Program credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT). The updated rates are based on the actual program costs and recoveries from January 2016 to September 2017, estimated program costs and recoveries from October 2017 to December 2017, as set forth in the attached Appendices A through C.

8. The Signatory Parties agree that the proposed rate, as set forth in Appendix A, attached hereto, is just and reasonable and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which the Board Order approving this Stipulation is served on the parties of record.

B. Rate Impact

9. If the Board approves this Stipulation, the RGGI Surcharge will be set at a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT), as set forth in Appendix A, which would be in effect until changed by the Board. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, the current monthly average bill will decrease \$0.18 from \$112.99 to \$112.81, or -0.16%. RECO shall file the revised tariff leaf with the new rates in the form set forth in Appendix D hereto, approved by Signatory Parties in this Stipulation, as soon as possible, but no later than ten business days from the Effective Date.

CONCLUSION

10. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Signatory Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.

11. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Signatory Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed. It is the intent of the Signatory Parties that the provisions hereof be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board

Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item.

12. The Signatory Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes
Attorney for Rockland Electric Company

**DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR**

By: Kurt S. Lewandowski
Kurt S. Lewandowski, Esq.
Asst. Deputy Rate Counsel

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY**

By: Renee Greenberg
Renee Greenberg
Deputy Attorney General

ROCKLAND ELECTRIC COMPANY
Determination of RGGI Surcharge

<u>RGGI Rate Components</u>	<u>Excl. SUT (\$/kWh)</u>	<u>Incl. SUT (\$/kWh)</u>
EES Program	(0.0031)	(0.0034)
Low Income Audit II Program	<u>(0.0067)</u>	<u>(0.0072)</u>
Total	(0.0098)	(0.0106)

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - EES Program

Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

EES Program Recoveries (January 1, 2016 - December 31, 2016)	\$383,861
EES Program Revenue Requirement	100,112
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>178,931</u>
EES Program (Over)/Under Recovery Balance	(104,818)
Interest (Over)/Under Recovery Balance	<u>210</u>
Total EES Program (Over)/Under Recovery Balance for 12 ME 12/31/2016	(104,609)
Projected Sales (kWh) 12 months ending December 31, 2017	1,569,075,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000067)
Sales and Use Tax ("SUT")	1.06875
EES Program Reconciliation Adjustment	(\$0.000072)

Determination of Forecast EES Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2017	\$56,080
Projected Sales (kWh) 12 months ending December 31, 2017	1,569,075,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000036
Sales and Use Tax ("SUT")	1.06875
EES Program Charge	\$0.000038

RGGI Surcharge

Proposed EES Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000031)
Proposed EES Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000034)

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with EES Program Component of RGGI Surcharge

