



Agenda Date: 6/27/24
Agenda Item: 2G

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 ROCKLAND ELECTRIC)
COMPANY'S ANNUAL RGGI SURCHARGE FILING) ORDER APPROVING
RECONCILING COSTS FOR CALENDAR YEAR 2022) STIPULATION
AND ESTIMATING COSTS FOR CALENDAR YEAR 2023) DOCKET NO. ER23020059

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" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties") intended to resolve the Company's request to revise its Regional Greenhouse Gas Initiative ("RGGI") Surcharge.

BACKGROUND

Energy Efficiency Programs

By Order dated November 23, 2009, the Board approved a stipulation authorizing RECO to implement an Energy Efficiency Stimulus ("EES") Program ("2009 EES Program") with three (3) energy efficiency ("EE") programs to be implemented for a one (1) year period ending December 31, 2010.¹ The 2009 EES Program included three (3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program; 2) an On-Line Energy Audit Sub-Program; and 3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program"). The November 2009 Order also authorized the Company to recover costs associated with the 2009 EES Program through an Energy Efficiency Program Surcharge Component of its RGGI Surcharge. Pursuant to the November 2009 Order, the Company must submit annual cost recovery filings to establish future RGGI Surcharge rates.

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. EO09010056 and EO09010061, Order dated November 23, 2009 ("November 2009 Order").

By Order dated March 30, 2011, the Board authorized RECO to continue its 2009 EES Program through December 31, 2011.² Subsequently, through a series of Board Orders, the Board authorized RECO to extend only the Low Income Audit I Program through December 2013.³

By Order dated April 23, 2014, the Board authorized RECO to implement a Low Income Audit and Direct Install Energy Efficiency II Program (“Low Income Audit II Program”) and authorized the Company to implement a Low Income Audit II Program Surcharge component of its RGGI Surcharge of 0.0083 cents per kWh.⁴

By Order dated June 29, 2016, the Board approved a stipulation authorizing RECO to implement a RGGI Surcharge of 0.0192 cents per kWh.⁵ The approved RGGI Surcharge contained two (2) components: 1) an EES Program Surcharge of 0.0179 cents per kWh; and 2) a Low Income Audit II Program Surcharge of 0.0013 cents per kWh.⁶ In the stipulation approved by the June 2016 Order, the Parties agreed that, going forward, the Company would make one (1) annual filing to review both the EES Program and the Low Income Audit II Program true-ups to be filed by February 1 of each year, commencing February 1, 2017.

By Order dated December 12, 2016, the Board authorized RECO to implement a RGGI Surcharge of 0.0162 cents per kWh.⁷ The RGGI Surcharge approved by the December 2016 Order contained two (2) components: 1) an EES Program surcharge of 0.0179 cents per kWh, which remained unchanged, and 2) a revised Low Income Audit II Program credit of 0.0017 cents per kWh.

² In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO10120987, Order dated March 30, 2011.

³ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Rate Recovery- Extension Request, BPU Docket No. EO12020115, Order dated March 12, 2012; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery Mechanisms- Extension Request, BPU Docket No. EO12121073, Order dated March 20, 2013.

⁴ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535, Order dated April 23, 2014. All rates quoted herein include Sales and Use Tax (“SUT”).

⁵ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2014 Annual True-Up, BPU Docket No. EO14090972; In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2015 Annual True-Up, BPU Docket No. ER15090996; and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2015 Annual True-Up, BPU Docket No. ER15040424, Order dated June 29, 2016 (“June 2016 Order”).

⁶ The EES Program Surcharge component of the RGGI Surcharge recovers costs associated with the 2009 EES Program and associated extensions through December 31, 2013.

⁷ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER16020097, Order dated December 12, 2016 (“December 2016 Order”).

By Order dated December 19, 2017, the Board authorized RECO to implement a RGGI credit of 0.0106 cents per kWh.⁸ The RGGI Surcharge approved by the December 2017 Order contained two (2) components: 1) an EES Program credit of 0.0034 cents per kWh; and 2) a revised Low Income Audit II Program credit of 0.0072 cents per kWh.

By Order dated March 26, 2018, the Board authorized RECO to establish its Low Income Audit and Direct Install Program, Energy Efficiency III Program (“Low Income Audit III Program”).⁹ By Order dated January 27, 2021, the Board authorized RECO to extend its Low Income Audit III Program through June 30, 2021, or until exhaustion of the budgeted funds.¹⁰

By Order dated June 9, 2021, the Board authorized RECO to establish an additional component of the RGGI Surcharge: the Clean Energy Act Program (“CEA”) component.¹¹ In the June 2021 Order, the Board authorized RECO to implement seven (7) EE sub-programs with a total portfolio cost of \$18.1 million, resulting in an initial CEA component rate of 0.0780 cents per kWh, commencing on July 1, 2021 for three (3) years concluding on June 30, 2024 (“Triennium 1 Program”). Additionally, the June 2021 Order also authorized RECO to implement an electric Conservation Incentive Program mechanism to account for lost revenues resulting from the potential decrease in customer energy usage.

By Order dated May 22, 2024, the Board authorized an extension of the Company’s Triennium 1 Program.¹² In the May 2024 Order, the Board further authorized RECO to shift program budgets within the extension period. Based upon the May 2024 Order, there were no immediate rate impacts to the CEA component of the RGGI Surcharge.

⁸ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER17020083, Order dated December 19, 2017 (“December 2017 Order”). Subsequent to the December 2017 Order, the SUT rate decreased from 6.875% to 6.625% effective January 1, 2018, and RECO’s rates, including the RGGI Surcharge, were modified accordingly.

⁹ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER17080869, Order dated March 26, 2018.

¹⁰ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Request for Extension of the Low Income Audit and Direct Install Energy Efficiency III Program, BPU Docket No. EO20120751, Order dated January 27, 2021.

¹¹ In re the Implementation of L. 2018, C.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Nos. QO19010040 and EO20090623, Order dated June 9, 2021 (“June 2021 Order”).

¹² In re the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. EO20090623, Order dated May 22, 2024 (“May 2024 Order”).

Solar Programs

By Order dated August 7, 2008, the Board directed RECO to file, by January 31, 2009, a solar financing program based upon Solar Renewable Energy Certificates (“SRECs”), utilizing and incorporating certain mandatory design and filing requirements.¹³ By Order dated July 31, 2009, the Board authorized the Company to implement its SREC Financing Program (“SREC I Program”).¹⁴ Pursuant to the July 2009 Order, the costs for the SREC Financing Program (“Program Costs”) were to be charged through a component of the Company’s existing RGGI Surcharge. The SREC Financing Program component of the RGGI Surcharge would recover: 1) costs for the Company’s purchase of SRECs offset by revenues received by the Company SREC auctions; 2) program administrative costs; 3) an SREC transaction fee of \$39.11 per SREC; and 4) interest on over- or under-recoveries. Pursuant to the July 2009 Order, because net Program Costs for the first year were uncertain and variable, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs to be reconciled on an annual basis. RECO was directed to revisit the RGGI Surcharge rate within twelve (12) months of the awards from the first solicitation.

By Order dated December 18, 2013, the Board authorized RECO to offer an SREC II Program with a total program size of up to 4.5 megawatts.¹⁵ The December 2013 Order set the Administrative Fee for SREC II Program participants at \$30 per SREC, ordered that after five (5) years there would be a true-up of administrative costs and program participants fees, and the program participant fee would be adjusted on a prospective basis beginning January 1, 2019. The December 2013 Order also directed RECO to assess Application Fees, Assignment Fees, and Administrative Fees to Program Participants.

By Order dated January 31, 2018, the Board authorized RECO to implement an SREC program component of its RGGI Surcharge of 0.0964 cents per kWh.¹⁶

¹³ In re the Renewable Energy Portfolio Standard: Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs, and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing, BPU Docket No. EO06100744, Order dated August 7, 2008.

¹⁴ In re the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009 (“July 2009 Order”).

¹⁵ In re the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1 (SREC II Program), BPU Docket No. EO13020118, Order dated December 18, 2013 (“December 2013 Order”).

¹⁶ In re the Recovery of Rockland Electric Company’s SREC Program Costs, BPU Docket No. ER17040429, Order dated January 31, 2018.

On February 1, 2019, RECO filed a petition seeking a modification to the cost recovery mechanism for its SREC II Program, citing lower than expected participation in the program, by increasing the Administrative Fee from \$30 to \$57.28 per SREC. By Order dated December 20, 2019, the Board authorized RECO to maintain an Administrative Fee of \$30 for calendar years 2019 and 2020 as well as implement a 0.0000 cents per kWh charge for the SREC II Program component of the RGGI Surcharge.¹⁷

By Order dated June 12, 2019, the Board authorized RECO to implement a RGGI Surcharge of 0.2068 cents per kWh.¹⁸ The RGGI Surcharge approved by the June 2019 Order contained three (3) components: 1) an EES Program credit component of 0.0252 cents per kWh; 2) a Low Income Audit II Program credit of 0.0027 cents per kWh; and 3) a SREC I Program rate of 0.2285 cents per kWh.

By Order dated May 5, 2020, the Board authorized RECO to maintain its RGGI Surcharge of 0.2068 cents per kWh.¹⁹ The RGGI Surcharge approved by the May 2020 Order contained four (4) components: 1) an EES Program component credit of 0.0252 cents per kWh; 2) a Low Income Audit II Program component credit of 0.0027 cents per kWh; 3) a Low Income Audit III Program component of 0.0062 cents per kWh; and 4) a SREC I Program rate of 0.2285 cents per kWh.

On May 20, 2020, pursuant to the Board's December 6, 2019 Order establishing the Transition Renewable Energy Certificate ("TREC") Program, RECO filed a petition seeking approval to recover initial costs associated with the TREC Program and establish the TREC as a new component within the Company's RGGI Surcharge.²⁰ By Order dated August 12, 2020, the Board authorized RECO to recover costs associated with the TREC Program and establish a TREC component as part of the Company's RGGI Surcharge. As a result of the initial estimated costs associated with the TREC Program component, the Board authorized RECO to establish a TREC Program component rate of 0.0473 cents per kWh, resulting in a total RGGI Surcharge rate of 0.2541 cents per kWh.²¹

On October 30, 2020, RECO filed a petition seeking a modification of the cost recovery mechanism for its SREC II Program, citing lower than expected participation in the program resulting from an increase in the Administrative Fee from \$30 to \$45.28 per SREC ("October 2020

¹⁷ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2019 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER19020156, Order dated December 20, 2019.

¹⁸ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2017 Annual True-Up and In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2017 Annual True-Up, BPU Docket No. ER18020109; and In re the Recovery of Rockland Electric Company's SREC Program Costs 2018, BPU Docket No. ER18020131, Order dated June 12, 2019 ("June 2019 Order").

¹⁹ In re Rockland Electric Company's Annual RGGI Surcharge True-up Filings for 2018, BPU Docket No. ER19020145, Order dated May 5, 2020 ("May 2020 Order").

²⁰ In re a New Jersey Solar Transition Pursuant to P.L. 2018, c.17, BPU Docket No. QO19010068, Order dated December 6, 2019 ("TREC Order").

²¹ In re the Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program ("TREC Program"), BPU Docket No. ER20050363, Order dated August 12, 2020 ("August 2020 Order").

Petition"). By Order dated December 16, 2020, the Board authorized RECO to maintain an Administrative Fee of \$30 for calendar year 2021 while granting the parties additional time to review all other matters pertaining to the October 2020 Petition.²²

By Order dated February 17, 2021, the Board authorized RECO to decrease its RGGI Surcharge to 0.1285 cents per kWh.²³ The approved RGGI Surcharge contained six (6) components: 1) an EES Program component credit of 0.0123 cents per kWh; 2) a Low Income Audit II Program component rate of 0.0158 cents per kWh; 3) a Low Income Audit III Program component credit of 0.0085 cents per kWh; 4) an SREC I Program rate of 0.0862 cents per kWh; 5) an SREC II Program component rate of 0.0000 cents per kWh; and 6) a TREC Program component rate of 0.0473 cents per kWh. The SREC II Program and TREC Program components remained unchanged because they were not included for review in the 2019 RGGI Surcharge Filing, but addressed in their own respective proceedings.

By Order dated July 14, 2021, the Board authorized RECO to maintain the SREC II Administrative Fee of \$30 for the remainder of calendar year 2021, which may be adjusted annually beginning January 1, 2022, and maintain the RGGI Surcharge applicable to the SREC II Program Direct Costs at its current rate of 0.0000 cents per kWh.²⁴

By Order dated June 29, 2022, the Board authorized RECO to establish the Successor Solar Incentive ("SuSI") Program component of the Company's RGGI surcharge.²⁵ The SuSI Program was established as mandated by the CEA to replace the State's legacy SREC program with new incentives that encourage solar development while minimizing ratepayer costs.

By Order dated August 17, 2022, the Board authorized RECO to establish the Community Solar Energy Pilot ("CSEP") Program.²⁶ The CSEP Program enables New Jersey electric utility customers to participate in a solar energy project that may be remotely located from their properties and receive a credit on their utility bills and provide access to local clean energy for utility customers otherwise unable to place solar generation directly on their own properties.

²² In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER20100691, Order dated December 16, 2020.

²³ In re Rockland Electric Company's Annual RGGI Surcharge True-up Filings for 2019, BPU Docket No. ER20010090, Order dated February 17, 2021 ("2019 RGGI Surcharge Filing").

²⁴ In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI") for 2021 Associated with its Solar Renewable Energy Certificate (SREC II) Program, BPU Docket No. ER20100691, Order dated July 14, 2021.

²⁵ In re the Verified Petition of Rockland Electric Company for the Recovery of its Costs for the Successor Solar Incentive Program, BPU Docket No. ER21121243, Order dated June 29, 2022.

²⁶ In re the Petition of Rockland Electric Company Community Solar Energy Pilot Program Cost Recovery, BPU Docket No. ER21060870, Order dated August 17, 2022.

By Order dated April 26, 2023, the Board authorized RECO to implement an overall RGGI Surcharge component rate of 0.3512 cents per kWh.²⁷

Petition

On February 1, 2023, RECO filed a petition with the Board requesting approval to reconcile costs and revenues for its RGGI Surcharge and update the Company’s RGGI Surcharge (“Petition”).

By the Petition, the Company sought to reconcile and update the following components of its RGGI Surcharge: 1) the EES Program component; 2) the Low Income Audit II Program component; 3) the Low Income Audit III Program component; 4) the SREC I program component, 5) the TREC Program component, 6) the SuSI Program component, 7) the CEA component, and 8) the CSEP component.

The Company proposed an increase to its total RGGI Surcharge rate from 0.2112 cents per kWh to 0.4757 cents per kWh.

On May 12, 2023, the Company updated its filing with actual data through December 31, 2022 (“Update”). As a result of the Update, the Company proposed an increase to the RGGI surcharge rate from the currently approved rate of 0.2112 cents per kWh to 0.4631 cents per kWh, including SUT.

| <u>RGGI Rate Components</u> | Current Rate | | Update Proposed Rate | |
|------------------------------------|--|--|--|--|
| | <u>Excl. SUT</u> <u>(¢/kWh)</u> | <u>Incl. SUT</u> <u>(¢/kWh)</u> | <u>Excl. SUT</u> <u>(¢/kWh)</u> | <u>Incl. SUT</u> <u>(¢/kWh)</u> |
| EES Program | 0.0124 | 0.0132 | N/A | N/A |
| Low Income Audit II Program | 0.0186 | 0.0198 | (0.0025) | (0.0027) |
| Low Income Audit III Program | (0.0110) | (0.0117) | 0.0123 | 0.0131 |
| SREC I Program | 0.0394 | 0.0421 | (0.0128) | (0.0137) |
| SREC II Program | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| TREC Program | 0.0426 | 0.0454 | 0.2923 | 0.3117 |
| SuSI Program | 0.0229 | 0.0244 | 0.0119 | 0.0127 |
| Clean Energy Act Program | 0.0730 | 0.0780 | 0.1135 | 0.1210 |
| CSEP Program | <u>0.0000</u> | <u>0.0000</u> | <u>0.0197</u> | <u>0.0210</u> |
| Total | <u>0.1979</u> | <u>0.2112</u> | <u>0.4344</u> | <u>0.4631</u> |

Following publication of notices in newspapers in 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.

²⁷ In re Rockland Electric Company’s Annual RGGI Surcharge Filing Reconciling Costs for Calendar Year 2021 and Estimating Costs for Calendar Year 2022, BPU Docket No. ER22020034, Order dated April 26, 2023.

Stipulation

Following discovery, the Parties discussed the issues in this matter, and have executed the Stipulation, which provides the following:²⁸

A. RGGI Surcharge

24. The Parties agree that the Company will implement an overall RGGI Surcharge of 0.4631 cents per kWh, including SUT. As set forth in Appendices A through K attached to this Stipulation, the RGGI Surcharge includes the following components: 1) a Low Income Audit II Program credit of 0.0027 cents per kWh, including SUT²⁹; 2) a Low Income Audit III Program rate of 0.0131 cents per kWh, including SUT; 3) an SREC I program credit of 0.0137 cents per kWh, including SUT; 4) an SREC II program rate of 0.0000 cents per kWh; 5) a TREC Program rate of 0.3117 cents per kWh, including SUT; 6) a SuSI Program rate of 0.0127 cents per kWh including SUT; 7) a CEP rate of 0.1210 cents per kWh, including SUT; and 8) a CSEP Program rate of 0.0210 cents per kWh.
25. Additionally, as set forth in Appendices A through K attached to the Stipulation, the Parties agree that the over/under-collected balances through December 31, 2022 are as follows for the following RGGI Surcharge components: 1) an over-collected balance of \$37,081 for the Low Income Audit II Program³⁰ 2) an under-collected balance of \$134,011 for the Low Income Audit III Program; 3) an over-collected balance of \$370,584 for the SREC I program component; 4) an under-collected balance of \$941,140 for the TREC Program; 5) an over-collected balance of \$148,371 for the SuSI Program; and 6) an over-collected balance of \$441,644 for the CEP Program.
26. The Parties agree that the proposed rates, as set forth in Appendices A through K of the Stipulation, are just and reasonable, and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which a Board Order approving the Stipulation is served on the parties of record.
27. The Parties agree that the costs through December 31, 2022, for the Petition are deemed reasonable and prudent. All costs and recoveries after December 31, 2022, will be reviewed in subsequent true up filings.

B. Rate Impact

28. For a typical residential customer using 650 kWh per month, and 7,800 kWh annually, the current monthly average bill will increase \$0.72 from \$142.15 to \$142.87, or 0.5% based upon rates effective May 1, 2024. RECO shall file the revised tariff leaf with the new rates in the form set forth in Appendix L hereto, approved by Parties in this Stipulation.

²⁸ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions in this Order. Paragraphs are numbered to coincide with the Stipulation.

²⁹ The Low Income II credit includes the EES under-collected balance of \$144,895.

³⁰ Include the CY 2022 EES Program under-recovery of \$150,271.

C. Combined Filings

29. The Parties agree that RECO will continue to make one combined filing for all RGGI Surcharge components on or before February 1 of each year. The Company will include the SREC II component in future RGGI filings due February 1. In addition to the true-up of costs and revenues, the SREC II component of the future February 1 RGGI filings will include the calculation of, and request for, the Administrative Fee for the calendar year following the February 1 RGGI filing. By way of example, the RGGI filing on February 1, 2025 will include the calculation of, and request for, the Administrative Fee for calendar year 2026.

DISCUSSION AND FINDINGS

The Board fully reviewed the record in this matter, including the Petition, Update, and the Stipulation and **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 as its own as if fully set forth herein.

The Board **HEREBY APPROVES** a revised total RGGI Surcharge rate of 0.4631 cents per kWh, for service rendered on and after July 1, 2024. As a result of the Stipulation, a typical residential electric customer using 650 kWh per month, and 7,800 kWh annually, would see an increase of \$0.72 in their average monthly bill.

The Board **HEREBY DIRECTS** RECO to file revised tariffs prior to June 30, 2024.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

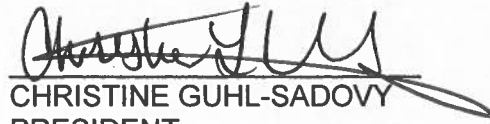
This Order shall be effective on June 27, 2024.

DATED: June 27, 2024

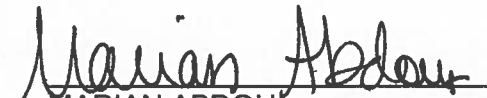
BOARD OF PUBLIC UTILITIES
BY:



DR. ZENON CHRISTODOULOU
COMMISSIONER



CHRISTINE GUHL-SADOVY
PRESIDENT

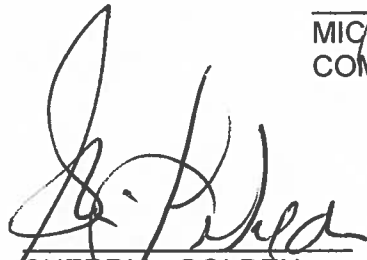


MARIAN ABDOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST:



SHERRIL L. GOLDEN
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 ROCKLAND ELECTRIC COMPANY'S ANNUAL RGGI SURCHARGE FILING
RECONCILING COSTS FOR CALENDAR YEAR 2022 AND ESTIMATING COSTS FOR CALENDAR
YEAR 2023

DOCKET NO. ER23020059

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Rockland Electric Company

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June 13, 2024

Sherril L. Golden, Secretary
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Trenton, NJ 08625-0350

RE: In the Matter of Rockland Electric Company's Annual RGGI Surcharge Filing
Reconciling Costs for Calendar Year 2022 And Estimating Costs For Calendar Year 2023
BPU DOCKET NO. ER23020059

Dear Secretary Golden:

Enclosed please find for filing, Stipulation of Settlement in the above matter.

Respectfully submitted,


Margaret Comes

c: email service list

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

**IN THE MATTER OF ROCKLAND
ELECTRIC COMPANY’S ANNUAL RGGI
SURCHARGE FILING RECONCILING
COSTS FOR CALENDAR YEAR 2022 AND
ESTIMATING COSTS FOR CALENDAR
YEAR 2023**

STIPULATION OF SETTLEMENT

BPU DOCKET NO. ER23020059

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Maura Caroselli, Deputy Rate Counsel, **Mamie W. Purnell**, Assistant Deputy Rate Counsel and **Megan Lupo**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman**, Director)

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 COMMISSIONERS OF THE NEW JERSEY BOARD OF
PUBLIC UTILITIES**

It is hereby AGREED by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) to execute this stipulation of settlement (“Stipulation”) and join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue a Final Decision and Order approving this Stipulation of Settlement (“Stipulation”), including the attachments and proposed sheets of the Company’s electric service tariff as set forth herein.

BACKGROUND

By this Stipulation, the Parties agree to the final over/under-collected balances associated with the Company's annual Regional Greenhouse Gas Initiative ("RGGI") Surcharge True-Up Filing for calendar year 2022 ("2023 Combined Filing"). The 2023 Combined Filing includes reconciliation of the following eight (8) components of the RGGI Surcharge: 1) the Energy Efficiency Stimulus Program ("EES Program") component; 2) the Low Income Audit and Direct Install Energy Efficiency Program II ("Low Income Audit II Program") component; 3) the Low Income Audit and Direct Install Energy Efficiency Program III ("Low Income Audit III Program") component; 4) the Solar Renewable Energy Certificate ("SREC") I Program component, 5) the Transitional Renewable Energy Certificate ("TREC") Program component, 6) the Successor Solar Incentive ("SuSI") Program component, 7) the Clean Energy Act Energy Efficiency and Peak Demand Reduction Programs ("Clean Energy Program" or "CEP") component, and 8) the Community Solar Energy Pilot ("CSEP") component.¹

EES, Low Income II, and Low Income III Filings

1. The Board established the EES Program in its Decision and Order dated November 23, 2009.² The 2009 EES Program included three (3) sub-programs: 1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; 2) an On-Line Energy Audit Sub-Program, wherein the Company

¹ This Stipulation does not address the Company's SREC II Program component of the RGGI Surcharge. The SREC II Program component of the RGGI Surcharge is the subject of another proceeding. The SREC II surcharge rate is \$0.00, pursuant to the Board Order in In re the Verified Petition of Rockland Electric Company Concerning the Setting of the Administrative Fee and the Regional Greenhouse Gas Initiative ("RGGI") Recovery Charge for 2021 Associated with its Solar Renewable Energy Certificate ("SREC II") Program, BPU Docket No. ER20100692, Order dated July 14, 2021.

² In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Program and Associated Cost Recovery, BPU Docket Nos. EO09010056 and EO09010061, Order dated November 23, 2009 ("November 2009 Order").

selected a vendor to create software so that customers could conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and 3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program") wherein the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency ("EE") measures at no cost to the customer.

2. On June 21, 2013, the Company filed a petition seeking Board approval to administer a new EE program called the Low Income Audit II Program, which was similar in most respects to the Low Income Audit I Program. The Board approved the Low Income Audit II Program by Order dated April 23, 2014.³

3. On May 18, 2016, the Parties entered into a stipulation agreeing that going forward, the Company would make one (1) annual filing to review both the EES Program and the Low Income Audit II Program true-ups ("Combined Filing"), and the Combined Filing would be filed on or before February 1st of each year, commencing February 1, 2017 ("May 2016 Stipulation"). The Board approved the May 2016 Stipulation by Order dated June 29, 2016.⁴

4. On February 1, 2017, the Company filed a petition seeking Board approval of its 2016 Combined Filing annual true-up. The Parties entered into a stipulation, which the Board approved by Order dated December 19, 2017.⁵ The December 2017 Order approved a RGGI Surcharge credit of 0.0106 cents per kWh, including Sales and Use Tax ("SUT"), consisting of: 1) an EES

³ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER13060535, Order dated April 23, 2014.

⁴ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery-2014 Annual True-Up, et al, BPU Docket Nos. EO14090972, ER15090996, and ER15040424, Order dated June 29, 2016.

⁵ In re the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up, BPU Docket No. ER17020083, Order dated December 19, 2017 ("December 2017 Order").

Program credit of 0.0034 cents per kWh, including SUT; and 2) a Low Income Audit II Program credit of 0.0072 cents per kWh, including SUT.

5. On August 9, 2017, the Company filed a petition seeking Board approval of a Low Income Audit III Program, which was similar in most respects to the Low Income Audit I and II Programs. The Board approved the Low Income Audit III Program by Order dated March 26, 2018.⁶

SREC Program

6. By Order dated August 7, 2008, the Board directed RECO to file a solar financing program based upon SRECs, utilizing and incorporating certain mandatory design and filing requirements, by January 31, 2009. By Order dated July 31, 2009, the Board authorized the Company to implement an SREC Financing Program (“SREC Program”).⁷ Pursuant to the July 2009 Order, the costs for the SREC Program (“SREC Program Costs”) were to be charged through a component of the Company’s existing RGGI Surcharge. Such component of the RGGI Surcharge would recover the following: 1) costs for the Company’s purchase of SRECs offset by revenues received by the Company from the auction of SRECs; 2) program administrative costs; 3) an SREC transaction fee of \$39.11 per SREC; and 4) interest on over- or under-recoveries. Pursuant to the July 2009 Order and to account for uncertainty, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs and would be reconciled on an annual basis. The July 2009 Order further directed RECO to revisit the RGGI Surcharge rate within 12 months of the first solicitation awards.

⁶ In re the Verified Petition of Rockland Electric Company for Approval of An Energy Efficiency Stimulus Program and Associated Rate Recovery, BPU Docket No. ER17080869, Order dated March 26, 2018.

⁷ In re the Verified Petition of Rockland Electric Company Concerning a Proposal for an SREC-Based Financing Program Under N.J.S.A. 48:3-98.1, BPU Docket No. EO09020097, Order dated July 31, 2009 (“July 2009 Order”).

7. In 2009, RECO began purchasing and selling SRECs. However, RECO's first SREC True Up Filing for recovery of SREC Program Costs was filed on April 26, 2017 ("Initial SREC True Up Filing").⁸ In the Initial SREC True Up Filing, the Company proposed a charge of 0.0984 cents per kWh, including SUT, to recover SREC Program Costs for costs accumulated from 2009 through December 31, 2016 over a three-year period. The SREC Program component of the RGGI Surcharge would be subject to deferred accounting, with interest, and reconciled annually by comparing the actual amounts subject to recovery to the actual amounts collected. Any difference would be included in the SREC Program component of the following year's RGGI Surcharge. The difference between the actual monthly costs associated with the SREC Program and actual recoveries through the SREC Program component of the RGGI Surcharge would be deferred, with interest, for future recovery.

8. The Initial SREC True Up Filing further proposed that, on February 1 of each year, the Company would file with the Board the SREC Program component of the RGGI Surcharge to be effective for the 12-month period commencing the following June 1. The SREC Program component of the RGGI Surcharge would recover any prior period over- or under-recovered balance, including interest, and provide current recovery of the forecasted SREC Program costs over the 12-month period commencing the following June 1. Interest would be included in the deferred balance for both an over-collection and an under-collection of the program costs beginning January 1, 2017, and would be calculated as determined by the Board in the July 2009 Order. In the Initial SREC True Up Filing, the total increase in revenue requested by the Company was \$4.3 million, including interest.

⁸ These SREC Program Costs do not include costs associated with RECO's SREC II Program, which was approved in BPU Docket No. EO13020118. The SREC II Program costs are addressed in a separate filing.

TREC Program

9. On May 20, 2020, RECO filed a petition (“TREC Petition”) seeking Board approval to recover costs associated with the Company’s Transition Renewable Energy Certificate (“TREC”) Financing Program (“TREC Program”). In the TREC Petition, the Company proposed to recover its TREC Program costs through a TREC Program component of the Company’s RGGI Surcharge. The TREC Petition proposed a TREC Program rate of 0.0473 cents per kWh including SUT.”

10. The Company conducted two public hearings on July 8, 2020 at 4:30 p.m. and 5:30 p.m. No members of the public appeared or filed written comments with the Board.

11. On July 22, 2020 the Parties entered into a Stipulation of Settlement agreeing to an initial TREC Program rate of 0.0473 cents per kWh, including SUT. On August 12, 2020, the Board approved the Stipulation of Settlement.⁹

Community Solar Program

12. On June 1, 2020, the Company filed a Verified Petition (“Petition”) requesting recovery of all incremental costs incurred by the Company for implementation, compliance, and administration of its CSEP Program as provided for in the CEA, including incremental Information Technology costs, Rate Credits associate with the CSEP Program, and the CSEP Program’s Operation & Maintenance expenses. When the Company filed the Petition, the Company had no CSEP Program projects, and thus, incurred no costs for the CSEP Program.

13. In its Petition, the Company proposed to include recovery of all future incremental CSEP Program costs as a CSEP Program component of its RGGI Surcharge. On March 8, 2022, the

⁹ In the Matter of the Verified Petition of Rockland Electric Company for Approval of the Recovery of Associated Costs Related to the Transitional Renewable Energy Certificate Program (“TREC” Program), BPU Docket No. ER20050363, Order dated August 12, 2020.

Company held two public hearings conducted virtually. No members of the public appeared to provide comments or filed written comments with the Board.

14. On July 18, 2022, the Parties entered into a Stipulation of Settlement setting the initial CSEP Program rate at \$0.00 per kWh. The Stipulation of Settlement was approved by the Board on August 17, 2022.¹⁰

Clean Energy Program

15. On September 25, 2020, RECO filed a petition proposing a Clean Energy Act Program (“Clean Energy Program”) with a portfolio of EE and peak demand reduction (“PDR”) programs targeted at the Company’s residential, commercial and industrial (“C&I”), and multi-family customer sectors (“EE Program”). The EE Program included implementation, administration, and investment in a portfolio of programs, including three (3) Residential sub-programs, two (2) C&I sub-programs, one (1) multi-family sub-program and two (2) pilot programs. By Order dated June 9, 2021, the Board authorized RECO to implement its EE Program and establish a Clean Energy Program (“CEP”) component of the Company’s RGGI Surcharge.¹¹ The initial CEP component of the RGGI Surcharge was set at \$0.00078 per kWh (including SUT). The Company agreed to file a petition by February 1 of each year seeking to reconcile any under/over recovery from the prior program year and set the CEP component of the RGGI Surcharge for the succeeding program year.

SuSI Program

¹⁰ In the Matter of the Petition of Rockland Electric Company Community Solar Energy Pilot Program Cost Recovery, BPU Docket Number ER21060870, Order dated August 17, 2020.

¹¹ In Re the Implementation of L. 2018, c.17 Regarding the establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Rockland Electric Company for Approval of its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket Numbers QO19010040 and EO20090623, Order dated June 9, 2021 (“June 2021 Order”).

16. On December 7, 2021, RECO filed a Verified Petition (“Petition”) seeking Board approval (i) of the costs incurred by RECO for the purchase of New Jersey Solar Renewable Energy Certificates-II and (ii) for RECO’s share of the contract costs for a SuSI Program Administrator retained by the EDCs pursuant the Board’s Order of July 29, 2021 (together, “SuSI Program costs”).¹² In the Petition, the Company proposed to recover its share of SuSI Program costs through a SuSI Program component of the Company’s existing RGGI Surcharge.

17. On March 8, 2022, the Company held two public hearings which were conducted as telephonic public hearings as result of the COVID-19 pandemic and in order 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.

18. On June 7, 2022, the Parties entered into a Stipulation of Settlement agreeing to an initial SuSI Program rate of 0.0244 cents per kWh, including SUT, and 0.0229 cents per kWh, excluding SUT. On June 29, 2022, the Board approved the Stipulation of Settlement.¹³

2021 Combined Filing

19. On January 29, 2021, the Company filed a combined filing seeking approval to increase the RGGI Surcharge rate from 0.1285 to 0.1836 cents per kWh for calendar year 2020 (“2021 Combined Filing”). As noted above, by the June 2021 Order, the Board approved the CEP component of the RGGI Surcharge, resulting in an effective combined RGGI Surcharge rate of \$0.2065 cents per kWh, including SUT. The Company updated its actual expenses and revenues through April 2021 and projected expenses and revenues through December 2021. As a result,

¹² In the Matter of A Solar Successor Incentive Program Pursuant to P.L. 2018, C.17, BPU Docket No. QO20020184, Order dated July 28, 2021.

¹³ In the Matter of the Verified Petition of Rockland Electric Company for the Recovery of Its Costs for the Successor Solar Incentive Program, BPU Docket No. ER21121243, Order dated June 29, 2022.

the Company proposed a decrease in the RGGI Surcharge rate from 0.1285 to 0.1088 cents per kWh, including SUT, before the inclusion of the CEP component. Encompassing the CEP, the proposed combined RGGI Surcharge decreased from 0.2065 to 0.1868 cents per kWh, including SUT. The 2021 Combined Filing was approved by the Board via Order dated September 1, 2021.¹⁴

2022 Combined Filing

20. On February 1, 2022, the Company filed a combined filing, proposing to increase the RGGI Surcharge rate from 0.1868 cents per kWh including SUT to 0.3542 cents per kWh including SUT for calendar year 2021 (“2022 Combined Filing”). On June 16, 2022, the Company updated the CEP component of the RGGI Surcharge which resulted in a revised RGGI Surcharge of 0.3268 cents per kWh including SUT. Adding the SREC II Program, SuSI Program, and CSEP Program components results in a revised RGGI Surcharge of 0.3512 cents per kWh including SUT. In addition, the Company proposed the elimination of the EES Program Surcharge component of the RGGI Surcharge due to its expiration with the roll-in of the final balance from such program into the Low-Income Audit II Program. The 2022 Combined Filing was approved by the Board via Order dated April 26, 2023.¹⁵

2023 Combined Filing

21. On February 1, 2023, the Company filed the 2023 Combined Filing seeking approval to increase the RGGI Surcharge rate from 0.2112 cents per kWh including SUT, to 0.4757 cents per

¹⁴ In re the Petition of Rockland Electric Company’s Annual RGGI Surcharge Filing Reconciling Costs for Calendar Year 2020 and Estimating Costs for Calendar Year 2021, BPU Docket No. ER21010087, Order dated September 1, 2021 (“2021 Combined Filing”).

¹⁵ In re the Petition of Rockland Electric Company’s Annual RGGI Surcharge Filing Reconciling Costs for Calendar Year 2021 and Estimating Costs for Calendar Year 2022, BPU Docket No. ER22020034, Order dated April 26, 2023 (“2022 Combined Filing”).

kWh including SUT. The Company updated its actual expenses and revenues through December 31, 2022. As a result, the Company proposed an increase in the RGGI Surcharge rate from 0.3512 cents per kWh to 0.4631 cents per kWh, including SUT.

22. On May 2, 2024, the Company conducted virtual public hearings following notice in newspapers in general circulation in the Company's service territory. No members of the public appeared at the public hearings or filed written comments with the Board.

STIPULATED TERMS

23. Based upon and subject to the terms and conditions set forth herein, the Parties hereby **STIPULATE AND AGREE** as follows:

A. RGGI Surcharge

24. The Parties agree that the Company will implement an overall RGGI Surcharge of 0.4631 cents per kWh, including SUT. As set forth in Appendices A through K attached to this Stipulation, the RGGI Surcharge includes the following components: 1) a Low Income Audit II Program credit of 0.0027 cents per kWh, including SUT¹⁶; 2) a Low Income Audit III Program rate of 0.0131 cents per kWh, including SUT; 3) an SREC I program credit of 0.0137 cents per kWh, including SUT; 4) an SREC II program rate of 0.0000 cents per kWh; 5) a TREC Program rate of 0.3117 cents per kWh, including SUT; 6) a SuSI Program rate of 0.0127 cents per kWh including SUT; 7) a CEP rate of 0.1210 cents per kWh, including SUT; and 8) a CSEP Program rate of 0.0210 cents per kWh.

25. Additionally, as set forth in Appendices A through K attached to this Stipulation, the Parties agree that the over/under-collected balances through December 31, 2022 are as follows for the following RGGI Surcharge components: 1) an over-collected balance of \$37,081 for the

¹⁶ The Low Income II credit includes the EES under-collected balance of \$144,895.

Low Income Audit II Program¹⁷ 2) an under-collected balance of \$134,011 for the Low Income Audit III Program; 3) an over-collected balance of \$370,584 for the SREC I program component; 4) an under-collected balance of \$941,140 for the TREC Program; 5) an over-collected balance of \$148,371 for the SuSI Program; and 6) an over-collected balance of \$441,644 for the CEP component

26. The Parties agree that the proposed rates, as set forth in Appendices A through K, are just and reasonable, and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which a Board Order approving this Stipulation is served on the parties of record.

27. The Parties agree that the costs through December 31, 2022, for the 2023 Combined Filing are deemed reasonable and prudent. All costs and recoveries after December 31, 2022, will be reviewed in subsequent true up filings.

B. Rate Impact

28. For a typical residential customer using 650 kWh per month, and 7,800 kWh annually, the current monthly average bill will increase \$0.72 from \$142.15 to \$142.87, or 0.5% based upon rates effective May 1, 2024. RECO shall file the revised tariff leaf with the new rates in the form set forth in Appendix L hereto, approved by Parties in this Stipulation.

C. Combined Filings

29. The Parties agree that RECO will continue to make one combined filing for all RGGI Surcharge components on or before February 1 of each year. The Company will include the SREC II component in future RGGI filings due February 1. In addition to the true-up of costs and revenues, the SREC II component of the future February 1 RGGI filings will include the

¹⁷ Include the CY 2022 EES Program under-recovery of \$150,271.

calculation of, and request for, the Administrative Fee for the calendar year following the February 1 RGGI filing. By way of example, the RGGI filing on February 1, 2025 will include the calculation of, and request for, the Administrative Fee for calendar year 2026.

CONCLUSION

30. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item.

31. The Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

By: Margaret Comes
Margaret Comes
Attorney for Rockland Electric Company

Date: June 13, 2024

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

By: Megan Lupo
Megan Lupo, Esq.
Asst. Deputy Rate Counsel

Date: June 13, 2024

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

By: Steven Chaplar
Steven Chaplar
Deputy Attorney General

Date: June 13, 2024

ROCKLAND ELECTRIC COMPANY

**Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Reconciliation for Calendar Year 2022**

List of Appendices

Appendix A - Current Versus Proposed RGGI Surcharge Rates by Component

Appendix B - Energy Efficiency Stimulus (EES) Program

Appendix C - Low Income Audit and Direct Install Energy Efficiency (Low Income Audit II) Program

Appendix D - Low Income Audit and Direct Install Energy Efficiency (Low Income Audit III) Program

Appendix E - Solar Renewable Energy Certificate (SREC I) Program

Appendix F - Transitional Renewable Energy Certificate (TREC) Program

Appendix G - Successor Solar Incentive (SuSI) Program

Appendix H - Clean Energy Act Energy Efficiency and Peak Demand Reduction (Clean Energy Act) Programs

Appendix I - Community Solar Energy Pilot (CSEP) Program

Appendix J - Interest Rates and Net-of-Tax Factors

Appendix K - Rockland Electric Company Capital Structure

Appendix L - Draft Tariff Leaves

Appendix M - Draft Public Notice

Appendix N - Additional CEA Programs Details

ROCKLAND ELECTRIC COMPANY

**Determination of RGGI Surcharge
Present and Proposed Rates by Component**

| <u>RGGI Rate Components</u> | Current Rate | | Proposed Rate | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | <u>Excl. SUT (¢/kWh)</u> | <u>Incl. SUT (¢/kWh)</u> | <u>Excl. SUT (¢/kWh)</u> | <u>Incl. SUT (¢/kWh)</u> |
| EES Program ^{1,2} | 0.0124 | 0.0132 | N/A | N/A |
| Low Income Audit II Program ^{1,2} | 0.0186 | 0.0198 | (0.0025) | (0.0027) |
| Low Income Audit III Program ³ | (0.0110) | (0.0117) | 0.0123 | 0.0131 |
| SREC I Program ⁴ | 0.0394 | 0.0421 | (0.0128) | (0.0137) |
| SREC II Program ⁵ | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| TREC Program ⁶ | 0.0426 | 0.0454 | 0.2923 | 0.3117 |
| SuSI Program ⁷ | 0.0229 | 0.0244 | 0.0119 | 0.0127 |
| Clean Energy Act Program ⁸ | 0.0730 | 0.0780 | 0.1135 | 0.1210 |
| CSEP Program ⁹ | <u>0.0000</u> | <u>0.0000</u> | <u>0.0197</u> | <u>0.0210</u> |
| Total | 0.1979 | 0.2112 | 0.4344 | 0.4631 |

