



Agenda Date: 10/31/16  
Agenda Item: 2D

**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/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE REQUEST OF ROCKLAND ) ORDER EXTENDING RIDERS  
ELECTRIC COMPANY'S EXTENSION OF BUILDING )  
UTILIZATION AND BUSINESS EXPANSION RIDERS ) DOCKET NO. EO16070710

**Parties of Record:**

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

BY THE BOARD:

On July 28, 2016, Rockland Electric Company ("RECO" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting approval to extend the enrollment period of its Building Utilization Rider ("BUR") and its Business Expansion Rider ("BER") from January 1, 2017 through December 31, 2019.

**BACKGROUND**

The BUR and BER were originally established pursuant to a Board Order dated December 30, 1992 ("December 1992 Order"), in Docket No. ET92090949.<sup>1</sup> In that Order, the Board approved a request by RECO to amend its electric tariffs to incorporate the BUR and BER. The riders were intended to spur economic development within RECO's service territory, and were to expire on December 31, 1994. The Board subsequently approved a one-year extension for the enrollment periods of these riders in Docket No. ET94110528.<sup>2</sup>

<sup>1</sup> In re the Proposed Electric Tariff Amendment of Rockland Electric Company, BPU Docket No. ET92090949, Order dated December 30, 1992.

<sup>2</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period of its Building Utilization and Business Expansion Riders, BPU Docket No. ET94110528, Order dated January 24, 1995.

By Order dated February 7, 1996 ("February 1996 Order"), in Docket No. ET95100512,<sup>3</sup> the Board approved an extension of the riders for an additional two years through December 31, 1997.

By Order dated December 17, 1997 ("December 1997 Order"), in Docket No. ET97110826,<sup>4</sup> the Board approved an extension of the riders from January 1, 1998 through December 31, 1999.

By Order dated April 27, 2000 ("April 2000 Order"), in Docket No. ER00010025,<sup>5</sup> the Board approved an extension of the riders from May 2, 2000 through December 31, 2002.

By Board Order dated February 19, 2004 ("February 2004 Order"), in Docket No. ET03030160,<sup>6</sup> the Board further extended the riders through December 31, 2006, as well as modified the eligibility criteria of the BER to become consistent with the State's Smart Growth Initiatives and the State Development and Redevelopment Plan.

By Board Order dated April 17, 2008 ("April 2008 Order"), in Docket No. ET07100797,<sup>7</sup> the Board approved the riders for further extension through December 31, 2010. This extension also expanded eligibility requirements to require that customers qualify for and receive a comprehensive package of economic incentives conferred by the local municipality or State authorities.

By Order dated June 16, 2011 ("June 2011 Order"), in Docket No. ET10110868,<sup>8</sup> the Board approved an extension of the riders from January 1, 2011 through December 31, 2013 as well as several changes that included modifying the method of calculating the credits, extending the term of the credits, implementing a revenue test provision, and removal of the requirement in the BER tariff that a customer must be locating, relocating, or expanding into a Designated Growth Area.

---

<sup>3</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period of its Building Utilization and Business Expansion Riders, BPU Docket No. ET95100512, Order dated February 7, 1996.

<sup>4</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period of its Building Utilization and Business Expansion Riders, BPU Docket No. ET97110826, Order dated December 17, 1997.

<sup>5</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period and to Make Certain Changes to its Building Utilization and Business Expansion Riders, BPU Docket No. ER00010025, Order dated April 27, 2000.

<sup>6</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period and Make Certain Changes to its Building Utilization and Business Expansion Riders, BPU Docket No. ET03030160, Order dated February 19, 2004.

<sup>7</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period and Make Certain Changes to its Building Utilization and Business Expansion Riders, BPU Docket No. ET07100797, Order dated April 17, 2008.

<sup>8</sup> In re the Petition of Rockland Electric Company to Extend the Enrollment Period and Make Certain Changes to its Building Utilization and Business Expansion Riders, BPU Docket No. ET10110868, Order dated June 16, 2011.

By Order dated December 18, 2013 ("December 2013 Order"), in Docket No. ET13070667,<sup>9</sup> the riders were extended from January 1, 2014 through December 31, 2016.

Currently, the BUR is available to commercial and industrial customers under rate schedules Service Classification 2, General Service and Service Classification 7, Large General Time of Day Service. Under RECO's BUR tariff the customer must purchase or lease a minimum of 7,500 square feet of building space that has been vacant for at least three (3) months and add permanent new full-time employees to their payrolls. Relocation or consolidation of New Jersey based employees, without employment growth, does not qualify. By December 31 of each of the five years a customer receives service under this rider, the customer must submit to the Company, a letter detailing how many additional jobs it has added for that year and its current employee level. A customer failing to provide this information by December 31 of each year shall no longer be eligible for service under this rider.