	<u>Jan-16</u> Actual	<u>Feb-16</u> Actual	<u>Mar-16</u> Actual	<u>Apr-16</u> Actual	<u>May-16</u> Actual	<u>Jun-16</u> Actual	<u>Jul-16</u> Actual	<u>Aug-16</u> Actual	<u>Sep-16</u> Actual	<u>Oct-16</u> Actual	<u>Nov-16</u> Actual	<u>Dec-16</u> Actual	<u>Total</u>
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement @ WACC =7.83%	\$11,000	\$9,671	\$9,405	\$8,619	\$8,513	\$8,236	\$8,356	\$7,857	\$7,600	\$7,086	\$7,267	\$6,502	\$100,112
Prior Period Reconciliation Adj. ¹	178,931												\$178,931
Monthly Recoveries	37,760	34,541	33,526	30,210	29,851	39,657	47,594	40,999	29,404	21,000	18,193	21,127	\$383,861
(Over)/Under Recovery	<u>\$152,171</u>	<u>(\$24,870)</u>	<u>(\$24,121)</u>	<u>(\$21,590)</u>	<u>(\$21,337)</u>	<u>(\$31,420)</u>	<u>(\$39,239)</u>	<u>(\$33,143)</u>	<u>(\$21,804)</u>	<u>(\$13,914)</u>	<u>(\$10,926)</u>	<u>(\$14,626)</u>	<u>(\$104,818)</u>
2. Determination of Interest													
(Over)/Under Recovery	<u>\$152,171</u>	<u>(\$24,870)</u>	<u>(\$24,121)</u>	<u>(\$21,590)</u>	<u>(\$21,337)</u>	<u>(\$31,420)</u>	<u>(\$39,239)</u>	<u>(\$33,143)</u>	<u>(\$21,804)</u>	<u>(\$13,914)</u>	<u>(\$10,926)</u>	<u>(\$14,626)</u>	<u>(\$104,818)</u>
Beginning Balance - (Over)/Under Recovery	\$178,931	\$152,171	\$127,302	\$103,181	\$81,591	\$60,253	\$28,833	(\$10,406)	(\$43,549)	(\$65,353)	(\$79,267)	(\$90,193)	
Ending Balance (Over)/Under Recovery	<u>\$152,171</u>	<u>\$127,302</u>	<u>\$103,181</u>	<u>\$81,591</u>	<u>\$60,253</u>	<u>\$28,833</u>	<u>(\$10,406)</u>	<u>(\$43,549)</u>	<u>(\$65,353)</u>	<u>(\$79,267)</u>	<u>(\$90,193)</u>	<u>(\$104,818)</u>	
Average Balance (Over)/Under	\$165,551	\$139,737	\$115,241	\$92,386	\$70,922	\$44,543	\$9,214	(\$26,977)	(\$54,461)	(\$72,310)	(\$84,730)	(\$97,505)	
Average Balance (Over)/Under - Net of Tax	\$97,923	\$82,654	\$68,165	\$54,646	\$41,950	\$26,347	\$5,450	(\$15,957)	(\$32,208)	(\$42,771)	(\$50,118)	(\$57,674)	
Interest Rate (Annual) ²	1.62%	1.35%	1.45%	1.36%	1.40%	1.51%	1.19%	1.27%	1.38%	1.40%	1.43%	1.74%	
Interest Rate (Monthly)	0.14%	0.11%	0.12%	0.11%	0.12%	0.13%	0.10%	0.11%	0.12%	0.12%	0.12%	0.15%	
Interest (To Customer) /To Company	\$132	\$93	\$82	\$62	\$49	\$33	\$5	(\$17)	(\$37)	(\$50)	(\$60)	(\$84)	\$210
													Total (Over)/Under Collection Including Interest
													(\$104,609)

Notes: ¹ Under recovery for the period January 1, 2015 through December 31, 2015.

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

Monthly Actual Revenue Summary by Service Classification ("SC") of the EES Program Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Total</u>
1	\$16,713	\$14,596	\$13,605	\$11,939	\$11,962	\$18,565	\$24,105	\$22,134	\$15,090	\$8,164	\$8,534	\$9,109	\$174,515
2	14,593	14,297	14,451	12,906	12,751	14,578	16,838	14,663	10,656	9,687	6,029	8,632	150,080
3	7	10	7	7	5	6	7	5	4	3	3	5	68
4	191	165	159	135	124	111	119	69	84	90	121	115	1,483
5	436	455	386	301	245	308	384	373	256	169	179	244	3,735
6	135	126	130	126	118	120	118	82	76	77	99	100	1,307
7	<u>5,684</u>	<u>4,692</u>	<u>4,788</u>	<u>4,796</u>	<u>4,646</u>	<u>5,969</u>	<u>6,023</u>	<u>3,673</u>	<u>3,240</u>	<u>2,810</u>	<u>3,228</u>	<u>2,924</u>	<u>52,674</u>
Total Excluding SUT	\$37,760	\$34,541	\$33,526	\$30,210	\$29,851	\$39,657	\$47,594	\$40,999	\$29,404	\$21,000	\$18,193	\$21,127	\$383,861

ROCKLAND ELECTRIC COMPANY

**EES Program Component of RGGI Surcharge
Basic Assumptions**

	<u>Effective August 1, 2014</u>	<u>Effective March 1, 2017*</u>
Amortization Period	60 Months	60 Months
Equity Ratio	50.35%	49.70%
Return on Equity	9.75%	9.60%
Equity Component	4.91%	4.77%
After-Tax WACC	7.83%	7.47%
Effective Tax Rate	40.85%	40.85%
Interest Expense	2.92%	2.70%

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 1, 2017.

