



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF ROCKLAND) ORDER APPROVING
ELECTRIC COMPANY'S ANNUAL SOCIETAL) STIPULATION
BENEFITS CHARGE FILING (2021) FILING)
) DOCKET NO. ER21040682

Parties of Record:

Brian O. Lipman, Acting Director, New Jersey Division of Rate Counsel
Margaret Comes, Esq., Counsel for Petitioner Rockland Electric Company

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a Stipulation of Settlement ("2021 Stipulation") executed by Rockland Electric Company ("RECO" or "Company"), Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's 2021 Societal Benefits Charge ("SBC") filing in Docket No. ER21040682.

BACKGROUND AND PROCEDURAL HISTORY

Pursuant to N.J.S.A. 48:3-60, the SBC was established to recover the costs incurred by the electric and gas public utilities for expenditures related to social programs, including Board approved energy efficiency and renewable energy programs, and the funding of the Universal Service Fund ("USF") and Lifeline Programs (two (2) statewide low income energy bill payment assistance programs). RECO's SBC also includes a component to refund or recover over- or under-collections based on the prior year's SBC recoveries against program costs.

In accordance with the July 22, 2002, Final Decision and Order of the Board in Docket Nos. EO97070464, EO97070465 and EO97070466, on April 1, 2021, RECO filed a petition with the Board which constituted its annual cost recovery filing of over-recovered or under-recovered cost balances collected through its SBC for the reconciliation period of August 1, 2020 through July 31, 2021, and of projected spending during the period through July 31, 2022 ("2021 Petition").¹

¹ In re Rockland Electric Company's Rate Unbundling, Stranded Costs, and Restructuring Filings, BPU Docket Nos. EO97070464, EO97070465, and EO97070466, Final Order dated July 22, 2002.

The Company filed revisions to the Demand Side Management (“DSM”) and Clean Energy Program, (“CEP”) components (collectively, “SBC Component Programs”) of the SBC rate.²

In the 2021 Petition, which reflected data through February 2021, RECO proposed an increase in the current SBC Component Programs rate of \$0.3132/kWh, including Sales and Use Taxes, to \$0.3229/kWh, including Sales and Use Tax, (“SUT”). The 2021 Petition further provided that the increase in the SBC Component Programs rate included an estimated over-collection of \$428,715 for the 12 month period ending July 31, 2021.

Since the filing, the Company updated the revenue requirement related to the SBC Component Program based upon actual data for the period August 1, 2020 through May 31, 2021, and estimated data through July 2022 (“Update”). As a result of the Update, the Company proposed to increase the SBC Component Programs rate based upon an anticipated over-collection of \$394,206 for the period of August 1, 2020 through July 31, 2021, and projected spending of \$4,963,955 for the period August 1, 2021 through July 31, 2022. Therefore, the Company proposed to increase the SBC Component Programs rate from the current \$0.5481/kWh to \$0.5505/kWh.

As explained in the 2021 Petition, the SBC also provides for the recovery of costs relating to the USF and Lifeline Program. In the 2021 Petition, the USF and Lifeline Program rate components of the SBC, \$0.1493/kWh and \$0.0759/kWh including SUT, respectively, were unchanged. Revisions to the electric USF and Lifeline rates is pending with the Board in Docket No. ER21060939³.

After notice, telephonic public hearings were held on August 24, 2021 at 4:30 and 5:30 p.m.⁴ No members of the public called in to either public hearing or submitted written comments.

STIPULATION

Following a review of the 2021 Petition, the Update, and discovery, the Parties executed the Stipulation, which provides as follows:⁵

1. **SBC Rate.** The Company shall be allowed to implement a total SBC rate of 0.5505 ¢/kWh, including SUT. As set forth in Exhibit A attached to the Stipulation, this rate shall include: (1) a 0.3253 ¢/kWh rate component, including SUT, reflecting \$4,963,955 in projected DSM Programs and Clean Energy Program spending for the 12-month period ending July 31, 2022; (2) a 0.0280 ¢/kWh credit rate component, including SUT, reflecting an over-collection of \$394,206 for the period August 1, 2020 through July 31, 2021; (3) a 0.1493 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and (4) a 0.0759 ¢/kWh rate component, including SUT, relating to Lifeline.⁶ The Parties agree that the

² The SBC rate also includes components for USF and Lifeline. These components are not the subject of the 2021 Petition as they are handled in a separate annual proceeding before the Board.

³ In re the 2021/2022 Annual Compliance Filings for the Universal Service Fund (“USF”) Program Factor within the Societal Benefits Charge Rate, BPU Docket No. ER21060939, (filed June 25, 2021).

⁴ The hearings were held telephonically due to the COVID-19 Pandemic.

⁵ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order.

⁶ As noted in footnote 1 of the Stipulation, the USF Proceeding is a separate pending matter, in which the Board is considering revised USF and Lifeline rates. If the rates are approved as proposed in the USF Proceeding, the new USF and Lifeline rates would be 0.2468 ¢/kWh and 0.0787 ¢/kWh, respectively. Accordingly, in that scenario the total SBC rate would be 0.6508 ¢/kWh, including SUT.

forecasts of costs for the SBC Component Programs and the actual results for these items through July 31, 2022, will be reviewed in the Company's next SBC filing. All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the increase in the total SBC to 0.5505 ¢/kWh, including SUT, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annualized monthly bill from \$130.27 to \$130.35, or 0.06%, based upon rates in effect on July 1, 2021.
3. SBC Interest Rate. Interest shall continue to be calculated at a rate based upon U.S. Treasury securities at two (2) year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus 60 basis points, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed RECO's BPU authorized overall rate of return effective at the time the interest is calculated.
4. Effective Date. The revised tariff leaf relating to the revised SBC shall become effective upon Board approval ("Effective Date").
5. Tariff. RECO shall file the revised tariff leaf relating to the revised SBC rate, in the form set forth in Exhibit B of the Stipulation, approved by the Parties in the Stipulation, as soon as possible, but no later than 10 business days from the Effective Date.

DISCUSSION AND FINDING

The Board reviewed the record in this proceeding, including the 2021 Petition and the attached Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as fully set forth here in subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** the rate adjustments calculated in Exhibit A of the 2021 Stipulation, and **HEREBY FINDS** the rate adjustments to be effective for services rendered on and after October 1, 2021. The Company is **HEREBY DIRECTED** to file the revised tariff sheets conforming to the terms and conditions of this Order by to October 1, 2021.

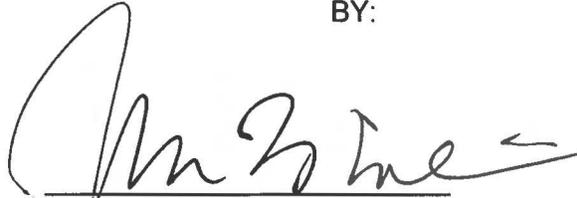
Based upon the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an annualized monthly increase of approximately \$0.08 or 0.06%.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

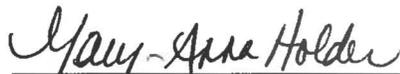
The effective date of this Order is September 21, 2021.

DATED: September 14, 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 PETITION OF ROCKLAND ELECTRIC COMPANY'S ANNUAL
SOCIETAL BENEFITS CHARGE FILING (2021) FILING

DOCKET NO. ER21040682

SERVICE LIST

<p><u>New Jersey Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian Lipman, Esq., Acting Director blipman@rpa.nj.gov</p> <p>Robert M. Glover, Esq. rglover@rpa.nj.gov</p> <p>Bethany Rocque-Romaine, Esq. bromaine@rpa.nj.gov</p> <p>David Wand, Esq. dwand@rpa.nj.gov</p> <p>Tylise Hyman thyman@rpa.nj.gov</p> <p>Debora Layugan dlayugan@rpa.nj.gov</p> <p><u>Rate Counsel Consultant</u></p> <p>Robert J. Henkes Henkes Consulting 7 Sunset Road Old Greenwich, CT 06870 rhenkes@optonline.net</p> <p><u>Division of Law</u> 25 Market Street Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p>	<p><u>Rockland Electric Company</u> 4 Irving Place Room 1815-S New York, NY 10003-0987</p> <p>Margaret Comes, Esq. comesm@coned.com</p> <p>Kurt D. Coutain coutaink@coned.com</p> <p>Cheryl Ruggiero ruggieroc@coned.com</p> <p>William A. Atzl, Jr. atzlw@coned.com</p> <p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch, Board Secretary Board.secretary@bpu.nj.gov</p> <p>Robert Brabston, Esq., Executive Director robert.brabston@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of General Counsel</u></p> <p>Abe Silverman, Esq., General Counsel abe.silverman@bpu.nj.gov</p> <p>Heather Weisband, Esq. heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Beverly Tyndell beverly.tyndell@bpu.nj.gov</p>
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<p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p> <p>Matko Ilic, DAG Matko.ilic@law.njoag.gov</p>	
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Rockland Electric Company

Margaret Comes
Associate Counsel
Law Department

August 30, 2021

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

RE: I/M/O Rockland Electric Company Annual Societal Benefits Charge Filing: 2021
BPU Docket No. ER21040682
Filing of Stipulation of Settlement

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of Rockland Electric Company (“RECO”) (“Rockland” or “the Company”) is Stipulation of Settlement in the above matter.

Respectfully submitted,


Margaret Comes

c: email service list

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

I/M/O Rockland Electric Company’s Annual Societal Benefits Charge Filing (“SBC”) (2021)	:	STIPULATION OF SETTLEMENT
	:	
	:	BPU Docket No. ER21040682
	:	

APPEARANCES:

Margaret Comes, Esq., Associate Counsel, for Petitioner Rockland Electric Company

T. David Wand, Deputy Rate Counsel, Managing Attorney, Electric, Robert Glover, Esq., Assistant Deputy Rate Counsel, and Bethany Roque-Romaine, Esq., Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Andrew J. Bruck**, Acting Attorney General of New Jersey)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

THIS STIPULATION OF SETTLEMENT (“Stipulation”) is made by and among Rockland Electric Company (“RECO” or “Company”), Staff of the New Jersey Board of Public Utilities (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively referred to herein as the “Parties”).

PROCEDURAL HISTORY

In accordance with the New Jersey Board of Public Utilities’ (“Board” or “BPU”) Final Decision and Order dated July 22, 2002, in Docket Nos. EO97070464 *et al.*, Leaf No. 57 of the Company’s Schedule for Electric Service B.P.U. No. 3 – Electricity (“Electric Tariff”) requires the Company to submit to the Board an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge (“SBC”), and to provide for current

program cost recovery. Accordingly, on April 1, 2021, as described below, the Company filed revisions to the Demand Side Management (“DSM”) and Clean Energy Program (“CEP”) components (together, “SBC Component Programs”) of the SBC rate (“2021 Filing”). The 2021 Filing reflected actual data through February 2021.

In the 2021 Filing, RECO proposed an increase in the SBC Component Programs rate from the currently effective rate of 0.3132 ¢/kWh to a rate of 0.3229 ¢/kWh, including Sales and Use Tax (“SUT”). The calculated SBC Component Programs rate included an estimated over-collection of \$428,715 for the 12-month period ending July 31, 2021.

Since the 2021 Filing, the Company updated its DSM and Clean Energy Components of the SBC based upon actual data for the period August 1, 2020 through May 31, 2021, estimated data for June and July 2021, and projected DSM and Clean Energy Components of the SBC for the period August 2021 through July 2022. As a result of the update, the Company proposed to increase the SBC Component Programs rate based upon an anticipated over-collection of \$394,206 for the period August 1, 2020 through July 31, 2021, and projected spending of \$4,963,955 for the period August 1, 2021 through July 31, 2022.

As explained in the 2021 Filing, the SBC also provides for the recovery of costs relating to the Universal Service Fund and Lifeline. In the 2021 Filing, the Universal Service Fund (“USF”) and Lifeline rate components of the SBC, 0.1493 ¢/kWh and 0.0759 ¢/kWh including SUT, respectively, were unchanged. A change in the electric USF and Lifeline rates is pending with the Board in Docket No. ER21060939.¹

On August 24, 2021 the Company conducted a telephonic public hearing as result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor. No members of the public appeared to provide comments or filed written comments with the Board.

STIPULATION

Since RECO’s submission of the 2021 Filing, Rate Counsel and Staff propounded, and the Company responded, to detailed discovery requests. Given the completeness of the record and the intention of the Parties to reasonably, fully and finally resolve all open issues relating to the 2021 Filing, and in consideration of the recitals and mutual promises and covenants set forth herein, the Parties, having given due consideration to the existing record and the various issues addressed therein, DO HEREBY STIPULATE AND AGREE AS FOLLOWS:

1. SBC Rate. The Company shall be allowed to implement a total SBC rate of 0.5505 ¢/kWh, including SUT. As set forth in Exhibit A attached hereto, this rate shall include: (1) a 0.3253 ¢/kWh rate component, including SUT, reflecting \$4,963,955 in projected DSM Programs

¹ *In the Matter of the 2021/2022 Annual Compliance Filings for the Universal Service Fund (“USF”) Program Factor within the Societal Benefits Charge Rate*, BPU Docket No. ER21060939. (filed June 25, 2021)(“the USF Proceeding”). If new USF and Lifeline rates are approved in the USF Proceeding at the same BPU agenda meeting at which this Stipulation is approved by the Board, RECO will file tariff sheets reflecting an SBC rate with the new USF and Lifeline rates rather than the stipulated SBC rate and new USF/Lifeline rate set forth herein. Proposed tariff sheets with the stipulated SBC rate and new USF/Lifeline rate are attached as Exhibit C.

and Clean Energy Program spending for the 12-month period ending July 31, 2022; (2) a 0.0280 ¢/kWh credit rate component, including SUT, reflecting an over-collection of \$394,206 for the period August 1, 2020 through July 31, 2021; (3) a 0.1493 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and (4) a 0.0759 ¢/kWh rate component, including SUT, relating to Lifeline.² The Parties agree that the forecasts of costs for the SBC Component Programs and the actual results for these items through July 31, 2022, will be reviewed in the Company's next SBC filing. All SBC component rates are subject to audit by the Board.

2. Customer Impact. As a result of the increase in the total SBC to 0.5505 ¢/kWh, including SUT, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annualized monthly bill from \$130.27 to \$130.35, or 0.06%, based upon rates in effect on July 1, 2021.

3. SBC Interest Rate. Interest shall continue to be calculated at a rate based upon U.S. Treasury securities at two (2) year constant maturity as published in the Federal Reserve Statistical Release on the first day of each month (or closest day thereafter on which rates are published), plus 60 basis points, in accordance with the Board's October 21, 2008 Order in Docket No. ER08060455, but not to exceed RECO's BPU authorized overall rate of return effective at the time the interest is calculated.

4. Effective Date. The revised tariff leaf relating to the revised SBC shall become effective upon Board approval ("Effective Date").

² As noted in footnote 1 above, the USF Proceeding is a separate pending matter, in which the Board is considering revised USF and Lifeline rates. If the rates are approved as proposed in the USF Proceeding, the new USF and Lifeline rates would be 0.2468 ¢/kWh and 0.0787 ¢/kWh, respectively. Accordingly, in that scenario the total SBC rate would be 0.6508 ¢/kWh, including SUT.

5. Tariff. RECO shall file the revised tariff leaf relating to the revised SBC rate, in the form set forth in Exhibit B hereto, approved by the Parties in this Stipulation, as soon as possible, but no later than 10 business days from the Effective Date.

6. Voluntariness. The Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein.

7. Expeditious Board Approval. Each Party agrees to use its best efforts to ensure that this Stipulation is submitted in a timely fashion to the Board for its approval without modification or condition.

8. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions, and is intended to be accepted and approved in its entirety to fully resolve all issues relating to the 2021 Filing. This Stipulation is an integral settlement and the various parts hereof are not severable without upsetting the balance of agreements and compromises achieved among the Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Parties are not waiving any legal or procedural rights, arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Party aggrieved thereby, exercised by written notice to the other Parties within ten days after receipt of any such adverse decision, be null and void in which case the Parties shall be placed in the same position that they were in immediately prior to its execution.

9. Party Reservations. This Stipulation represents a negotiated compromise resolution made exclusively for the purpose of the above-referenced proceedings. Although binding on the Parties with respect to the issues resolved herein, this Stipulation, in total or by specific item, is in no way binding upon the Parties (or non-signatories) and is not to be considered or cited as

precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Parties agree that the resolution of the issues relating to the 2021 Filing shall apply only to this proceeding, and that any similar future cases shall be reviewed by the Board on an individual basis. This Stipulation is without prejudice to the positions of the respective Parties with respect to any future rate cases or other proceedings involving the Company, except as specifically set forth herein.

10. Captions. The subject headings of the sections of this Stipulation are inserted solely for the purpose of convenient reference and are not intended to, nor shall they, affect the meaning of any provision of this Stipulation.

11. Governing Law. This Stipulation shall be governed and construed in accordance with the laws of the State of New Jersey.

12. Execution. This Stipulation may be executed in one or more counterparts. Each Signatory Party has caused its duly authorized representative to execute below and deliver this Stipulation.

CONCLUSION

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

ROCKLAND ELECTRIC COMPANY

By Margaret Comes
Margaret Comes, Esq.

Date: August 26, 2021

ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By: 
Terel Klein
Deputy Attorney General

Date: August 27, 2021

STATE OF NEW JERSEY, DIVISION OF RATE COUNSEL
STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: 
Robert Glover
Assistant Deputy Rate Counsel

Date: August 27, 2021

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")**

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT <u>(¢/kWh)</u>	Rate Incl. RA & SUT <u>(¢/kWh)</u>
DSM/Clean Energy Programs	0.3051	0.3253
Universal Service Fund	0.1400	0.1493
Lifeline	<u>0.0712</u>	<u>0.0759</u>
Total	0.5163	0.5505

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")¹**

Reconciliation of SBC for the Period August 1, 2020 - July 31, 2021

SBC Recoveries: (08/01/20 - 07/31/21) - See Page 3	\$4,687,191
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/20 - 07/31/21) - See Page 3	4,963,955
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	(668,236)
Total SBC Costs to be Recovered (08/01/20 - 07/31/21)	4,295,719
SBC (Over)/Under Recovery Balance	(391,471)
Interest (Over)/Under Recovery Balance - See Page 3	<u>(2,735)</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2021	(\$394,206)

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2022	1,498,029,472
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000263)
Projected Spending - 12 months ending July 31, 2022 - See Page 4	\$4,963,955
\$ per kWh Projected Spending to be Surcharged	\$0.003314
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003051
Sales and Use Tax ("SUT")	1.06625
<u>Proposed SBC Including SUT (\$ per kWh)</u>	\$0.003253

Notes: ¹ Rate component of SBC relating to recovery of demand-side management ("DSM") and the Clean Energy Program as described in paragraphs (1) and (2) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include the costs and the associated rate components of the SBC relating to the Universal Service Fund and Lifeline.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2020 through July 2021 Cost Recovery Period**

RECO	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Total
	Actual	Estimate	Estimate										
SBC Recoveries	\$576,968	\$508,006	\$399,417	\$347,601	\$350,231	\$403,830	\$349,900	\$283,734	\$314,112	\$312,465	\$375,833	\$465,095	\$4,687,191
Prior Period Reconciliation Adj. ¹	(\$668,236)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$668,236)
Legacy Program Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CEP Program Costs	\$410,620	\$521,318	\$516,235	\$479,734	\$374,388	\$380,032	\$395,729	\$422,675	\$393,972	\$375,660	\$339,569	\$354,024	\$4,963,955
Total Program Costs	(\$257,615)	\$521,318	\$516,235	\$479,734	\$374,388	\$380,032	\$395,729	\$422,675	\$393,972	\$375,660	\$339,569	\$354,024	\$4,295,719
Interest - (Over)/Under Recovery	(\$355)	(\$359)	(\$312)	(\$261)	(\$253)	(\$243)	(\$224)	(\$169)	(\$142)	(\$111)	(\$128)	(\$178)	(\$2,735)
Total Program Costs Incl. Adjs. & Interest	(\$257,970)	\$520,959	\$515,923	\$479,473	\$374,135	\$379,789	\$395,505	\$422,506	\$393,830	\$375,549	\$339,441	\$353,846	\$4,292,984
(Over)/Under Recovery	(\$834,938)	\$12,953	\$116,506	\$131,872	\$23,904	(\$24,041)	\$45,606	\$138,771	\$79,717	\$63,085	(\$36,392)	(\$111,249)	(\$394,206)
Interest Rate (%) ²	0.71%	0.73%	0.74%	0.76%	0.77%	0.71%	0.71%	0.73%	0.77%	0.76%	0.76%	0.76%	

Notes: ¹ Over recovery for the period August 1, 2019 through July 31, 2020 as per Page 2 of the BPU Order Approving Stipulation dated October 14, 2020, in Docket Number ER20040282.

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

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")**

SBC Projected Program Costs: August 2021 - July 2022 (1)

<u>Projected Program Costs</u>			
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-21	\$410,620	\$0	\$410,620
Sep-21	521,318	0	521,318
Oct-21	516,235	0	516,235
Nov-21	479,734	0	479,734
Dec-21	374,388	0	374,388
Jan-22	380,032	0	380,032
Feb-22	395,729	0	395,729
Mar-22	422,675	0	422,675
Apr-22	393,972	0	393,972
May-22	375,660	0	375,660
Jun-22	339,569	0	339,569
Jul-22	<u>354,024</u>	<u>0</u>	<u>354,024</u>
Total	\$4,963,955	\$0	\$4,963,955

Notes: ¹ Rate component of SBC relating to recovery of demand-side management ("DSM") and Clean Energy Program costs as described in paragraphs (1) and (2) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include costs associated with USF and Lifeline.

² At the time of this filing, there was no approved Clean Energy budget beyond June 2021. The Company's projected Clean Energy Program spending for the twelve month period ending July 2022 reflects the FY21 amounts approved by the BPU in its Order Dated September, 23, 2020 in Docket No. QO20080538.

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE (“SBC”)

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management (“DSM”), including the costs associated with DSM programs and DSM bidding programs;
- (2) Clean Energy Program, (“CEP”); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at 0.5505 cents per kWh, including sales and use tax (“SUT”). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3051	0.3253
Universal Service Fund	0.1400	0.1493
Lifeline	0.0712	0.0759
Total SBC	0.5163	0.5505

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company’s Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE (“SBC”)

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management (“DSM”), including the costs associated with DSM programs and DSM bidding programs;
- (2) Clean Energy Program, (“CEP”); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at ~~0.53840.5505~~ cents per kWh, including sales and use tax (“SUT”). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.29370.3051	0.31320.3253
Universal Service Fund	0.1400	0.1493
Lifeline	0.0712	0.0759
Total SBC	0.50490.5163	0.53840.5505

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company’s Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

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Mahwah, New Jersey 07430

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Revised Leaf No. 56
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GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM"), including the costs associated with DSM programs and DSM bidding programs;
- (2) Clean Energy Program, ("CEP"); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at ~~0.5384-6508~~ cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0. 29373051	0. 31323253
Universal Service Fund	0. 14002315	0. 14932468
Lifeline	0. 07120738	0. 07590787
Total SBC	0. 50496104	0. 53846508

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

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Revised Leaf No. 56
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GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM"), including the costs associated with DSM programs and DSM bidding programs;
- (2) Clean Energy Program, ("CEP"); and
- (3) Universal Service Fund and Lifeline.

The SBC to be effective on and after the date indicated below shall be set at 0.6508 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3051	0.3253
Universal Service Fund	0.2315	0.2468
Lifeline	0.0738	0.0787
Total SBC	0.6104	0.6508

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

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Mahwah, New Jersey 07430