Under the BUR, an eligible customer currently receives a credit set at twenty (20) percent of the Customer Charge and Distribution Charges, which is applied monthly to the customer's electric bill for 60 consecutive billing months. The Company does not propose changing this method or level of credit.

The BER is available to commercial and industrial customers under rate schedules Service Classification 2, General Service and Service Classification 7, Large General Time of Day Service under RECO's tariff who expand their existing building space or construct new facilities of at least 7,500 square feet, and who add permanent new full-time employees to their payrolls. Relocation or consolidation of New Jersey based employees, without employment growth, does not qualify. An eligible customer receives a credit set at twenty (20) percent of the Customer Charge and Distribution Charges, applied to the customer's monthly electric bill for 60 consecutive billing months. The Company does not propose changing this method or level of credit.

### **The Current Filing**

In the present filing, RECO sought Board authorization to extend the enrollment period of the BUR and BER from January 1, 2016 through December 31, 2019 and eliminate the three month vacancy requirement in order to be eligible for the BUR Credit.

The Company is not requesting at this time any special accounting or cost recovery treatment for the BUR/BER credits in this filing. In the Company's pending base rate case in Docket No. ER16050428,<sup>10</sup> the amount of bill credits embedded in RECO's test year revenue was \$12,584.19.<sup>11</sup>

---

<sup>9</sup> In re the Petition of Rockland Electric Company's Extension of Building Utilization ("BUR") and Business Expansion Riders ("BER"), BPU Docket No. ET13070667, Order dated December 18, 2013.

<sup>10</sup> In re the Verified Petition of Rockland Electric Company for Approval of Charges in Electric Rates, its Tariff for Electric Services, its Depreciation Rates, and for Other Relief, BPU Docket No. ER16050428.

<sup>11</sup> The test year in the base rate case ends on December 31, 2016. The amount indicated above is based on six months of actual data through June 30, 2016 and six months of estimated data through December 31, 2016.

Discovery was propounded on RECO by Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel"). Subsequently, discussions were held between the Company, Rate Counsel and Board Staff. As a result of those discussions, on October 3, 2016, the Company submitted a letter rescinding the proposed change to the vacancy requirements of the BUR. By letter dated October 7, 2016, Rate Counsel filed a letter stating that, based on a review of the Company's proposal and discovery responses provided in the proceeding, Rate Counsel does not object to the Board's approval of RECO's proposed extension of its BUR and BER tariffs. Rate Counsel further stated that the BER and BUR were designed to augment incentives provided by local and State agencies that encourage economic growth and development in RECO's service territory, and to be eligible for the BUR or the BER, the customer must also have received economic incentives from the local municipality or State authorities. Rate Counsel continues to support economic growth in the RECO territory, given the large number of jobs that have recently been created under the program, and the relatively small rate impact on ratepayers.

### **DISCUSSION AND FINDING**

Based upon its review of the filing, the revised tariff leaves filed by RECO, and the documents submitted in this matter, the Board **HEREBY FINDS** that the request to extend the availability of the BUR and BER from January 1, 2017 through December 31, 2019 is reasonable and in the public interest by providing incentives for companies to locate or relocate to the Company's service territory, and thereby promote economic as well as employment growth in the Company's service territory. Moreover, the Board agrees that the extension is reasonable since there appears to be little risk of any adverse financial impact on RECO or its ratepayers while the availability of these riders may induce additional investment in RECO's service territory. Accordingly, the Board **HEREBY APPROVES** the relief requested by the filing, and therefore **APPROVES** an extension of the BUR and BER riders through December 31, 2019.

The Board **HEREBY DIRECTS** the Company to file, within five (5) days of the effective date of this Board Order, tariffs consistent with the Board's findings with an effective date of January 1, 2017.

The Board's approval to extend these riders does not constitute Board approval of any accounting or rate recovery treatment for additional costs associated with the implementation of the BUR and BER service provisions.

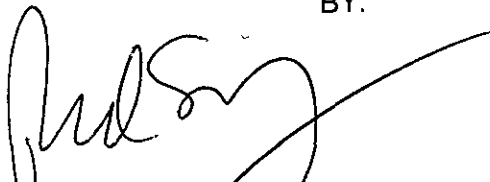


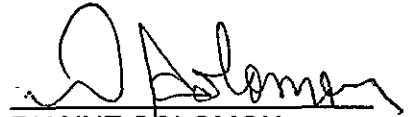

In addition, the Board **HEREBY ORDERS** RECO to continue to provide reports to the Board describing the status of its BER and BUR on an annual basis including, but not limited to, details on the following: the dollar amount of the credits given to customers, the number of new permanent full time employees; the amount of vacant square footage of building space that is purchased or leased, expanded or constructed; the date customer commenced service under the BUR/BER riders and length of time for the service.

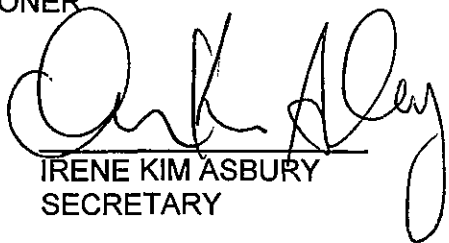
Except for the extension of the term granted herein, all other provisions of the Company's currently approved BUR/BER tariffs and service shall remain in effect.

The effective date of this Order is November 10, 2016.

DATED: 10/31/16

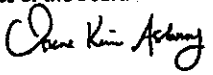
BOARD OF PUBLIC UTILITIES  
BY:

  
RICHARD S. MROZ  
PRESIDENT  
JOSEPH L. FIORDALISO  
COMMISSIONER  
MARY-ANNA HOLDEN  
COMMISSIONER  
DIANNE SOLOMON  
COMMISSIONER  
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



IN THE MATTER OF THE REQUEST OF ROCKLAND ELECTRIC COMPANY'S EXTENSION  
OF BUILDING UTILIZATION AND BUSINESS EXPANSION RIDERS  
BPU DOCKET NO. EO16070710

SERVICE LIST

Margaret Comes, Esq.  
Asst. General Counsel  
Rockland Electric Company  
4 Irving Place, Room 1815-S  
New York, NY 10003-0987  
[COMESM@coned.com](mailto:COMESM@coned.com)

William A. Atzl, Jr. P.E.  
Director-O&R Rates  
Rockland Electric Company  
4 Irving Place  
New York, NY 10003-0987  
[ATZLW@coned.com](mailto:ATZLW@coned.com)

Cheryl Ruggiero  
Rockland Electric Company  
4 Irving Place  
New York, NY 10003-0987  
[RuggieroC@coned.com](mailto:RuggieroC@coned.com)

**Division of Rate Counsel**  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003

Stefanie A. Brand, Director  
[sbrand@rpa.state.nj.us](mailto:sbrand@rpa.state.nj.us)

Brian Lipman, Esq.  
[blipman@rpa.state.nj.us](mailto:blipman@rpa.state.nj.us)

Kurt Lewandowski, Esq.  
[klewando@rpa.state.nj.us](mailto:klewando@rpa.state.nj.us)

Christine Juarez, Esq.  
[CJuarez@rpa.state.nj.us](mailto:CJuarez@rpa.state.nj.us)

**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08325-0350

Irene Kim Asbury, Secretary  
[Irene.Asbury@bpu.nj.gov](mailto:Irene.Asbury@bpu.nj.gov)

Stacy Peterson  
Deputy Director  
Division of Energy  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Andrea Reid  
Division of Energy  
[Andrea.Reid@bpu.nj.gov](mailto:Andrea.Reid@bpu.nj.gov)

Bart Kilar  
Division of Energy  
[Bart.Kilar@bpu.nj.gov](mailto:Bart.Kilar@bpu.nj.gov)

Bethany Rocque-Romaine, Esq.  
Legal Specialist  
[Bethany.Romaine@bpu.nj.gov](mailto:Bethany.Romaine@bpu.nj.gov)

**Department of Law & Public Safety**  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
Post Office Box 45029  
Newark, NJ 07101-45029

Caroline Vachier, Esq.  
[Caroline.Vachier@dol.lps.state.nj.us](mailto:Caroline.Vachier@dol.lps.state.nj.us)

Alex Moreau, Esq.  
[Alex.Moreau@dol.lps.state.nj.us](mailto:Alex.Moreau@dol.lps.state.nj.us)

Christopher Psihoules, Esq.  
[Christopher.Psihoules@dol.lps.state.nj.us](mailto:Christopher.Psihoules@dol.lps.state.nj.us)

Geoffrey Gersten, Esq.  
[Caroline.Vachier@dol.lps.state.nj.us](mailto:Caroline.Vachier@dol.lps.state.nj.us)