Case ER13111135

Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending March 31, 2014
(000's)

	Amount (\$000's)	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	\$ 603.6	49.65%	5.89%	2.92%	2.92%
Common Equity	612	50.35%	9.75%	4.91%	8.31%
Total	<u>\$ 1,215.8</u>	<u>100%</u>		<u>7.83%</u>	<u>11.24%</u>

Case ER16050428*
Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending December 31, 2016
(000's)

	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	50.30%	5.37%	2.70%	2.70%
Common Equity	49.70%	9.60%	4.77%	8.07%
Total	<u>100%</u>		<u>7.47%</u>	<u>10.77%</u>

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 2017.

ROCKLAND ELECTRIC COMPANY

**EES Program Component of RGGI Surcharge
2016 Revenue Requirement
Revenue Requirement For Use in Calculation of (Over)/Under Collection**

	<u>Jan-16</u> <u>Actual</u>	<u>Feb-16</u> <u>Actual</u>	<u>Mar-16</u> <u>Actual</u>	<u>Apr-16</u> <u>Actual</u>	<u>May-16</u> <u>Actual</u>	<u>Jun-16</u> <u>Actual</u>	<u>Jul-16</u> <u>Actual</u>	<u>Aug-16</u> <u>Actual</u>	<u>Sep-16</u> <u>Actual</u>	<u>Oct-16</u> <u>Actual</u>	<u>Nov-16</u> <u>Actual</u>	<u>Dec-16</u> <u>Actual</u>
1. Program Spending	0	0	0	0	0	0	0	0	0	0	0	0
2. Cumulative Spending	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
3.												
4.												
5. Gross Expenditures	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	<u>614,119</u>	<u>623,034</u>	<u>631,730</u>	<u>639,685</u>	<u>647,577</u>	<u>655,235</u>	<u>663,055</u>	<u>670,417</u>	<u>677,563</u>	<u>684,230</u>	<u>691,117</u>	<u>697,273</u>
7. Net Expenditures	145,864	136,949	128,253	120,298	112,406	104,748	96,928	89,566	82,420	75,753	68,866	62,710
8. Accumulated Deferred Tax	<u>59,686</u>	<u>56,045</u>	<u>52,492</u>	<u>49,243</u>	<u>46,019</u>	<u>42,890</u>	<u>39,696</u>	<u>36,688</u>	<u>33,770</u>	<u>31,046</u>	<u>28,233</u>	<u>25,718</u>
9. Under/(Over) Recovery Balance	86,178	80,905	75,761	71,055	66,387	61,857	57,232	52,877	48,651	44,707	40,633	36,992
10.												
11. Return Requirement	563	528	495	464	433	404	374	345	318	292	265	241
12. Equity Portion	353	331	310	291	272	253	234	216	199	183	166	151
13.												
14.												
15. Revenue	11,000	9,671	9,405	8,619	8,513	8,236	8,356	7,857	7,600	7,086	7,267	6,502
16.												
17. Expenses:												
18. Amortization	10,194	8,914	8,696	7,955	7,892	7,658	7,820	7,362	7,145	6,668	6,887	6,156
19. Administrative Costs												
20. Interest Expense	210	197	185	173	162	151	139	129	119	109	99	90
21. Deferred Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22. Taxable Income	596	560	524	491	459	428	396	366	336	309	281	256
23. Federal and State Taxes	<u>243</u>	<u>229</u>	<u>214</u>	<u>201</u>	<u>188</u>	<u>175</u>	<u>162</u>	<u>149</u>	<u>137</u>	<u>126</u>	<u>115</u>	<u>105</u>
24. Net Income	353	331	310	291	272	253	234	216	199	183	166	151
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	11,000	9,671	9,405	8,619	8,513	8,236	8,356	7,857	7,600	7,086	7,267	6,502
28. O&M	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
29. Total Revenue Requirement	11,000	9,671	9,405	8,619	8,513	8,236	8,356	7,857	7,600	7,086	7,267	6,502
									12 Month Total			100,112