1. EES Program Reconciliation included in Low Income Audit II Program Proposed Rate.
2. See Appendix C (and Appendix B for EES Program piece)
3. See Appendix D
4. See Appendix E
5. The SREC II Program rate is part of a separate proceeding.
6. See Appendix F
7. See Appendix G
8. See Appendix H
9. See Appendix I

ROCKLAND ELECTRIC COMPANY

**EES Program Component of the RGGI Surcharge
Summary of (Over)/Under Recovery**

Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|--|----------------|
| EES Program Recoveries (Calendar Year (CY) 2022) | \$187,997 |
| EES Program Revenue Requirement | 0 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>332,892</u> |
| EES Program (Over)/Under Recovery Balance | \$144,895 |
| Interest (Over)/Under Recovery Balance | <u>5,375</u> |
| Total EES Program (Over)/Under Recovery Balance for CY 2022 ¹ | \$150,271 |

Notes: 1. The EES Program under-recovery balance has been included with the Low Income Audit II Program rate.
See Appendix C.

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with EES Program Component of RGGI Surcharge

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Actual | <u>Total</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Revenue Requirement ¹ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Prior Period Reconciliation Adj. ² | 332,892 | | | | | | | | | | | | \$332,892 |
| Monthly Recoveries | 15,785 | 14,903 | 13,584 | 12,701 | 12,426 | 15,815 | 19,737 | 21,786 | 19,839 | 14,240 | 12,744 | 14,435 | \$187,997 |
| (Over)/Under Recovery | <u>\$317,107</u> | <u>(\$14,903)</u> | <u>(\$13,584)</u> | <u>(\$12,701)</u> | <u>(\$12,426)</u> | <u>(\$15,815)</u> | <u>(\$19,737)</u> | <u>(\$21,786)</u> | <u>(\$19,839)</u> | <u>(\$14,240)</u> | <u>(\$12,744)</u> | <u>(\$14,435)</u> | <u>\$144,895</u> |
| Beginning Balance - (Over)/Under Recovery | \$332,892 | \$317,107 | \$302,204 | \$288,620 | \$275,919 | \$263,493 | \$247,678 | \$227,940 | \$206,154 | \$186,315 | \$172,075 | \$159,330 | |
| Ending Balance (Over)/Under Recovery | <u>\$317,107</u> | <u>\$302,204</u> | <u>\$288,620</u> | <u>\$275,919</u> | <u>\$263,493</u> | <u>\$247,678</u> | <u>\$227,940</u> | <u>\$206,154</u> | <u>\$186,315</u> | <u>\$172,075</u> | <u>\$159,330</u> | <u>\$144,895</u> | |
| Average Balance (Over)/Under | \$324,999 | \$309,655 | \$295,412 | \$282,269 | \$269,706 | \$255,585 | \$237,809 | \$217,047 | \$196,235 | \$179,195 | \$165,703 | \$152,113 | |
| Average Balance (Over)/Under - Net of Tax ³ | \$233,642 | \$222,611 | \$212,372 | \$202,923 | \$193,891 | \$183,740 | \$170,961 | \$156,035 | \$141,073 | \$128,823 | \$119,124 | \$109,354 | |
| Interest Rate (Annual) ⁴ | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | \$269 | \$330 | \$338 | \$514 | \$538 | \$499 | \$490 | \$455 | \$483 | \$507 | \$510 | \$442 | <u>\$5,375</u> |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>\$150,271</u> |

Notes: 1. There is no revenue requirement associated with the EES Program since the amortization period has concluded.

2. Prior Period Reconciliation Adj. as per Appendix B of the BPU Order Approving Stipulation dated April 26, 2023 in BPU Docket No. ER22020034.

3. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

4. Interest Rates shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the EES Program Component of the RGI Surcharge

| <u>SC No.</u> | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| 1 | \$7,251 | \$6,567 | \$5,769 | \$5,264 | \$5,278 | \$7,731 | \$10,569 | \$12,211 | \$10,458 | \$6,383 | \$5,362 | \$6,491 | \$89,332 |
| 2 | 5,858 | 5,932 | 5,523 | 5,071 | 4,874 | 5,516 | 6,249 | 6,870 | 6,766 | 5,468 | 5,109 | 5,662 | 68,899 |
| 3 | 4 | 4 | 3 | 3 | 2 | 3 | 4 | 5 | 4 | 3 | 3 | 4 | 42 |
| 4 | 84 | 71 | 70 | 59 | 55 | 49 | 50 | 59 | 64 | 75 | 79 | 85 | 799 |
| 5 | 200 | 192 | 153 | 124 | 100 | 124 | 161 | 184 | 0 | 0 | 0 | 0 | 1,238 |
| 6 | 64 | 55 | 51 | 50 | 49 | 44 | 45 | 44 | 52 | 62 | 67 | 68 | 651 |
| 7 | <u>2,322</u> | <u>2,082</u> | <u>2,016</u> | <u>2,130</u> | <u>2,067</u> | <u>2,348</u> | <u>2,660</u> | <u>2,414</u> | <u>2,494</u> | <u>2,250</u> | <u>2,125</u> | <u>2,126</u> | <u>27,034</u> |
| Total Excluding SUT | \$15,785 | \$14,903 | \$13,584 | \$12,701 | \$12,426 | \$15,815 | \$19,737 | \$21,786 | \$19,839 | \$14,240 | \$12,744 | \$14,435 | \$187,997 |

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|---|----------------|
| Low Income Audit II Program Recoveries (Calendar Year (CY) 2022) | \$281,995 |
| Low Income Audit II Program Revenue Requirement | 42 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>96,306</u> |
| Low Income Audit II Program (Over)/Under Recovery Balance | (\$185,647) |
| Interest (Over)/Under Recovery Balance | (1,705) |
| Transfer of EES Program (Over)/Under Recovery Bal for CY 2022 | <u>150,271</u> |
| Total Low Income Audit II Program (Over)/Under Recovery Balance for CY 2022 | (\$37,081) |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | (\$0.000025) |
| Sales and Use Tax ("SUT") | 1.06625 |
| Low Income Audit II Program Reconciliation Adjustment | (\$0.000027) |

Low Income Audit II Program Component of RGGI Surcharge

| | |
|---|--------------|
| Proposed Low Income Audit II Program Component of RGGI Surcharge Excluding SUT (\$ per kWh) | (\$0.000025) |
| Proposed Low Income Audit II Program Component of RGGI Surcharge Including SUT (\$ per kWh) | (\$0.000027) |

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Low Income Audit II Program Component of RGGI Surcharge

| | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|---|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | |
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Revenue Requirement | \$21 | \$20 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$42 |
| Prior Period Reconciliation Adj. ¹ | 96,306 | | | | | | | | | | | | 96,306 |
| Monthly Recoveries | 23,677 | 22,355 | 20,376 | 19,052 | 18,639 | 23,722 | 29,606 | 32,679 | 29,758 | 21,361 | 19,117 | 21,653 | \$281,995 |
| (Over)/Under Recovery | <u>\$72,650</u> | <u>(\$22,334)</u> | <u>(\$20,376)</u> | <u>(\$19,052)</u> | <u>(\$18,639)</u> | <u>(\$23,722)</u> | <u>(\$29,606)</u> | <u>(\$32,679)</u> | <u>(\$29,758)</u> | <u>(\$21,361)</u> | <u>(\$19,117)</u> | <u>(\$21,653)</u> | <u>(\$185,647)</u> |
| Beginning Balance - (Over)/Under Recovery | \$96,306 | \$72,650 | \$50,316 | \$29,940 | \$10,888 | (\$7,751) | (\$31,473) | (\$61,079) | (\$93,759) | (\$123,517) | (\$144,878) | (\$163,994) | |
| Ending Balance (Over)/Under Recovery | <u>\$72,650</u> | <u>\$50,316</u> | <u>\$29,940</u> | <u>\$10,888</u> | <u>(\$7,751)</u> | <u>(\$31,473)</u> | <u>(\$61,079)</u> | <u>(\$93,759)</u> | <u>(\$123,517)</u> | <u>(\$144,878)</u> | <u>(\$163,994)</u> | <u>(\$185,647)</u> | |
| Average Balance (Over)/Under | \$84,478 | \$61,483 | \$40,128 | \$20,414 | \$1,569 | (\$19,612) | (\$46,276) | (\$77,419) | (\$108,638) | (\$134,197) | (\$154,436) | (\$174,821) | |
| Average Balance (Over)/Under - Net of Tax ² | \$60,731 | \$44,200 | \$28,848 | \$14,676 | \$1,128 | (\$14,099) | (\$33,268) | (\$55,657) | (\$78,100) | (\$96,474) | (\$111,024) | (\$125,679) | |
| Interest Rate (Annual) ³ | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | \$70 | \$66 | \$46 | \$37 | \$3 | (\$38) | (\$95) | (\$162) | (\$267) | (\$379) | (\$476) | (\$508) | <u>(\$1,705)</u> |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>(\$187,352)</u> |

Notes: 1. Prior Period Reconciliation Adj. as per Appendix C of the BPU Order Approving Stipulation dated April 26, 2023 in BPU Docket No. ER22020034.

2. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

3. Interest Rates shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit II Component of the RGGI Surcharge

| <u>SC No.</u> | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| 1 | \$10,877 | \$9,850 | \$8,653 | \$7,896 | \$7,917 | \$11,596 | \$15,853 | \$18,316 | \$15,688 | \$9,574 | \$8,043 | \$9,736 | \$133,998 |
| 2 | 8,788 | 8,898 | 8,285 | 7,607 | 7,311 | 8,274 | 9,374 | 10,305 | 10,149 | 8,202 | 7,663 | 8,492 | 103,348 |
| 3 | 6 | 5 | 5 | 4 | 4 | 5 | 6 | 8 | 7 | 5 | 4 | 5 | 63 |
| 4 | 127 | 106 | 105 | 89 | 82 | 73 | 75 | 88 | 96 | 113 | 118 | 128 | 1,199 |
| 5 | 300 | 288 | 229 | 186 | 151 | 186 | 241 | 276 | 0 | 0 | 0 | 0 | 1,858 |
| 6 | 96 | 83 | 76 | 75 | 74 | 65 | 67 | 67 | 78 | 93 | 101 | 102 | 977 |
| 7 | <u>3,484</u> | <u>3,123</u> | <u>3,024</u> | <u>3,195</u> | <u>3,101</u> | <u>3,523</u> | <u>3,990</u> | <u>3,621</u> | <u>3,740</u> | <u>3,374</u> | <u>3,188</u> | <u>3,189</u> | <u>40,551</u> |
| Total Excluding SUT | \$23,677 | \$22,355 | \$20,376 | \$19,052 | \$18,639 | \$23,722 | \$29,606 | \$32,679 | \$29,758 | \$21,361 | \$19,117 | \$21,653 | \$281,995 |

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of RGGI Surcharge
Revenue Requirement for Calculation of 2022 (Over)/Under-Collection**

| | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> |
| 1. Program Spending | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2. Cumulative Spending | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 |
| 3. | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | |
| 5. Gross Expenditures | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 |
| 6. Accumulated Amortization | 191,014 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 | 191,165 |
| 7. Net Expenditures | 151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Accumulated Deferred Tax | 17,693 | 17,650 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Under/(Over) Recovery Balance | (17,542) | (17,650) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. | | | | | | | | | | | | |
| 11. Return Requirement | (103) | (104) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Equity Portion | (68) | (69) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. | | | | | | | | | | | | |
| 14. | | | | | | | | | | | | |
| 15. Revenue | 21 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. | | | | | | | | | | | | |
| 17. Expenses: | | | | | | | | | | | | |
| 18. Amortization | 151 | 151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Administrative Costs | | | | | | | | | | | | |
| 20. Interest Expense | (35) | (36) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Deferred Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Taxable Income | (95) | (95) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. Federal and State Taxes | (27) | (27) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Net Income | (68) | (69) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. | | | | | | | | | | | | |
| 26. | | | | | | | | | | | | |
| 27. Deferred Cost Recovery (from 15 above) | 21 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28. O&M | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. Total Revenue Requirement | \$21 | \$20 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

12 Month Total **\$42**

ROCKLAND ELECTRIC COMPANY

**Low Income Audit III Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of Low Income Audit III Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|--|-----------------|
| Low Income Audit III Program Recoveries (Calendar Year (CY) 2022) | (\$166,771) |
| Low Income Audit III Program Revenue Requirement CY 2022 | 48,101 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>(81,965)</u> |
| Low Income Audit III Program (Over)/Under Recovery Balance | \$132,907 |
| Interest (Over)/Under Recovery Balance | <u>1,104</u> |
| Total Low Income Audit III Program (Over)/Under Recovery Balance for CY 2022 | \$134,011 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | \$0.000092 |
| Sales and Use Tax ("SUT") | 1.06625 |
| Low Income Audit III Program Reconciliation Adjustment | \$0.000098 |

Determination of Forecast Low Income Audit III Program Component of RGGI Surcharge

| | |
|---|---------------|
| Forecast Revenue Requirement for CY 2023 | \$45,566 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Projected Spending to be (Refunded)/Surcharged | \$0.000031 |
| Sales and Use Tax ("SUT") | 1.06625 |
| Low Income Audit III Program Charge Forecast Component | \$0.000033 |

Low Income Audit III Program Component of RGGI Surcharge

| | |
|--|------------|
| Proposed Low Income Audit III Program Component of RGGI Surcharge Excluding SUT (\$ per kWh) | \$0.000123 |
| Proposed Low Income Audit III Program Component of RGGI Surcharge Including SUT (\$ per kWh) | \$0.000131 |

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Low Income Audit III Program Component of RGGI Surcharge

| | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | |
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Revenue Requirement | \$4,105 | \$4,088 | \$4,070 | \$4,052 | \$4,035 | \$4,017 | \$4,000 | \$3,982 | \$3,964 | \$3,947 | \$3,929 | \$3,912 | \$48,101 |
| Prior Period Reconciliation Adj. ¹ | (81,965) | | | | | | | | | | | | (81,965) |
| Monthly Recoveries | (14,003) | (13,221) | (12,050) | (11,267) | (11,023) | (14,029) | (17,509) | (19,327) | (17,599) | (12,633) | (11,306) | (12,805) | (166,771) |
| (Over)/Under Recovery | <u>(\$63,857)</u> | <u>\$17,308</u> | <u>\$16,120</u> | <u>\$15,319</u> | <u>\$15,058</u> | <u>\$18,047</u> | <u>\$21,509</u> | <u>\$23,309</u> | <u>\$21,563</u> | <u>\$16,579</u> | <u>\$15,235</u> | <u>\$16,717</u> | <u>\$132,907</u> |
| Beginning Balance - (Over)/Under Recovery | (\$81,965) | (\$63,857) | (\$46,549) | (\$30,429) | (\$15,110) | (\$51) | \$17,995 | \$39,504 | \$62,812 | \$84,376 | \$100,955 | \$116,190 | |
| Ending Balance (Over)/Under Recovery | (63,857) | (46,549) | (30,429) | (15,110) | (51) | 17,995 | 39,504 | 62,812 | 84,376 | 100,955 | 116,190 | 132,907 | |
| Average Balance (Over)/Under | (\$72,911) | (\$55,203) | (\$38,489) | (\$22,769) | (\$7,580) | \$8,972 | \$28,749 | \$51,158 | \$73,594 | \$92,665 | \$108,573 | \$124,548 | |
| Average Balance (Over)/Under - Net of Tax ² | (\$52,416) | (\$39,686) | (\$27,670) | (\$16,369) | (\$5,450) | \$6,450 | \$20,668 | \$36,778 | \$52,907 | \$66,617 | \$78,053 | \$89,538 | |
| Interest Rate (Annual) ³ | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | (\$60) | (\$59) | (\$44) | (\$41) | (\$15) | \$18 | \$59 | \$107 | \$181 | \$262 | \$334 | \$362 | \$1,104 |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>\$134,011</u> |

Notes: 1. Prior Period Reconciliation Adj. as per Appendix D of the BPU Order Approving Stipulation dated April 26, 2023 in BPU Docket No. ER22020034.

2. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit III Program Component of the RGI Surcharge

| <u>SC No.</u> | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| 1 | (\$6,432) | (\$5,825) | (\$5,117) | (\$4,670) | (\$4,682) | (\$6,858) | (\$9,375) | (\$10,832) | (\$9,278) | (\$5,662) | (\$4,756) | (\$5,758) | (\$79,246) |
| 2 | (5,197) | (5,262) | (4,899) | (4,499) | (4,324) | (4,893) | (5,544) | (6,094) | (6,002) | (4,851) | (4,532) | (5,022) | (61,120) |
| 3 | (4) | (3) | (3) | (2) | (2) | (3) | (4) | (4) | (4) | (3) | (2) | (3) | (37) |
| 4 | (75) | (63) | (62) | (53) | (48) | (43) | (44) | (52) | (57) | (67) | (70) | (76) | (709) |
| 5 | (178) | (171) | (135) | (110) | (89) | (110) | (143) | (163) | 0 | 0 | 0 | 0 | (1,099) |
| 6 | (57) | (49) | (45) | (44) | (44) | (39) | (40) | (39) | (46) | (55) | (60) | (60) | (578) |
| 7 | <u>(2,060)</u> | <u>(1,847)</u> | <u>(1,788)</u> | <u>(1,889)</u> | <u>(1,834)</u> | <u>(2,083)</u> | <u>(2,360)</u> | <u>(2,141)</u> | <u>(2,212)</u> | <u>(1,996)</u> | <u>(1,885)</u> | <u>(1,886)</u> | <u>(23,982)</u> |
| Total Excluding SUT | (\$14,003) | (\$13,221) | (\$12,050) | (\$11,267) | (\$11,023) | (\$14,029) | (\$17,509) | (\$19,327) | (\$17,599) | (\$12,633) | (\$11,306) | (\$12,805) | (\$166,771) |

ROCKLAND ELECTRIC COMPANY

**Low Income Audit III Program Component of RGGI Surcharge
2023 Projection of Revenue Requirement**

| | <u>Jan-23</u> <u>Actual</u> | <u>Feb-23</u> <u>Actual</u> | <u>Mar-23</u> <u>Actual</u> | <u>Apr-23</u> <u>Estimate</u> | <u>May-23</u> <u>Estimate</u> | <u>Jun-23</u> <u>Estimate</u> | <u>Jul-23</u> <u>Estimate</u> | <u>Aug-23</u> <u>Estimate</u> | <u>Sep-23</u> <u>Estimate</u> | <u>Oct-23</u> <u>Estimate</u> | <u>Nov-23</u> <u>Estimate</u> | <u>Dec-23</u> <u>Estimate</u> |
|--|--------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 1. Program Spending | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2. Cumulative Spending | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 |
| 3. | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | |
| 5. Gross Expenditures | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 | 198,097 |
| 6. Accumulated Amortization | <u>87,025</u> | <u>90,327</u> | <u>93,628</u> | <u>96,930</u> | <u>100,232</u> | <u>103,533</u> | <u>106,835</u> | <u>110,136</u> | <u>113,438</u> | <u>116,740</u> | <u>120,041</u> | <u>123,343</u> |
| 7. Net Expenditures | 111,072 | 107,770 | 104,469 | 101,167 | 97,866 | 94,564 | 91,262 | 87,961 | 84,659 | 81,357 | 78,056 | 74,754 |
| 8. Accumulated Deferred Tax | <u>31,222</u> | <u>30,294</u> | <u>29,366</u> | <u>28,438</u> | <u>27,510</u> | <u>26,582</u> | <u>25,654</u> | <u>24,726</u> | <u>23,798</u> | <u>22,870</u> | <u>21,942</u> | <u>21,013</u> |
| 9. Under/(Over) Recovery Balance | 79,850 | 77,476 | 75,103 | 72,729 | 70,356 | 67,982 | 65,608 | 63,235 | 60,861 | 58,488 | 56,114 | 53,741 |
| 10. | | | | | | | | | | | | |
| 11. Return Requirement | 471 | 457 | 443 | 429 | 415 | 401 | 387 | 373 | 359 | 345 | 331 | 317 |
| 12. Equity Portion | 310 | 301 | 292 | 282 | 273 | 264 | 255 | 246 | 236 | 227 | 218 | 209 |
| 13. | | | | | | | | | | | | |
| 14. | | | | | | | | | | | | |
| 15. Revenue | 3,894 | 3,876 | 3,859 | 3,841 | 3,824 | 3,806 | 3,788 | 3,771 | 3,753 | 3,736 | 3,718 | 3,700 |
| 16. | | | | | | | | | | | | |
| 17. Expenses: | | | | | | | | | | | | |
| 18. Amortization | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 | 3,302 |
| 19. Administrative Costs | | | | | | | | | | | | |
| 20. Interest Expense | 161 | 156 | 151 | 147 | 142 | 137 | 132 | 128 | 123 | 118 | 113 | 108 |
| 21. Deferred Expenses | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 22. Taxable Income | 431 | 419 | 406 | 393 | 380 | 367 | 354 | 342 | 329 | 316 | 303 | 290 |
| 23. Federal and State Taxes | <u>121</u> | <u>118</u> | <u>114</u> | <u>110</u> | <u>107</u> | <u>103</u> | <u>100</u> | <u>96</u> | <u>92</u> | <u>89</u> | <u>85</u> | <u>82</u> |
| 24. Net Income | 310 | 301 | 292 | 282 | 273 | 264 | 255 | 246 | 236 | 227 | 218 | 209 |
| 25. | | | | | | | | | | | | |
| 26. | | | | | | | | | | | | |
| 27. Deferred Cost Recovery (from 15 above) | 3,894 | 3,876 | 3,859 | 3,841 | 3,824 | 3,806 | 3,788 | 3,771 | 3,753 | 3,736 | 3,718 | 3,700 |
| 28. O&M | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 29. Total Revenue Requirement | \$3,894 | \$3,876 | \$3,859 | \$3,841 | \$3,824 | \$3,806 | \$3,788 | \$3,771 | \$3,753 | \$3,736 | \$3,718 | \$3,700 |
| | | | | | | | | | | 12 Month Total | | \$45,566 |

ROCKLAND ELECTRIC COMPANY

**SREC I Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of SREC I Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|--|------------------|
| SREC I Program Recoveries (Calendar Year (CY) 2022) | \$597,344 |
| SREC I Program Costs CY 2022 | 413,065 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>(180,330)</u> |
| SREC I Program (Over)/Under Recovery Balance | (\$364,608) |
| Interest (Over)/Under Recovery Balance | <u>(5,975)</u> |
| Total SREC I Program (Over)/Under Recovery Balance for CY 2022 | (\$370,584) |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | (\$0.000254) |
| Sales and Use Tax ("SUT") | 1.06625 |
| SREC I Program Reconciliation Adjustment | (\$0.000271) |

Determination of Forecast SREC I Program Component of RGGI Surcharge

| | |
|---|---------------|
| Forecast SREC I Program Costs 2023 | \$183,118 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | \$0.000126 |
| Sales and Use Tax ("SUT") | 1.06625 |
| SREC I Program Forecast Component | \$0.000134 |

Proposed SREC I Program Component of RGGI Surcharge

| | |
|--|--------------|
| Proposed SREC I Program Component of RGGI Surcharge Excluding SUT (\$ per kWh) | (\$0.000128) |
| Proposed SREC I Program Component of RGGI Surcharge Including SUT (\$ per kWh) | (\$0.000137) |

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the SREC I Program Component of the RGGI Surcharge

| SC No. | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Total |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | \$23,040 | \$20,865 | \$18,329 | \$16,726 | \$16,770 | \$24,565 | \$33,581 | \$38,798 | \$33,231 | \$20,281 | \$17,036 | \$20,624 | \$283,846 |
| 2 | 18,615 | 18,849 | 17,549 | 16,113 | 15,487 | 17,527 | 19,857 | 21,828 | 21,499 | 17,374 | 16,233 | 17,989 | 218,921 |
| 3 | 13 | 12 | 10 | 8 | 8 | 11 | 13 | 16 | 14 | 10 | 8 | 11 | 134 |
| 4 | 268 | 225 | 222 | 189 | 174 | 155 | 158 | 186 | 203 | 239 | 250 | 271 | 2,540 |
| 5 | 636 | 611 | 485 | 395 | 319 | 393 | 511 | 585 | 0 | 0 | 0 | 0 | 3,935 |
| 6 | 203 | 176 | 162 | 158 | 157 | 138 | 142 | 141 | 166 | 197 | 214 | 216 | 2,070 |
| 7 | <u>7,379</u> | <u>6,616</u> | <u>6,405</u> | <u>6,767</u> | <u>6,569</u> | <u>7,462</u> | <u>8,452</u> | <u>7,670</u> | <u>7,923</u> | <u>7,148</u> | <u>6,752</u> | <u>6,756</u> | <u>85,899</u> |
| Total Excluding SUT | \$50,155 | \$47,354 | \$43,161 | \$40,356 | \$39,483 | \$50,251 | \$62,714 | \$69,224 | \$63,036 | \$45,248 | \$40,494 | \$45,867 | \$597,344 |

ROCKLAND ELECTRIC COMPANY

**SREC I Program Component of RGGI Surcharge
Calendar Year 2022 SREC I Program Costs**

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Actual | <u>Total</u> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Total Net Cost of SRECs | \$0 | \$0 | \$259,082 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$134,197 | \$0 | \$0 | \$393,279 |
| Admin & Program Development | \$3,047 | \$761 | \$761 | \$2,762 | \$3,436 | \$747 | \$709 | \$744 | \$779 | \$779 | \$779 | \$744 | \$16,048 |
| Marketing & Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Processes, Insp & Other QC | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,838</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,400</u> | <u>500</u> | <u>3,738</u> |
| Subtotal | 3,047 | 761 | 761 | 4,600 | 3,436 | 747 | 709 | 744 | 779 | 779 | 2,179 | 1,244 | 19,786 |
| Total Costs | \$3,047 | \$761 | \$259,843 | \$4,600 | \$3,436 | \$747 | \$709 | \$744 | \$779 | \$134,977 | \$2,179 | \$1,244 | \$413,065 |

ROCKLAND ELECTRIC COMPANY

**SREC I Program Component of RGGI Surcharge
Forecasted Calendar Year 2023 SREC I Program Costs**

| | <u>Jan-23</u> Estimate | <u>Feb-23</u> Estimate | <u>Mar-23</u> Estimate | <u>Apr-23</u> Estimate | <u>May-23</u> Estimate | <u>Jun-23</u> Estimate | <u>Jul-23</u> Estimate | <u>Aug-23</u> Estimate | <u>Sep-23</u> Estimate | <u>Oct-23</u> Estimate | <u>Nov-23</u> Estimate | <u>Dec-23</u> Estimate | <u>Total</u> |
|---------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------|
| Total Net Cost of SRECs | \$0 | \$0 | \$96,579 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$74,739 | \$0 | \$0 | \$171,318 |
| Admin & Program Development | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 |
| Marketing & Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Processes, Insp & Other QC | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,400</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,400</u> | <u>0</u> | <u>2,800</u> |
| Subtotal | 750 | 750 | 750 | 2,150 | 750 | 750 | 750 | 750 | 750 | 750 | 2,150 | 750 | 11,800 |
| Total Costs | \$750 | \$750 | \$97,329 | \$2,150 | \$750 | \$750 | \$750 | \$750 | \$750 | \$75,489 | \$2,150 | \$750 | \$183,118 |

ROCKLAND ELECTRIC COMPANY

**SREC I Program Component of RGGI Surcharge
Calendar Year 2022 SREC Sales**

March Auction

| <u>Total SRECs</u> | <u>Purchase Price</u> | <u>Sale Price</u> | <u>Customer Charge / (Credit)</u> | <u>SREC Transaction Fee @ \$39.11 ea.</u> | <u>Net Charge to Customer</u> |
|-------------------------------|----------------------------------|------------------------------|--|--|--|
| 1,525 | \$368.05 | \$237.27 | \$199,439.50 | \$59,642.75 | \$259,082.25 |

October Auction

| <u>Total SRECs</u> | <u>Purchase Price</u> | <u>Sale Price</u> | <u>Customer Charge / (Credit)</u> | <u>SREC Transaction Fee @ \$39.11 ea.</u> | <u>Net Charge to Customer</u> |
|-------------------------------|----------------------------------|------------------------------|--|--|--|
| 843 | \$350.34 | \$230.26 | \$101,227.44 | \$32,969.73 | \$134,197.17 |

ROCKLAND ELECTRIC COMPANY

**SREC I Program Component of RGGI Surcharge
Forecasted Calendar Year 2023 SREC Sales**

| | Total SRECs | Purchase Price | Sale Price | Customer Chg / (Credit) | SREC Transaction Fee @ \$39.11 ea. | Net Charge to Customer |
|--------------|------------------------|---------------------------|-----------------------|------------------------------------|---|-----------------------------------|
| Mar Actual | 681 | \$328.97 | \$226.26 | \$69,946 | \$26,634 | \$96,579 |
| Oct Estimate | 577 | \$315.42 | \$225.00 | <u>\$52,172</u> | <u>\$22,566</u> | <u>\$74,739</u> |
| | | | | \$122,118 | \$49,200 | \$171,318 |

ROCKLAND ELECTRIC COMPANY

**TREC Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of TREC Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|--|------------------|
| TREC Program Recoveries (Calendar Year (CY) 2022) | \$645,859 |
| TREC Program Costs CY 2022 | 1,694,265 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>(113,476)</u> |
| TREC Program (Over)/Under Recovery Balance | \$934,929 |
| Interest (Over)/Under Recovery Balance | <u>6,210</u> |
| Total TREC Program (Over)/Under Recovery Balance for CY 2022 | \$941,140 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | \$0.000646 |
| Sales and Use Tax ("SUT") | 1.06625 |
| TREC Program Reconciliation Adjustment | \$0.000689 |

Determination of Forecast TREC I Program Component of RGGI Surcharge

| | |
|---|---------------|
| Projected TREC Program Costs CY 2023 - See Page 4 | \$3,317,288 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | \$0.002277 |
| Sales and Use Tax ("SUT") | 1.06625 |
| TREC Program Forecast Component | \$0.002428 |

Proposed TREC Program Component of RGGI Surcharge

| | |
|--|------------|
| Proposed TREC Program Component of RGGI Surcharge Excluding SUT (\$ per kWh) | \$0.002923 |
| Proposed TREC Program Component of RGGI Surcharge Including SUT (\$ per kWh) | \$0.003117 |

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with TREC Program Component of RGGI Surcharge

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Actual | <u>Total</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Total Costs | \$163,385 | \$70,290 | \$63,481 | \$71,625 | \$85,527 | \$119,676 | \$144,455 | \$165,831 | \$201,798 | \$233,920 | \$207,154 | \$167,124 | \$1,694,265 |
| Prior Period Reconciliation Adj. ¹ | (\$113,476) | | | | | | | | | | | | (\$113,476) |
| Monthly Recoveries | 54,229 | 51,200 | 46,667 | 43,634 | 42,690 | 54,332 | 67,807 | 74,847 | 68,156 | 48,923 | 43,783 | 49,592 | 645,859 |
| (Over)/Under Recovery | (\$4,320) | \$19,090 | \$16,814 | \$27,990 | \$42,837 | \$65,343 | \$76,648 | \$90,985 | \$133,642 | \$184,997 | \$163,371 | \$117,532 | \$934,929 |
| Beginning Balance (Over)/Under Recovery | (\$113,476) | (\$117,796) | (\$98,705) | (\$81,891) | (\$53,901) | (\$11,064) | \$54,279 | \$130,928 | \$221,912 | \$355,554 | \$540,551 | \$703,922 | |
| Ending Balance (Over)/Under Recovery | (117,796) | (98,705) | (81,891) | (53,901) | (11,064) | 54,279 | 130,928 | 221,912 | 355,554 | 540,551 | 703,922 | 821,453 | |
| Average Balance (Over)/Under | (\$115,636) | (\$108,251) | (\$90,298) | (\$67,896) | (\$32,483) | \$21,608 | \$92,603 | \$176,420 | \$288,733 | \$448,053 | \$622,236 | \$762,688 | |
| Average Balance (Over)/Under - Net of Tax ² | (\$83,131) | (\$77,821) | (\$64,916) | (\$48,811) | (\$23,352) | \$15,534 | \$66,573 | \$126,828 | \$207,570 | \$322,105 | \$447,326 | \$548,296 | |
| Interest Rate (Annual) ³ | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | (\$96) | (\$115) | (\$103) | (\$124) | (\$65) | \$42 | \$191 | \$370 | \$711 | \$1,267 | \$1,916 | \$2,216 | \$6,210 |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>\$941,140</u> |

Notes: 1. Prior Period Reconciliation Adj. as per Appendix F of the BPU Order Approving Stipulation dated April 26, 2023 in BPU Docket No. ER22020034.

2. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

3. Interest Rates shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the TREC Program Component of the RGGI Surcharge

| <u>SC No.</u> | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| 1 | \$24,911 | \$22,559 | \$19,818 | \$18,085 | \$18,133 | \$26,560 | \$36,308 | \$41,949 | \$35,930 | \$21,928 | \$18,420 | \$22,299 | \$306,899 |
| 2 | 20,127 | 20,380 | 18,974 | 17,422 | 16,744 | 18,951 | 21,470 | 23,601 | 23,245 | 18,785 | 17,552 | 19,450 | 236,701 |
| 3 | 14 | 13 | 11 | 9 | 8 | 12 | 14 | 17 | 15 | 11 | 9 | 12 | 145 |
| 4 | 290 | 244 | 240 | 204 | 188 | 167 | 171 | 201 | 220 | 258 | 271 | 293 | 2,746 |
| 5 | 688 | 661 | 524 | 427 | 345 | 425 | 552 | 632 | 0 | 0 | 0 | 0 | 4,254 |
| 6 | 220 | 190 | 175 | 171 | 169 | 150 | 154 | 153 | 180 | 213 | 231 | 233 | 2,238 |
| 7 | <u>7,978</u> | <u>7,153</u> | <u>6,925</u> | <u>7,317</u> | <u>7,103</u> | <u>8,068</u> | <u>9,139</u> | <u>8,293</u> | <u>8,566</u> | <u>7,729</u> | <u>7,301</u> | <u>7,305</u> | <u>92,876</u> |
| Total Excluding SUT | \$54,229 | \$51,200 | \$46,667 | \$43,634 | \$42,690 | \$54,332 | \$67,807 | \$74,847 | \$68,156 | \$48,923 | \$43,783 | \$49,592 | \$645,859 |

ROCKLAND ELECTRIC COMPANY

**TREC Program Component of RGGI Surcharge
Calendar Year 2022 TREC Program Costs**

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Estimate ¹ | <u>Total</u> |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|---------------|
| TREC Costs | \$161,486 | \$68,286 | \$61,477 | \$69,515 | \$83,377 | \$117,365 | \$142,045 | \$163,321 | \$199,188 | \$231,111 | \$204,146 | \$164,000 | \$1,665,316 |
| Admin Costs | <u>1,899</u> | <u>2,004</u> | <u>2,004</u> | <u>2,109</u> | <u>2,150</u> | <u>2,311</u> | <u>2,411</u> | <u>2,510</u> | <u>2,610</u> | <u>2,809</u> | <u>3,008</u> | <u>3,124</u> | <u>28,949</u> |
| Total Costs | \$163,385 | \$70,290 | \$63,481 | \$71,625 | \$85,527 | \$119,676 | \$144,455 | \$165,831 | \$201,798 | \$233,920 | \$207,154 | \$167,124 | \$1,694,265 |

ROCKLAND ELECTRIC COMPANY

**TREC Program Component of RGGI Surcharge
Forecasted Calendar Year 2023 TREC Program Costs**

| | <u>Jan-23</u> | <u>Feb-23</u> | <u>Mar-23</u> | <u>Apr-23</u> | <u>May-23</u> | <u>Jun-23</u> | <u>Jul-23</u> | <u>Aug-23</u> | <u>Sep-23</u> | <u>Oct-23</u> | <u>Nov-23</u> | <u>Dec-23</u> | <u>Total</u> |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | |
| TREC Costs | \$134,253 | \$136,436 | \$175,573 | \$203,237 | \$255,512 | \$329,874 | \$351,570 | \$343,075 | \$364,690 | \$368,035 | \$326,124 | \$279,062 | \$3,267,441 |
| Admin Costs | <u>3,208</u> | <u>3,307</u> | <u>3,407</u> | <u>3,606</u> | <u>3,805</u> | <u>4,004</u> | <u>4,303</u> | <u>4,503</u> | <u>4,602</u> | <u>4,901</u> | <u>5,001</u> | <u>5,200</u> | <u>49,847</u> |
| Total Costs | \$137,461 | \$139,743 | \$178,980 | \$206,843 | \$259,317 | \$333,878 | \$355,873 | \$347,577 | \$369,292 | \$372,936 | \$331,124 | \$284,262 | \$3,317,288 |

ROCKLAND ELECTRIC COMPANY

**SuSI Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of SuSI Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|--|----------------|
| SuSI Program Recoveries (Calendar Year (CY) 2022) | \$170,928 |
| SuSI Program Costs CY 2022 | 23,861 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>0</u> |
| SuSI Program (Over)/Under Recovery Balance | (\$147,066) |
| Interest (Over)/Under Recovery Balance | <u>(1,305)</u> |
| Total SuSI Program (Over)/Under Recovery Balance for CY 2022 | (\$148,371) |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | (\$0.000102) |
| Sales and Use Tax ("SUT") | 1.06625 |
| SuSI Program Reconciliation Adjustment | (\$0.000109) |

Determination of Forecast SuSI I Program Component of RGGI Surcharge

| | |
|---|---------------|
| Projected SuSI Program Costs CY 2023 - See Page 4 | \$322,603 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | \$0.000221 |
| Sales and Use Tax ("SUT") | 1.06625 |
| SuSI Program Forecast Component | \$0.000236 |

Proposed SuSI Program Component of RGGI Surcharge

| | |
|--|------------|
| Proposed SuSI Program Component of RGGI Surcharge Excluding SUT (\$ per kWh) | \$0.000119 |
| Proposed SuSI Program Component of RGGI Surcharge Including SUT (\$ per kWh) | \$0.000127 |

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with SuSI Program Component of RGGI Surcharge

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Actual | <u>Total</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Total Costs | \$0 | \$0 | \$0 | \$125 | \$148 | \$250 | \$774 | \$2,533 | \$2,572 | \$4,688 | \$6,366 | \$6,406 | \$23,861 |
| Prior Period Reconciliation Adj. | 0 | | | | | | | | | | | | \$0 |
| Monthly Recoveries | 0 | 0 | 0 | 0 | 0 | 0 | 17,562 | 40,234 | 36,638 | 26,299 | 23,536 | 26,659 | 170,928 |
| (Over)/Under Recovery | \$0 | \$0 | \$0 | \$125 | \$148 | \$250 | (\$16,788) | (\$37,702) | (\$34,066) | (\$21,611) | (\$17,170) | (\$20,253) | (\$147,066) |
| Beginning Balance (Over)/Under Recovery | \$0 | \$0 | \$0 | \$0 | \$125 | \$273 | \$523 | (\$16,265) | (\$53,967) | (\$88,033) | (\$109,644) | (\$126,814) | |
| Ending Balance (Over)/Under Recovery | 0 | 0 | 0 | 125 | 273 | 523 | (16,265) | (53,967) | (88,033) | (109,644) | (126,814) | (147,066) | |
| Average Balance (Over)/Under | \$0 | \$0 | \$0 | \$62 | \$199 | \$398 | (\$7,871) | (\$35,116) | (\$71,000) | (\$98,838) | (\$118,229) | (\$136,940) | |
| Average Balance (Over)/Under - Net of Tax ¹ | \$0 | \$0 | \$0 | \$45 | \$143 | \$286 | (\$5,659) | (\$25,245) | (\$51,042) | (\$71,055) | (\$84,995) | (\$98,446) | |
| Interest Rate (Annual) ² | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | \$0 | \$0 | \$0 | \$0 | \$0 | \$1 | (\$16) | (\$74) | (\$175) | (\$279) | (\$364) | (\$398) | (\$1,305) |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>(\$148,371)</u> |

Notes: 1. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

2. Interest Rates shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the SuSI Program Component of the RGGI Surcharge

| <u>SC No.</u> | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| 1 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,404 | \$22,550 | \$19,314 | \$11,788 | \$9,902 | \$11,987 | \$84,945 |
| 2 | 0 | 0 | 0 | 0 | 0 | 0 | 5,561 | 12,687 | 12,496 | 10,098 | 9,435 | 10,456 | 60,732 |
| 3 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 9 | 8 | 6 | 5 | 7 | 38 |
| 4 | 0 | 0 | 0 | 0 | 0 | 0 | 44 | 108 | 118 | 139 | 145 | 157 | 712 |
| 5 | 0 | 0 | 0 | 0 | 0 | 0 | 143 | 340 | 0 | 0 | 0 | 0 | 483 |
| 6 | 0 | 0 | 0 | 0 | 0 | 0 | 40 | 82 | 97 | 114 | 124 | 125 | 582 |
| 7 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,367</u> | <u>4,458</u> | <u>4,605</u> | <u>4,155</u> | <u>3,925</u> | <u>3,927</u> | <u>23,436</u> |
| