



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)	ORDER AMENDING SUSPENSION
ROCKLAND ELECTRIC COMPANY FOR APPROVAL)	ORDER, BIFURCATING PETITION
OF CHANGES IN ELECTRIC RATES, ITS TARIFF FOR)	ISSUES, DESIGNATING
ELECTRIC SERVICE, AND ITS DEPRECIATION)	PRESIDING COMMISSIONER,
RATES; APPROVAL OF AN ADVANCED METERING)	SETTING MANNER OF SERVICE
PROGRAM; AND FOR OTHER RELIEF ("2016 Base)	AND INTERVENTION BAR DATE
Rate Filing"))	
)	
ROCKLAND ELECTRIC COMPANY – REQUEST FOR)	
APPROVAL OF AN ADVANCED METERING)	BPU DOCKET NOS. ER16050428
PROGRAM; AND FOR OTHER RELIEF)	and EO16060524

Parties of Record:

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

BY THE BOARD:

On May 13, 2016, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Rockland Electric Company ("RECO" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its current base rates for electric service of approximately \$9.644 million, including Sales and Use Tax, to be effective for electric service provided on or after June 12, 2016 (and in no event later than the anticipated conclusion of the Board-ordered suspension period(s) on February 12, 2017). The Company is also requesting a return on equity of 10.2%. According to the petition, the primary reason for the requested increase is that the Company's current base rates are not adequate to recover the operating, capital and other costs of the company, do not provide an adequate return on investment and are not just and reasonable.

The Company is also seeking approval to change its electric and general plant depreciation rates, to rely on a Company-sponsored Cost of Service Study ("COSS"), and to be relieved of the obligation to file an alternative COSS Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with Docket No. ER1311135. Additionally, the Company seeks to deploy Advance Metering Infrastructure and smart meters ("AMI and smart meter program") throughout RECO's service territory from 2017 through 2019.

The Board is empowered to ensure that regulated public utilities provide safe, adequate and proper service to the citizens of New Jersey. N.J.S.A. 48:2-23. Pursuant to N.J.S.A. 48:2-13, the Board has been vested by the Legislature with the general supervision and regulation of, and jurisdiction and control over, all public utilities, "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." The courts of this State have held that the grant of power by the Legislature to the Board is to be read broadly, and that the provisions of the statute governing public utilities are to be construed liberally. See e.g., In re Public Service Electric and Gas Company, 35 N.J. 358, 371 (1961); Twp. of Deptford v. Woodbury Terrace Sewerage Corp., 54 N.J. 418, 424 (1969); Bergen County v. Dep't. of Public Utilities, 117 N.J. Super. 304 (App. Div. 1971).

After review, the Board has determined that the petition contains two issues: a request to increase base rates with additional requested relief; and a request for approval to deploy an AMI and smart meter program throughout RECO's service territory with the costs of this program to be reviewed in its next base rate case. The Board believes these issues should be considered separately, and therefore will bifurcate the petition issues, thereby separating the base rate case issues from the AMI and smart meter program deployment request. The Board **HEREBY DIRECTS** that the Base Rate and related issues be bifurcated from the AMI and smart meter program deployment issue. The AMI and smart meter program deployment, Rockland Electric Company – Request for Approval of an Advanced Metering Program; and for other relief, will be assigned docket number EO16060524 ("AMI/Smart Meter Matter"), and will be retained by the Board for hearing.

Pursuant to N.J.S.A. 48:2-32, the Board **HEREBY DESIGNATES** Commissioner Upendra Chivukula as the presiding Commissioner of AMI/Smart Meter Matter, Rockland Electric Company – Request for Approval of an Advanced Metering Program; and for other relief, Docket No. EO16060524. The Board **FURTHER HEREBY AUTHORIZES** Commissioner Chivukula, as the presiding Commissioner in the AMI/Smart Meter Matter, to establish and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification.

The remaining Base Rate Case and related relief bearing caption, In the Matter of the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, its Tariff for Electric Service, and Its Depreciation Rates; and for other relief ("2016 Base Rate Filing"), Docket No. ER16050428, will be transferred to the OAL in the ordinary course.¹

The Board **HEREBY DIRECTS** that all entities seeking to intervene or participate in the AMI/Smart Meter Matter, Docket No. EO16060524 file the appropriate application with the Board by Friday, August 5, 2016.

On May 25, 2016 the Board issued an Order Suspending Increases, Changes or Alterations in Rates for Service ("May 25, 2016 Order"), pursuant to N.J.S.A. 48:2-21(d), suspending the Base Rate proposed revisions until October 12, 2016 unless prior to that date the Board makes a

¹ On June 7, 2016, Rate Counsel filed a request that RECO's May 13, 2016 Verified Petition be held in abeyance and not transmitted to the OAL. On June 9, 2016, RECO filed a letter opposing Rate Counsel's request. Given the effective date of this Order and the expected filing by RECO of updated data, the issues need not be addressed by the Board, and the Board declines to hold the petition in abeyance.

determination disposing of the petition or enters an Order further suspending the proposed revisions.

In light of the bifurcation of the issues in this matter, the Board determines that the May 25, 2016 Order should be modified in terms of the service requirements to acknowledge the two matters and address concerns regarding the timing of service in the May 25, 2016 Order.

Accordingly, the Board **HEREBY AMENDS** the May 25, 2016 Order to recognize the Board's bifurcation of the petition issues to state: "RECO shall serve the petition, notice of hearings, the May 25, 2016 Order and this Order simultaneously within fifteen (15) days of publishing the scheduling of the Notice of Public Hearings for the 2016 Base Rate Filing or AMI/SMART METER MATTER, whichever matter is noticed first."

As such, the following language shall supersede the language in the May 25, 2016 Order:

It appearing that the proposed Base Rate revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed base rate revisions are suspended until October 12, 2016, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) RECO shall, at least ten (10) days prior to the date set for hearing on the base rate petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) RECO shall serve copies of the May 25, 2016 Order and this Order upon the Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, N.J. 08625), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of the affected county, and where appropriate, the executive officer of the affected county within its service area. RECO shall serve the petition, notice of hearings, the May 25 suspension Order and this Order simultaneously within fifteen (15) days of publishing the scheduling of the Notice of Public Hearings for the 2016 Base Rate Filing or AMI/Smart Meter Matter, whichever matter is noticed first.

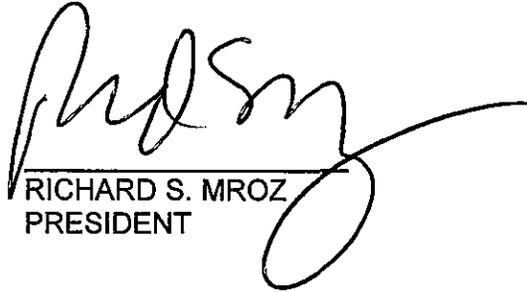
The Board **HEREBY DIRECTS** staff to post this Order on the Board's website.

In addition, in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents in the AMI/Smart Meter Matter electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and hard copies to each party upon request.

This Order shall be effective on July 9, 2016.

DATED: 6/29/16

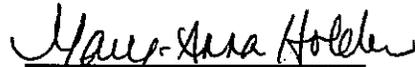
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BY:



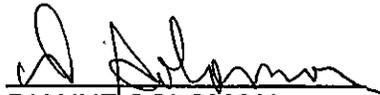
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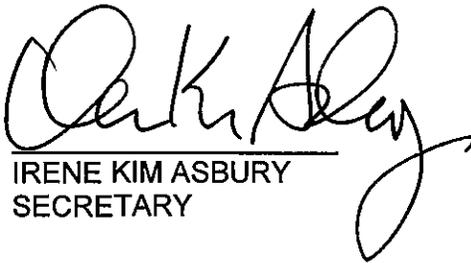
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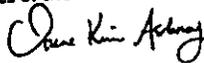


UPENDRA J. CHIVUKULA
COMMISSIONER

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



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AND FOR OTHER RELIEF ("2016 Base Rate Filing")
ROCKLAND ELECTRIC COMPANY – REQUEST FOR APPROVAL OF AN ADVANCED
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BPU DOCKET NOS. ER16050428 & EO16060524

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