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit II Program

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGG Surcharge

Low Income Audit II Program Recoveries (January 1, 2016 - December 31, 2016)	\$82,472
Low Income Audit II Program Revenue Requirement	60,551
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(138,168)</u>
Low Income Audit II Program (Over)/Under Recovery Balance	(160,090)
Interest (Over)/Under Recovery Balance	<u>(1,395)</u>
Total Low Income Audit II Program (Over)/Under Recovery Balance for 12 ME 12/31/2016	(161,485)
Projected Sales (kWh) 12 months ending December 31, 2017	1,569,075,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000103)
Sales and Use Tax ("SUT")	1.06875
Low Income Audit II Program Reconciliation Adjustment	(\$0.000110)

Determination of Forecast Low Income Audit II Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2017	\$56,096
Projected Sales (kWh) 12 months ending December 31, 2017	1,569,075,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000036
Sales and Use Tax ("SUT")	1.06875
Low Income Audit II Program Charge	\$0.000038

RGGI Surcharge

Proposed Low Income Audit II Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000067)
Proposed Low Income Audit II Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000072)

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Low Income Audit II Program Component of RGGI Surcharge

	<u>Jan-16</u> Actual	<u>Feb-16</u> Actual	<u>Mar-16</u> Actual	<u>Apr-16</u> Actual	<u>May-16</u> Actual	<u>Jun-16</u> Actual	<u>Jul-16</u> Actual	<u>Aug-16</u> Actual	<u>Sep-16</u> Actual	<u>Oct-16</u> Actual	<u>Nov-16</u> Actual	<u>Dec-16</u> Actual	<u>Total</u>
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement @ WACC = 7.83%	\$1,519	\$494	\$8,755	\$3,313	\$766	\$5,544	\$797	\$12,101	\$4,939	\$6,986	\$3,319	\$12,017	\$60,551
Prior Period Reconciliation Adj. ¹	(\$138,168)												(\$138,168)
Monthly Recoveries	9,947	9,102	8,832	7,957	8,113	10,778	12,935	8,399	2,100	1,500	1,299	1,509	\$82,472
(Over)/Under Recovery	<u>(\$146,597)</u>	<u>(\$8,607)</u>	<u>(\$78)</u>	<u>(\$4,644)</u>	<u>(\$7,347)</u>	<u>(\$5,234)</u>	<u>(\$12,138)</u>	<u>\$3,702</u>	<u>\$2,839</u>	<u>\$5,486</u>	<u>\$2,020</u>	<u>\$10,508</u>	<u>(\$160,090)</u>
2. Determination of Interest													
(Over)/Under Recovery	<u>(\$146,597)</u>	<u>(\$8,607)</u>	<u>(\$78)</u>	<u>(\$4,644)</u>	<u>(\$7,347)</u>	<u>(\$5,234)</u>	<u>(\$12,138)</u>	<u>\$3,702</u>	<u>\$2,839</u>	<u>\$5,486</u>	<u>\$2,020</u>	<u>\$10,508</u>	<u>(\$160,090)</u>
Beginning Balance - (Over)/Under Recovery	(\$138,168)	(\$146,597)	(\$155,204)	(\$155,282)	(\$159,926)	(\$167,272)	(\$172,506)	(\$184,644)	(\$180,943)	(\$178,104)	(\$172,618)	(\$170,598)	(\$170,598)
Ending Balance (Over)/Under Recovery	<u>(\$146,597)</u>	<u>(\$155,204)</u>	<u>(\$155,282)</u>	<u>(\$159,926)</u>	<u>(\$167,272)</u>	<u>(\$172,506)</u>	<u>(\$184,644)</u>	<u>(\$180,943)</u>	<u>(\$178,104)</u>	<u>(\$172,618)</u>	<u>(\$170,598)</u>	<u>(\$160,090)</u>	<u>(\$160,090)</u>
Average Balance (Over)/Under	(\$142,382)	(\$150,900)	(\$155,243)	(\$157,604)	(\$163,599)	(\$169,889)	(\$178,575)	(\$182,794)	(\$179,523)	(\$175,361)	(\$171,608)	(\$165,344)	(\$165,344)
Average Balance (Over)/Under - Net of Tax	(\$84,219)	(\$89,258)	(\$91,826)	(\$93,223)	(\$96,769)	(\$100,489)	(\$105,627)	(\$108,122)	(\$106,188)	(\$103,726)	(\$101,506)	(\$97,801)	(\$97,801)
Interest Rate (Annual) ²	1.62%	1.35%	1.45%	1.36%	1.40%	1.51%	1.19%	1.27%	1.38%	1.40%	1.43%	1.74%	1.74%
Interest Rate (Monthly)	0.14%	0.11%	0.12%	0.11%	0.12%	0.13%	0.10%	0.11%	0.12%	0.12%	0.12%	0.15%	0.15%
Interest (To Customer) /To Company	(\$114)	(\$100)	(\$111)	(\$106)	(\$113)	(\$126)	(\$105)	(\$114)	(\$122)	(\$121)	(\$121)	(\$142)	<u>(\$1,395)</u>
Total (Over)/Under Collection Including Interest												<u>(\$161,485)</u>	

