



Rockland Electric Company

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VIA EMAIL AND
REGULAR MAIL

Honorable Kristi Izzo
Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Re: NJBPU Staff's Utility Consolidated Billing/Purchase of Receivables
Proposal

Dear Secretary Izzo:

The New Jersey Board of Public Utilities ("BPU") established the Purchase of Receivables ("POR")/Price to Compare ("PTC") Working Group in 2011 to evaluate the current state of POR programs and to address issues in connection with the PTC. The Working Group held meetings on February 8 and March 25, 2011 which were attended by numerous representatives of Third Party Suppliers ("TPS"), the New Jersey Division of Rate Counsel, the gas distribution companies ("GDCs") and electric distribution companies ("EDCs"). Subsequent to these meetings, the EDCs, GDCs and other interested parties provided comments to certain Preliminary POR Design and POR Design Questions circulated by BPU Staff. Based upon these comments, BPU Staff has proposed modifications to the current utility consolidated billing ("UCB")/POR mechanisms. Rockland Electric Company ("RECO") submits the comments set forth in this letter in response to BPU Staff's Notice of Opportunity to Comment on Board Staff's Utility Consolidated Billing/Purchase of Receivables Proposal.

Monthly Arrearage Reports

The proposed monthly customer arrearage reports should be required only in circumstances where a utility's UCB program provides for a drop to dual billing when a customer's account is in arrears for at least the minimum allowed timeframe. RECO currently offers utility consolidated billing for all customer classes to all TPSs serving customers in its service territory. Pursuant to RECO's UCB program, RECO assumes all of the receivables generated by customers of the TPSs for which RECO provides utility consolidated billing. The receivables are assumed at 100 percent of their face

value, i.e., RECO applies no discount. Moreover, RECO does not exercise its right to drop a customer whose account is in arrears to dual billing as allowed.

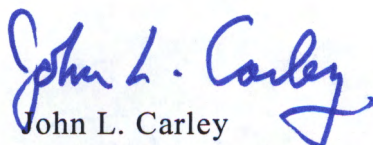
BPU Staff justifies its proposal to require utilities to submit monthly customer arrearage reports on the grounds that such reports will provide TPSs with information that they can use to contact customers about their arrears and will provide timely notice of the possible need for a written notice of termination. However, neither of these reasons apply in a situation such as RECO's where the utility retains the receivable along with the rights to collect all amounts due, including any arrears, and to terminate service, if appropriate. Because RECO does not return a customer to the TPS for billing or collection, there is no benefit to the TPS to receive a monthly arrearage report. RECO currently does not provide information on arrearages to TPSs nor has any TPS requested such information. Consequently, utilities that do not drop a customer from utility consolidated billing to dual billing should not be required to provide monthly arrearage reports to TPSs. To the extent RECO, at some future date, modifies its UCB program to include dropping a customer to dual billing in accordance with all rules and regulations, any monthly arrearage report requirement should then apply to RECO.

Discount Factors/Consolidated Billing Fees

BPU Staff also has recommended that discount factors or fees charged by a utility for consolidated billing or the purchase of receivables due to modifications implemented pursuant to any changes made in this proceeding cannot be established or increased outside of a rate case proceeding. RECO stresses that the right to establish or increase any fees or charges for consolidated billing or a POR program, either in a rate case proceeding or outside of one, should be preserved in order to accommodate unforeseen future legislative, regulatory or industry changes.

Please contact me if you have any questions regarding this matter.

Very truly yours,



John L. Carley
Assistant General Counsel