



Agenda Date: 6/27/24

Agenda Item: 2F

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</sup> Floor**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF ROCKLAND ELECTRIC	)	ORDER APPROVING
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE	)	STIPULATION
FILING RECONCILING COSTS FOR 12 MONTHS	)	
ENDING JULY 31, 2022 AND ESTIMATING COSTS	)	
FOR 12 MONTHS ENDING JULY 31, 2023	)	DOCKET NO. ER22040245
	)	
IN THE MATTER OF ROCKLAND ELECTRIC	)	
COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE	)	
FILING RECONCILING COSTS FOR 12 MONTHS	)	
ENDING JULY 31, 2023 AND ESTIMATING COSTS	)	
FOR 12 MONTHS ENDING JULY 31, 2024	)	DOCKET NO. ER23030200

**Parties of Record:**

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

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation of settlement ("Stipulation") executed by Rockland Electric Company ("RECO"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties") intended to resolve the Company's requests related to the above docketed matters.

## **BACKGROUND**

N.J.S.A. 48:3-60 established the Societal Benefits Charge (“SBC”) 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.<sup>1</sup> RECO’s current SBC includes a Demand Side Management (“DSM”) / Clean Energy Program (“CEP”) component (“DSM/CEP Component”) and an Uncollectible Expense Program component (“UEP Component”) (collectively, “SBC Component Programs”).<sup>2</sup>

## **APRIL 1, 2022 PETITION**

On April 1, 2022, RECO filed a petition with the Board seeking approval to reconcile costs and revenues for the reconciliation period of August 1, 2021, through July 31, 2022, and for recovery of projected spending during the period of July 31, 2023 (“2022 Petition”) By the 2022 Petition, the Company proposed 1) an increase in the DSM/CEP Component rate from 0.3253 cents per kWh to 0.3675 cents per kWh; and 2) an increase in the UEP Component rate from 0.0303 cents per kWh to 0.0828 cents per kWh.<sup>3</sup> Based upon the requests in the 2022 Petition, RECO’s total SBC rate would be increased from 0.7277 cents per kWh to 0.7758 cents per kWh.<sup>4</sup>

On March 17, 2023, the Company updated the 2022 Petition and requested an adjusted SBC rate of 0.8418 cents per kWh (“2022 Petition Update”).<sup>5</sup>

Following publication of notices in newspapers of general circulation in the Company’s service territory, virtual public hearings were conducted on April 25, 2023, at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearing. Additionally, no written comments were received by the Board.

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<sup>1</sup> USF and Lifeline are statewide low-income energy bill payment assistance programs.

<sup>2</sup> The SBC rate also includes components for USF and Lifeline Programs. These components are not included in the petitions that are the subject of this Order as they are handled in a separate annual proceeding before the Board.

<sup>3</sup> All rates quoted herein are inclusive of New Jersey Sales and Use Tax (“SUT”) unless otherwise indicated.

<sup>4</sup> The total SBC rate in the 2022 Petition was based upon the USF and Lifeline rates in effect at the time of the filing of the 2022 Petition.

<sup>5</sup> The total SBC rate in the 2022 Petition Update was based upon the USF and Lifeline rates in effect at the time of the filing of the 2022 Petition Update.

### **MARCH 31, 2023 PETITION**

On March 31, 2023, RECO filed a petition with the Board seeking approval to reconcile costs and revenues for the reconciliation period of August 1, 2022, through July 31, 2023, and of projected spending during the period of July 31, 2024 (“2023 Petition”).

As the 2022 Petition was unresolved, the Company proposed 1) an increase to the DSM/CEP Component rate from 0.3253 cents per kWh to 0.3586 cents per kWh; and 2) an increase to the UEP Component rate from 0.0303 cents per kWh to 0.0640 cents per kWh. Based upon the requests in the 2023 Petition, RECO’s total SBC rate would be increase from 0.7757 cents per kWh to 0.8427 cents per kWh.<sup>6</sup>

On June 13, 2023, the Company updated the 2023 Petition requesting an adjusted total SBC rate of 0.08426 cents per kWh (“2023 Petition Update”).<sup>7</sup>

Subsequent to the filing of the 2023 Petition Update, RECO updated the USF and Lifeline programs components of the SBC in accordance with the Board’s Order dated September 27, 2023.<sup>8</sup> Based upon the revised USF and Lifeline programs rates added to the proposed change in the SBC Component Programs rates, the result was a proposed total SBC rate of 0.6294 cents per kWh.

Following publication of notices in newspapers of general circulation in the Company’s service territory, virtual public hearings were conducted on May 2, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearing. Additionally, no written comments were received by the Board.

### **STIPULATION**

Following a review of the 2022 Petition and 2023 Petition, conducting discovery and discussions among the Parties, the Parties executed the Stipulation, which provides, in part, the following:<sup>9</sup>

1. Calculation of RECO UEP Balances. The Company’s monthly balances for the purpose of calculating the UEP rate will be calculated as follows:
  - a. The Company will cap its monthly uncollectibles for the months of August 2022, February 2023, and September 2023 at \$80,000 per month. The difference between the cap and the actuals will be amortized over two (2) years and will

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<sup>6</sup> The total SBC rate in the 2023 Petition was based upon USF and Lifeline rates in effect at the time of the filing of the 2023 Petition.

<sup>7</sup> The total SBC rate in the 2023 Petition updated was based upon USF and Lifeline rates in effect at the time of the filing of the 2023 Petition Update.

<sup>8</sup> The current after-tax USF/Lifeline rate is \$0.0177 per therm as approved by the Board in its September 27, 2023 Order in Docket No. ER23060409, effective October 1, 2023. See In re the 2023/2024 Annual Compliance Filings for the Universal Service Fund (“USF”) Program Factor Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. ER23060409, Order dated September 27, 2023.

<sup>9</sup> Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

- be included with the starting prior period balances for the April 2024 and April 2025 DSM, CEP and UEP components of the SBC filings.
- b. The actual RECO uncollectibles for the months of August 2022 (\$151,645), February 2023 (\$201,096), and September 2023 (\$370,057) total \$722,798. Deducting the capped total of \$240,000 leaves a balance of \$482,798, and the amount to be amortized over two (2) years to be included with the April 2024 and April 2025 DSM, CEP and UEP components of the SBC filings is \$241,399 per year.
  - c. The Company will use the amount of \$40,000 per month for projected uncollectibles.
  - d. The cap as discussed in 1(a) above may be modified in future SBC proceedings, subject to discussion and agreement among the Parties.
2. RECO UEP Rate. Using calculation set out at 1(a) and 1(b) above to calculate RECO's UEP balances, the Company's UEP rate is 0.0316 ¢/kWh, including SUT.
  3. SBC Rate. The Company shall implement a total SBC rate of 0.5895 ¢/kWh, including SUT. As set forth in Exhibit A of the Stipulation, this rate shall include: 1) a 0.3509 ¢/kWh rate, including SUT, for the DSM/CEP Component; (2) a 0.0316 ¢/kWh rate, including SUT, related to the UEP Component; (3) a 0.1325 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and, (4) a 0.0744 ¢/kWh rate component, including SUT, relating to Lifeline.
  4. The Parties agree that the forecasts of costs for the SBC Component Programs and the actual results for these items through July 31, 2023, will be reviewed by the Board in the Company's next annual SBC filing. All SBC component rates are subject to audit by the Board.
  5. Customer Impact. As a result of the increase in the total SBC to 0.5895 ¢/kWh, including SUT, a residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annual bill from \$1,705.80 to \$1,707.84, or \$2.04 or approximately 0.1%.
  6. SBC Interest Rate. Interest shall continue to be calculated at a rate based upon U.S. Treasury securities at two 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.
  7. Effective Date. The revised tariff leaf relating to the revised SBC shall become effective upon Board approval ("Effective Date").
  8. Tariff. RECO shall file the revised electric tariff 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 ten (10) business days from the Effective Date.

## **DISCUSSION AND FINDINGS**

The Board, having reviewed the record in this matter, including the 2022 Petition, the 2023 Petition, and the Stipulation, **HEREBY FINDS** the Stipulation to be reasonable, in the public

interest, and in accordance with the law. As such, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** the terms of the Stipulation as though fully set forth herein.

Accordingly, the Board **HEREBY APPROVES** RECO's DSM/CEP Component rate of 0.3509 cents per kWh and UEP Component rate of 0.0316 cents per kWh. Therefore, the Board **HEREBY APPROVES** a revised total SBC rate of 0.5895 cents per kWh, for service rendered on and after July 1, 2024.

As a result of the Stipulation, a residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annual bill of \$2.04.

The Board **HEREBY DIRECTS** RECO to file revised tariff sheets conforming to the terms of the Stipulation prior to July 1, 2024.


The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

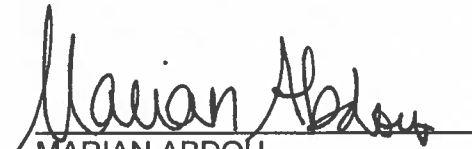
The effective date of this Order is June 27, 2024.

DATED: June 27, 2024

BOARD OF PUBLIC UTILITIES  
BY:

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
MARIAN ABDOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:  
  
SHERRI L. GOLDEN  
SECRETARY

IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE FILING  
RECONCILING COSTS FOR 12 MONTHS ENDING JULY 31, 2022 AND ESTIMATING COSTS FOR 12 MONTHS  
ENDING JULY 31, 2023

IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL SOCIETAL BENEFITS CHARGE FILING  
RECONCILING COSTS FOR 12 MONTHS ENDING JULY 31, 2023 AND ESTIMATING COSTS FOR 12 MONTHS  
ENDING JULY 31, 2024

DOCKET NOS. ER22040245 and ER23030200

SERVICE LIST

**Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Sherri Golden, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

**Office of General Counsel**

Michael Beck, General Counsel  
[michael.beck@bpu.nj.gov](mailto:michael.beck@bpu.nj.gov)

Carol Artale, Deputy General Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Heather Weisband, Senior Counsel  
[heather.weisband@bpu.nj.gov](mailto:heather.weisband@bpu.nj.gov)

**Division of Revenue and Rates**

William Barkasy  
[william.barkasy@bpu.nj.gov](mailto:william.barkasy@bpu.nj.gov)

Kofi Ocansey  
[kofi.ocansey@bpu.nj.gov](mailto:kofi.ocansey@bpu.nj.gov)

**New Jersey Division of Rate Counsel**

140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Maura Caroselli, Esq., Managing Attorney  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Megan Lupo, Esq.  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

Mamie Purnell, Esq.  
[mpurnell@rpa.nj.gov](mailto:mpurnell@rpa.nj.gov)

**Rockland Electric Company**

4 Irving Place  
New York, NY 10003

Margaret Comes, Esq.  
Associate Counsel  
[comesm@coned.com](mailto:comesm@coned.com)

William Atzl, Jr.  
[atzlw@coned.com](mailto:atzlw@coned.com)

Cheryl Ruggiero  
[ruggieroc@coned.com](mailto:ruggieroc@coned.com)

**New Jersey Division of Law**

NJ Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625

Pamela Owen, ASC, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Stephen Chaplar, DAG  
[stephen.chaplar@law.njoag.gov](mailto:stephen.chaplar@law.njoag.gov)

Daren Eppley, DAG  
[daren.eppley@law.njoag.gov](mailto:daren.eppley@law.njoag.gov)



Rockland Electric Company

**Margaret Comes**  
Associate Counsel  
Law Department

June 11, 2024

Sherri L. Golden, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

RE: In the Matter of Rockland Electric Company's Annual Societal Benefits Charge Filing  
Reconciling Costs for 12 Months Ending July 31, 2022 and Estimating Costs for 12  
Months Ending July 31, 2023  
BPU Docket No. ER22040245

AND

In the Matter of Rockland Electric Company's Annual Societal Benefits Charge Filing  
Reconciling Costs for 12 Months Ending July 31, 2023 and Estimating Costs for 12  
Months Ending July 31, 2024  
BPU Docket No. ER23030200

Dear Secretary Golden:

Attached for filing in the above two dockets is Stipulation of Settlement.

Respectfully submitted,

  
Margaret Comes

c: email service list

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

**Stipulation of Settlement**

**In the Matter of Rockland Electric** )  
**Company’s Annual Societal Benefits Charge** ) **BPU Docket No. ER22040245**  
**Filing Reconciling Costs for 12 Months** )  
**Ending July 31, 2022 and Estimating Costs** )  
**for 12 Months Ending July 31, 2023** )

**In the Matter of Rockland Electric** )  
**Company’s Annual Societal Benefits Charge** ) **BPU Docket No. ER23030200**  
**Filing Reconciling Costs for 12 Months** )  
**Ending July 31, 2023 and Estimating Costs** )  
**for 12 Months Ending July 31, 2024** )

**APPEARANCES:**

**Margaret Comes**, Associate Counsel, for Petitioner Rockland Electric Company

**T. David Wand, Esq.**, Managing Attorney, Electric Group, **Brian Weeks, Esq.**, Deputy Rate Counsel and **Bethany Rocque-Romaine, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director, Division of Rate Counsel)

**Steven Chaplar**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, 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”) (each being a “Party”, and collectively, “Parties”).

**PROCEDURAL HISTORY**

In accordance with the New Jersey Board of Public Utilities’ (“Board” or “BPU”) July 22, 2002 Order, and Leaf No. 57 of the Company’s Schedule for Electric Service B.P.U. No. 3 – Electricity (“Electric Tariff”) the Company must submit an annual filing to the Board to reconcile any over- or



under-recovered balances recovered through the Societal Benefits Charge (“SBC”), and to provide for current program cost recovery.<sup>1</sup>

### **2022 Filing**

On April 1, 2022, the Company filed a petition seeking revisions to the Demand Side Management (“DSM”) / Clean Energy Program (“CEP”) (“DSM/CEP Component”), and Uncollectible Expense Program (“UEP”) Component (together, “SBC Component Programs”) of the SBC rate (“2022 Filing”). The 2022 Filing initially reflected actual data through February 2022.

In the 2022 Filing, RECO proposed (1) an increase in the DSM/CEP rate component of the SBC from 0.3253 ¢/kWh to 0.3675 ¢/kWh, including SUT; and (2) an increase in the UEP rate component from 0.0303 ¢/kWh to a rate of 0.0828 ¢/kWh, including SUT. The resulting proposed SBC of 0.7758 ¢/kWh, including SUT, reflected the following: (1) a 0.3623 ¢/kWh rate component, including SUT, for forecast DSM and CEP spending for the 12-month period ending July 31, 2023 of \$4,963,955; (2) a 0.0052 ¢/kWh rate component, including SUT, reflecting an under-collection of \$71,230 in DSM and CEP spending for the period August 1, 2021 through July 31, 2022; (3) a 0.0433 ¢/kWh rate component, including SUT, for forecast UEP for the 12-month period ending July 31, 2023 of \$540,000; (4) a 0.0395 ¢/kWh rate component, including SUT, reflecting an under-collection of \$594,482 in UEP; (5) a 0.2468 ¢/kWh rate component, including SUT, relating to Universal Service Fund; and (6) a 0.0787 ¢/kWh rate component, including SUT, relating to Lifeline.<sup>2</sup>

On August 22, 2022, the Company updated (“2022 Filing Update”) the DSM/CEP Component of the SBC based upon actual data for the period March 1, 2022 through July 31, 2022, and projected DSM and CEP costs for the period August 1, 2022 through July 31, 2023 (including actual data through February 28, 2023). The 2022 Filing Update included an update of the UEP Component of the SBC to

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<sup>1</sup> In re Rockland Electric Company’s Rate Unbundling, Stranded Costs, and Restructuring Filings, BPU Docket Nos. EO97070464 and EO97070466, Order dated July 22, 2022.

<sup>2</sup> The under-collection does not include the costs and the associated rate components of the SBC relating to the Universal Service Fund and Lifeline.

reflect actual uncollectible experience for the period January 1, 2022 through July 31, 2022, and the projected UEP Component of the SBC for the period August 1, 2022 through July 31, 2023 (including actual data through February 28, 2023). As a result of the 2022 Filing Update, the Company proposed to increase the SBC Component Program rate as a result of: (1) an anticipated DSM/CEP program over-collection of \$99,358 for the period August 1, 2021 through July 31, 2022; and (2) an anticipated UEP under-collection of \$149,061 for the period August 1, 2021 through July 31, 2022.

On April 25, 2023, the Company conducted two (2) virtual public hearings on the 2022 Filing. No members of the public appeared to provide comments or filed written comments with the Board.

### **2023 Filing**

On April 1, 2023, while the 2022 Filing was pending, the Company filed a petition seeking revisions to the SBC Component Programs of the SBC rate (“2023 Filing”). The 2023 Filing reflected actual data through February 2023.

In the 2023 Filing, RECO proposed (1) an increase in the DSM/CEP rate component of the SBC from 0.3253 ¢/kWh to 0.3586 ¢/kWh, including SUT; and (2) an increase in the UEP rate component from 0.0303 ¢/kWh to a rate of 0.0640 ¢/kWh, including SUT. The resulting proposed SBC of 0.8427 ¢/kWh, including SUT, reflected the following: (1) a 0.3385 ¢/kWh rate component, including SUT, for forecast DSM and CEP spending for the 12-month period ending July 31, 2024 of \$5,147,536;<sup>3</sup> (2) a 0.0201 ¢/kWh rate component, including SUT, reflecting an under-collection of \$305,365 in DSM and CEP spending for the period August 1, 2022 through July 31, 2023; (3) a 0.0355 ¢/kWh rate component, including SUT, for forecast UEP for the 12-month period ending July 31, 2024 of \$540,000; (4) a 0.0285 ¢/kWh rate component, including SUT, reflecting an under-collection of \$432,310 in UEP; (5) a 0.3417

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<sup>3</sup> The filing noted that because, at that time, the Board had not yet approved Clean Energy Program spending beyond June 2023, the Company’s projected Clean Energy Program spending for the 12 month period ending July 2024, reflected the fiscal year 2023 amounts approved by the BPU in its Order dated June 29, 2022 in BPU Docket No. QO22020112.

¢/kWh rate component, including SUT, relating to Universal Service Fund; and (6) a 0.0784 ¢/kWh rate component, including SUT, relating to Lifeline.

On June 13, 2023, the Company updated (“2023 Filing Update”) its DSM/CEP and UEP components of the SBC based upon actual data for the period August 2022, through May 2023, and projected DSM/CEP costs of the SBC for the period June 2023 through July 2024. As a result of the 2023 Filing Update, the Company proposed to increase the SBC Component Programs rate as a result of: (1) an anticipated DSM/CEP program under-collection of \$349,291 for the period August 1, 2022 through July 31, 2023; and (2) an anticipated UEP under-collection of \$386,869 for the period August 1, 2022 through July 31, 2023.

During the 2022 Filing and 2023 Filing proceedings, the Parties held several discovery conferences. On January 12, 2024, the Company provided additional, updated DSM/CEP and UEP data that anticipated DSM/CEP under-collection of \$378,813 for the period August 1, 2022 through July 31, 2023; and (2) an anticipated UEP under-collection of \$365,130 (“January 2024 Update”).

On May 2, 2024, the Company conducted two (2) virtual public hearings on the 2023 Filing. No members of the public appeared to provide comments or filed written comments with the Board.

### **STIPULATION**

Based upon the Parties review of the 2022 Filing, the 2023 Filing, updates, discovery, and discussions, the Parties STIPULATE AND AGREE AS FOLLOWS:

1. Calculation of RECO UEP Balances. The Company’s monthly balances for the purpose of calculating the UEP rate will be calculated as follows:
  - a. The Company will cap its monthly uncollectibles for the months of August 2022, February 2023, and September 2023 at \$80,000 per month. The difference between the cap and the actuals will be amortized over two (2) years and will be included with the starting prior period balances for the April 2024 and April 2025 DSM, CEP and UEP components of the SBC filings.
  - b. The actual RECO uncollectibles for the months of August 2022 (\$151,645), February 2023 (\$201,096), and September 2023 (\$370,057) total \$722,798. Deducting the capped total of

\$240,000 leaves a balance of \$482,798, and the amount to be amortized over two (2) years to be included with the April 2024 and April 2025 DSM, CEP and UEP components of the SBC filings is \$241,399 per year.

- c. The Company will use the amount of \$40,000 per month for projected uncollectibles.
  - d. The cap as discussed in 1(a) above may be modified in future SBC proceedings, subject to discussion and agreement among the parties.
2. RECO UEP Rate. Using calculation set out at 1(a) and 1(b) above to calculate RECO's UEP balances, the Company's UEP rate is 0.0316 ¢/kWh, including SUT.
  3. SBC Rate. The Company shall implement a total SBC rate of 0.5895 ¢/kWh, including SUT. As set forth in Exhibit A attached hereto, this rate shall include: 1) a 0.3509 ¢/kWh rate, including SUT, for the DSM/CEP component; (2) a 0.0316 ¢/kWh rate, including SUT, related to the UEP component; (3) a 0.1325 ¢/kWh rate component, including SUT, relating to the Universal Service Fund;<sup>4</sup> and, (4) a 0.0744 ¢/kWh rate component, including SUT, relating to Lifeline.<sup>5</sup>
  4. The Parties agree that the forecasts of costs for the SBC Component Programs and the actual results for these items through July 31, 2023, will be reviewed by the Board in the Company's next annual SBC filing. All SBC component rates are subject to audit by the Board.
  5. Customer Impact. As a result of the increase in the total SBC to 0.5895 ¢/kWh, including SUT, a residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, will see an increase in their annual bill from \$1,705.80 to \$1,707.84, or \$2.04 or approximately 0.1%.
  6. SBC Interest Rate. Interest shall continue to be calculated at a rate based upon U.S. Treasury securities at two 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

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<sup>4</sup> The USF and Lifeline rates were not part of this proceeding. The USF and Lifeline rates were established by Board Order in the proceeding, In re the 2023/2024 Annual Compliance Filings for the Universal Service Fund ("USF") Program Factor Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 And N.J.S.A. 48:2-21.1, Docket No. ER23060409, Order dated September 27, 2023.

<sup>5</sup> See footnote 4 above.

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.

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

8. Tariff. RECO shall file the revised Electric tariff 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.

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

10. 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. However, the Parties understand there is no guarantee that this matter will be decided on a particular date or at a specific Board Meeting.

11. 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 2022 Filing and 2023 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 10 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.

12. 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 2022 Filing and 2023 Filing shall apply only to these proceedings, 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.

13. 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.

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

15. Execution. This Stipulation may be executed in one or more counterparts. Each 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**

Dated: June 10, 2024

By: Margaret Comes  
Margaret Comes  
Associate Counsel

**MATTHEW J. PLATKIN**  
**ATTORNEY GENERAL OF NEW JERSEY**  
Attorney for the Staff of the  
New Jersey Board of Public Utilities

Dated: June 10, 2024

By: Steven Chaplar  
Steven Chaplar  
Deputy Attorney General

**DIVISION OF RATE COUNSEL**  
**BRIAN O. LIPMAN, DIRECTOR**

Dated: June 10, 2024

By: Bethany Roque-Romaine  
Bethany Roque-Romaine, Esq.,  
Assistant Deputy Rate Counsel

**ROCKLAND ELECTRIC COMPANY**

**Determination of Demand Side Management and Clean Energy Program Component  
& Uncollectible Expense Component of the Societal Benefits Charge ("SBC")  
for Service Rendered on or after August 1, 2023**

<b><u>SBC Rate Components</u></b>	<b>Rate Incl. RA; Excl. SUT (¢/kWh)</b>	<b>Rate Incl. RA &amp; SUT (¢/kWh)</b>
DSM/Clean Energy Programs	0.3291	0.3509
Universal Service Fund	0.1243	0.1325
Lifeline	0.0698	0.0744
Uncollectible Expense	<u>0.0296</u>	<u>0.0316</u>
Total	0.5528	0.5895



**ROCKLAND ELECTRIC COMPANY**

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

**Reconciliation of DSM /CEP SBC for the Period August 1, 2022 - July 31, 2023**

Demand Side and Clean Energy Recoveries: (08/01/22 - 07/31/23) - See Page 4	\$4,553,241
SBC DSM and Clean Energy Costs, for the period (08/01/22 - 07/31/23) - See Page 4	5,124,324
Prior Period Reconciliation (Over)/Under Recovery - See Page 4	(199,358)
Total Demand Side and Clean Energy SBC Costs to be Recovered (08/01/22 - 07/31/23)	4,924,967
Demand Side and Clean Energy SBC (Over)/Under Recovery Balance	371,726
Interest (Over)/Under Recovery Balance - See Page 4	<u>7,087</u>
Total Demand Side and Clean Energy SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2023	\$378,813

**Determination of Demand Side and Clean Energy SBC**

Projected Sales (kWh) 12 months ending July 31, 2024	1,621,261,000
\$ per kWh Demand Side and Clean Energy Reconciliation to be (Refunded)/Surcharged	\$0.000234
Projected Demand Side and Clean Energy Spending - 12 months ending July 31, 2024 - See Page 5	\$4,956,581
\$ per kWh Projected Spending to be Surcharged	\$0.003057
Proposed Demand Side and Clean Energy SBC Excluding SUT (\$ per kWh)	\$0.003291
Sales and Use Tax ("SUT")	1.06625
<b><u>Proposed DSM/Clean Energy SBC Including SUT (\$ per kWh)</u></b>	<b>\$0.003509</b>

Notes: <sup>1</sup> Rate component of SBC relating to recovery of demand-side management ("DSM") and the Clean Energy Program as described in paragraph (1) on Leaf No. 57 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, Lifeline, and Uncollectible Expense.

**ROCKLAND ELECTRIC COMPANY**  
**Determination of Uncollectible Expense**  
**Component of the Societal Benefits Charge ("SBC")<sup>1</sup>**

**Reconciliation of Uncollectible Expense SBC for the Period August 1, 2022 - July 31, 2023**

Uncollectibles Recoveries: (08/01/22 - 07/31/23) - See Page 6	\$423,835
SBC Uncollectible Expense Costs for the period (08/01/22 - 07/31/23) - See Page 6	437,069
Prior Period Reconciliation (Over)/Under Recovery - See Page 6	149,061
Total Uncollectibles SBC Costs to be Recovered (08/01/22 - 07/31/23)	586,129
Uncollectibles Expense SBC (Over)/Under Recovery Balance	162,295
Interest (Over)/Under Recovery Balance - See Page 6	<u>5,462</u>
Total Uncollectibles SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2023	\$167,757

**Determination of Uncollectible Expense SBC**

Projected Sales (kWh) 12 months ending July 31, 2024	1,621,261,000
\$ per kWh Uncollectible Expense Reconciliation to be (Refunded)/Surcharged	\$0.000103
Projected Uncollectible Expenses - 12 months ending July 31, 2024 - See Page 7	\$313,283
\$ per kWh Projected Spending to be Surcharged	\$0.000193
Proposed Uncollectible Expense SBC Excluding SUT (\$ per kWh)	\$0.000296
Sales and Use Tax ("SUT")	1.06625

**Proposed Uncollectible Expense SBC Including SUT (\$ per kWh)** **\$0.000316**

Amounts Deferral for Future Collection \$482,798

Notes: <sup>1</sup> Rate component of SBC relating to recovery of Uncollectible Expenses as described in paragraph (3) on Leaf No. 57 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, Lifeline, DSM, and Clean Energy Program.

**ROCKLAND ELECTRIC COMPANY**

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")  
August 2022 through July 2023 Cost Recovery Period**

<b>RECO</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>	<b>Total</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	
SBC Recoveries	\$536,049	\$488,131	\$350,384	\$313,575	\$355,177	\$370,677	\$334,780	\$331,954	\$326,925	\$308,750	\$356,783	\$480,055	\$4,553,241
Prior Period Reconciliation Adj. <sup>1</sup>	(\$199,358)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$199,358)
Legacy Program Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CEP Program Costs	\$404,543	\$552,792	\$552,912	\$493,313	\$414,780	\$368,437	\$419,357	\$439,203	\$396,105	\$367,962	\$363,832	\$351,089	\$5,124,324
Total Program Costs	\$205,186	\$552,792	\$552,912	\$493,313	\$414,780	\$368,437	\$419,357	\$439,203	\$396,105	\$367,962	\$363,832	\$351,089	\$4,924,967
Interest - (Over)/Under Recovery	(\$694)	(\$655)	(\$180)	\$357	\$510	\$519	\$725	\$1,201	\$1,189	\$1,402	\$1,479	\$1,234	\$7,087
Total Program Costs Incl. Adjs. & Interest	\$204,492	\$552,137	\$552,732	\$493,670	\$415,290	\$368,956	\$420,082	\$440,404	\$397,294	\$369,364	\$365,311	\$352,323	\$4,932,054
(Over)/Under Recovery	(\$331,557)	\$64,006	\$202,348	\$180,095	\$60,113	(\$1,721)	\$85,302	\$108,450	\$70,368	\$60,613	\$8,528	(\$127,732)	\$378,813
Interest Rate (%) <sup>2</sup>	3.50%	4.11%	4.72%	5.14%	4.85%	5.00%	4.69%	5.49%	4.57%	4.74%	4.93%	5.54%	

Notes: <sup>1</sup> Over recovery for the period August 1, 2021 through July 31, 2022 as per final balance from prior year's filing

<sup>2</sup> 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")**

**Projected Costs: August 2023 - July 2024 (1)**

<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-23	\$427,755	\$0	\$427,755
Sep-23	527,666	0	527,666
Oct-23	529,145	0	529,145
Nov-23	489,272	0	489,272
Dec-23	391,053	0	391,053
Jan-24	346,835	0	346,835
Feb-24	385,495	0	385,495
Mar-24	431,840	0	431,840
Apr-24	376,309	0	376,309
May-24	366,656	0	366,656
Jun-24	350,981	0	350,981
Jul-24	<u>333,573</u>	<u>0</u>	<u>333,573</u>
Total	\$4,956,581	\$0	\$4,956,581

Notes: <sup>1</sup> 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.

<sup>2</sup> The Company's projected Clean Energy Program spending for the twelve month period ending July 2024 reflects the FY24 amounts approved by the BPU in Docket No. QO23040235 dated June 29, 2023.

**ROCKLAND ELECTRIC COMPANY**

**Determination of Uncollectible Expense Component of the Societal Benefits Charge ("SBC")  
August 2022 through July 2023 Cost Recovery Period**

<b>RECO</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>	<b>Total</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	
SBC Uncollectibles Recoveries	\$49,898	\$45,437	\$32,615	\$29,189	\$33,061	\$34,504	\$31,163	\$30,900	\$30,432	\$28,740	\$33,211	\$44,686	\$423,835
Prior Period Reconciliation Adj. <sup>1</sup>	149,061	0	0	0	0	0	0	0	0	0	0	0	149,061
Uncollectibles Expense <sup>2</sup>	80,000	7,339	38,474	38,654	11,860	28,536	80,000	15,310	49,617	21,756	26,538	38,985	437,069
Total Program Costs	\$229,061	\$7,339	\$38,474	\$38,654	\$11,860	\$28,536	\$80,000	\$15,310	\$49,617	\$21,756	\$26,538	\$38,985	\$586,129
Interest - (Over)/Under Recovery	376	347	415	482	393	387	500	534	497	496	496	539	5,462
Total Program Costs Incl. Adjs. & Interest	\$229,437	\$7,686	\$38,889	\$39,136	\$12,253	\$28,923	\$80,500	\$15,844	\$50,114	\$22,252	\$27,034	\$39,524	\$591,591
(Over)/Under Recovery	\$179,539	(\$37,752)	\$6,274	\$9,947	(\$20,808)	(\$5,581)	\$49,337	(\$15,056)	\$19,683	(\$6,488)	(\$6,177)	(\$5,161)	\$167,757
Interest Rate (%) <sup>3</sup>	3.50%	4.11%	4.72%	5.14%	4.85%	5.00%	4.69%	5.49%	4.57%	4.74%	4.93%	5.54%	

Notes: <sup>1</sup> Under recovery for the period August 1, 2021 through July 31, 2022 as per final balance from prior year's filing

<sup>2</sup> August 2022 and February 2023 Uncollectible Expenses were \$151,645 and \$201,096, respectively.  
\$121,096 of the Uncollectible Expense for these two months has been deferred for future collection.

<sup>3</sup> Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

**ROCKLAND ELECTRIC COMPANY**

**Determination of Uncollectible Expense Component  
of the Societal Benefits Charge ("SBC")**

**Projected Costs: August 2023 - July 2024** <sup>(1)</sup>

<u>Month</u>	<u>Uncollectible Expense</u>
Aug-23	\$8,519
Sep-23 <sup>(2)</sup>	80,000
Oct-23	(1,219)
Nov-23	(3,842)
Dec-23	6,106
Jan-24	27,126
Feb-24	(3,407)
Mar-24	40,000
Apr-24	40,000
May-24	40,000
Jun-24	40,000
Jul-24	<u>40,000</u>
Total	\$313,283

Notes: <sup>1</sup> Rate component of SBC relating to recovery of uncollectible expense costs as described in paragraph (3) on Leaf No. 57 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include costs associated with USF and Lifeline.

<sup>2</sup> The September 2023 Uncollectible Expense was \$370,057. \$290,057 of the Uncollectible Expense for this month has been deferred for future collection.

**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”);
- (3) Universal Service Fund and Lifeline; and
- (4) Uncollectible Expense

The SBC to be effective on and after the date indicated below shall be set at ~~0.56250~~**.5895** 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	<del>0.30540</del> <b>.3291</b>	<del>0.32530</del> <b>.3509</b>
Universal Service Fund	0.1243	0.1325
Lifeline	0.0698	0.0744
Uncollectible Expense	<del>0.02840</del> <b>.0296</b>	<del>0.03030</del> <b>.0316</b>
Total SBC	<del>0.52760</del> <b>.5528</b>	<del>0.56250</del> <b>.5895</b>

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: Michele O’Connell, President  
Mahwah, New Jersey 07430

**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");
- (3) Universal Service Fund and Lifeline; and
- (4) Uncollectible Expense

The SBC to be effective on and after the date indicated below shall be set at 0.5895 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	0.3291	0.3509
Universal Service Fund	0.1243	0.1325
Lifeline	0.0698	0.0744
Uncollectible Expense	0.0296	0.0316
Total SBC	0.5528	0.5895

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.

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ISSUED:

EFFECTIVE:

ISSUED BY: Michele O'Connell, President  
Mahwah, New Jersey 07430