Notes: ¹ Over recovery for the period January 1, 2015 through December 31, 2015.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit II Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Total</u>
1	\$4,403	\$3,846	\$3,584	\$3,145	\$3,251	\$5,046	\$6,551	\$4,535	\$1,078	\$583	\$610	\$651	\$37,281
2	3,844	3,767	3,807	3,400	3,465	3,962	4,576	3,004	761	692	431	617	32,326
3	2	3	2	2	1	2	2	1	0	0	0	0	15
4	50	43	42	35	34	30	32	14	6	6	9	8	311
5	115	120	102	79	67	84	104	76	18	12	13	17	807
6	36	33	34	33	32	33	32	17	5	6	7	7	275
7	<u>1,497</u>	<u>1,289</u>	<u>1,261</u>	<u>1,263</u>	<u>1,263</u>	<u>1,622</u>	<u>1,637</u>	<u>752</u>	<u>231</u>	<u>201</u>	<u>231</u>	<u>209</u>	<u>11,457</u>
Total Excluding SUT	\$9,947	\$9,102	\$8,632	\$7,957	\$8,113	\$10,778	\$12,935	\$8,399	\$2,100	\$1,500	\$1,299	\$1,509	\$82,472

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of RGGI Surcharge
Basic Assumptions**

	<u>Effective August 1, 2014</u>	<u>Effective March 1, 2017*</u>
Amortization Period	60 Months	60 Months
Equity Ratio	50.35%	49.70%
Return on Equity	9.75%	9.60%
Equity Component	4.91%	4.77%
After-Tax WACC	7.83%	7.47%
Effective Tax Rate	40.85%	40.85%
Interest Expense	2.92%	2.70%

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 1, 2017.

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of the RGGI Surcharge
Program Spending**

	<u>Jan-16</u> <u>Actual</u>	<u>Feb-16</u> <u>Actual</u>	<u>Mar-16</u> <u>Actual</u>	<u>Apr-16</u> <u>Actual</u>	<u>May-16</u> <u>Actual</u>	<u>Jun-16</u> <u>Actual</u>	<u>Jul-16</u> <u>Actual</u>	<u>Aug-16</u> <u>Actual</u>	<u>Sep-16</u> <u>Actual</u>	<u>Oct-16</u> <u>Actual</u>	<u>Nov-16</u> <u>Actual</u>	<u>Dec-16</u> <u>Actual</u>	<u>Total</u>
Program Implementation Spending	\$0	\$0	\$0	\$2,747	\$0	\$1,389	\$299	\$499	\$0	\$0	\$0	\$1,081	\$6,015
Program Incentive (Customer)	<u>\$0</u>	<u>\$0</u>	<u>\$567</u>	<u>\$0</u>	<u>\$9,288</u>	<u>\$0</u>	<u>\$0</u>	<u>\$63,058</u>	<u>\$0</u>	<u>\$34,901</u>	<u>\$0</u>	<u>\$30,184</u>	<u>\$137,998</u>
Total Implementation and Incentive Spending	\$0	\$0	\$567	\$2,747	\$9,288	\$1,389	\$299	\$63,557	\$0	\$34,901	\$0	\$31,264	\$144,013
Administration	\$1,022	\$0	\$8,250	\$2,750	\$0	\$2,750	\$0	\$8,250	\$2,750	\$2,750	\$0	\$5,500	\$34,022
Marketing	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$1,652	\$0	\$1,284	\$380	\$2,900	\$8,216
Evaluation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total O&M Spending	\$1,022	\$0	\$8,250	\$2,750	\$0	\$4,750	\$0	\$9,902	\$2,750	\$4,034	\$380	\$8,400	\$42,239
Total Spending	\$1,022	\$0	\$8,817	\$5,497	\$9,288	\$6,139	\$299	\$73,460	\$2,750	\$38,935	\$380	\$39,664	\$186,252

Case ER13111135

Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending March 31, 2014
(000's)

	Amount (\$000's)	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	\$ 603.6	49.65%	5.89%	2.92%	2.92%
Common Equity	612	50.35%	9.75%	4.91%	8.31%
Total	\$ 1,215.8	100%		7.83%	11.24%

Case ER16050428*
Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending December 31, 2016
(000's)

	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	50.30%	5.37%	2.70%	2.70%
Common Equity	49.70%	9.60%	4.77%	8.07%
Total	<u>100%</u>		<u>7.47%</u>	<u>10.77%</u>

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 2017.

ROCKLAND ELECTRIC COMPANY

Low Income Audit II Program Component of RGGI Surcharge
2016 Revenue Requirement
Revenue Requirement For Use in Calculation of (Over)/Under Collection

	<u>Jan-16</u> <u>Actual</u>	<u>Feb-16</u> <u>Actual</u>	<u>Mar-16</u> <u>Actual</u>	<u>Apr-16</u> <u>Actual</u>	<u>May-16</u> <u>Actual</u>	<u>Jun-16</u> <u>Actual</u>	<u>Jul-16</u> <u>Actual</u>	<u>Aug-16</u> <u>Actual</u>	<u>Sep-16</u> <u>Actual</u>	<u>Oct-16</u> <u>Actual</u>	<u>Nov-16</u> <u>Actual</u>	<u>Dec-16</u> <u>Actual</u>
1. Program Spending	0	0	567	2,747	9,288	1,389	299	63,557	0	34,901	0	31,264
2. Cumulative Spending	22,619	22,619	23,186	25,933	35,222	36,611	36,910	100,467	100,467	135,368	135,368	166,632
3.												
4.												
5. Gross Expenditures	22,619	22,619	23,186	25,933	35,222	36,611	36,910	100,467	100,467	135,368	135,368	166,632
6. Accumulated Amortization	<u>1,046</u>	<u>1,423</u>	<u>1,809</u>	<u>2,241</u>	<u>2,828</u>	<u>3,439</u>	<u>4,054</u>	<u>5,728</u>	<u>7,403</u>	<u>9,659</u>	<u>11,915</u>	<u>14,692</u>
7. Net Expenditures	21,573	21,196	21,377	23,692	32,393	33,172	32,856	94,739	93,065	125,709	123,453	151,940
8. Accumulated Deferred Tax	<u>8,813</u>	<u>8,659</u>	<u>8,733</u>	<u>9,678</u>	<u>13,233</u>	<u>13,551</u>	<u>13,422</u>	<u>38,701</u>	<u>38,017</u>	<u>51,352</u>	<u>50,431</u>	<u>62,068</u>
9. Under/(Over) Recovery Balance	12,761	12,538	12,645	14,014	19,161	19,621	19,434	56,038	55,048	74,357	73,023	89,873
10.												
11. Return Requirement	83	82	83	91	125	128	127	366	359	485	477	587
12. Equity Portion	52	51	52	57	78	80	80	229	225	304	299	368
13.												
14.												
15. Revenue	496	494	505	563	766	794	797	2,199	2,189	2,952	2,939	3,618
16.												
17. Expenses:												
18. Amortization	377	377	386	432	587	610	615	1,674	1,674	2,256	2,256	2,777
19. Administrative Costs												
20. Interest Expense	31	31	31	34	47	48	47	137	134	181	178	219
21. Deferred Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22. Taxable Income	88	87	87	97	133	136	134	388	381	514	505	622
23. Federal and State Taxes	<u>36</u>	<u>35</u>	<u>36</u>	<u>40</u>	<u>54</u>	<u>55</u>	<u>55</u>	<u>158</u>	<u>156</u>	<u>210</u>	<u>206</u>	<u>254</u>
24. Net Income	52	51	52	57	78	80	80	229	225	304	299	368
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	496	494	505	563	766	794	797	2,199	2,189	2,952	2,939	3,618
28. O&M	<u>1,022</u>	<u>0</u>	<u>8,250</u>	<u>2,750</u>	<u>0</u>	<u>4,750</u>	<u>0</u>	<u>9,902</u>	<u>2,750</u>	<u>4,034</u>	<u>380</u>	<u>8,400</u>
29. Total Revenue Requirement	1,519	494	8,755	3,313	766	5,544	797	12,101	4,939	6,986	3,319	12,017
										12 Month Total		60,551

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Revised Leaf No. 58
Superseding Revised Leaf No. 58

GENERAL INFORMATION

No. 34 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 costs related to the Company's:

- (a) Energy Efficiency Stimulus Program ("EES Program"); and
- (b) Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit II Program").

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0162(0.0106) cents per kWh, including sales and use tax ("SUT"). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	<u>0.0168(0.0031)</u>	<u>0.0179(0.0034)</u>
Low Income Audit II Program	<u>(0.0016)(0.0067)</u>	<u>(0.0017)(0.0072)</u>
Total RGGI Surcharge	<u>0.0152(0.0098)</u>	<u>0.0162(0.0106)</u>

(a) EES Program

The EES Program component of 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 EES Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of 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 EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY:

DRAFT

Revised Leaf No. 58
Superseding Revised Leaf No. 58

GENERAL INFORMATION

No. 34 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 costs related to the Company's:

- (a) Energy Efficiency Stimulus Program ("EES Program"); and
- (b) Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit II Program").

The RGGI Surcharge to be effective on and after the date indicated below shall be set at (0.0106) cents per kWh, including sales and use tax ("SUT"). The RGGI Surcharge includes the following rate components:

	RGGI Surcharge Rate Components (Cents per kWh)	
	Excluding SUT	Including SUT
EES Program	(0.0031)	(0.0034)
Low Income Audit II Program	(0.0067)	(0.0072)
Total RGGI Surcharge	(0.0098)	(0.0106)

(a) EES Program

The EES Program component of 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 EES Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On February 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The EES Program component of 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 EES Program revenue requirement over the twelve-month period commencing the following June 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: