



Agenda Date: 6/9/21
Agenda Item: IIA

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 THE VERIFIED PETITION OF) ORDER SUSPENDING
ROCKLAND ELECTRIC COMPANY FOR) INCREASES, CHANGES OR
APPROVAL OF CHANGES IN ELECTRIC RATES,) ALTERATIONS IN RATES FOR
ITS TARIFF FOR ELECTRIC SERVICE, AND ITS) SERVICE
DEPRECIATION RATES AND FOR OTHER RELIEF)
) BPU DOCKET NO. ER21050823

Parties of Record:

James C. Meyer, Esq., Riker Danzig Scherer Hyland and Perretti LLP, on behalf of Rockland Electric Company

Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On May 21, 2021, 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 \$16.9 million, excluding Sales and Use Tax, to be effective for electric service provided on or after June 21, 2021. The Company also sought Board approval to implement new depreciation rates. RECO's petition requested a return on equity of 10.0%.

According to the petition, the Company's current electric distribution rates are not just and reasonable because they do not produce an adequate, reasonable return on the Company's invested capital that is dedicated to the service of the Company's electric distribution customers, and do not provide sufficient revenues to recover the Company's investment in rate base, operating expenses, financing costs and taxes.

In the petition, RECO seeks authority from the Board to do the following:

1. Increase rates and charges for electric service that would result from the proposed amendments to the Company's tariff;
2. Recover significant incurred and deferred costs relating to Tropical Storm Isaias that struck RECO's service territory in August 2020;
3. Modify its electric and general plant depreciations;
4. Approve its adjustments to the net salvage allowance and net salvage true-up amortization to reflect the Company's more recent experience;
5. Consolidate the Securitization Petition, BPU Docket No. EO21030675, within the base rate case, and approve the proposed regulatory treatment of the winding-up of the transition bond transaction; and
6. Defer the cost of impact of any change in the federal or state corporate tax rate that occurs after its post-test year adjustments.

It appearing that the proposed 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), and consistent with N.J.A.C. 14:1-5.12, the proposed revisions are suspended until October 21, 2021, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;

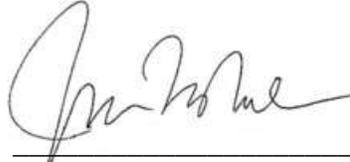
(2) RECO shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law ("OAL"), file with this Board, and with the OAL, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a 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 this Order upon the OAL, 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 County Commissioners of each affected county, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of Service of this Order shall be filed with the Board.

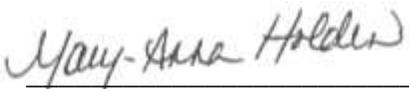
This Order shall be effective on June 16, 2021.

DATED: June 9, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF CHANGES IN ELECTRIC RATES, IT'S TARIFF FOR ELECTRIC SERVICE,
AND ITS DEPRECIATION RATES; AND FOR OTHER RELIEF
BPU DOCKET NO. ER21050823**

SERVICE LIST

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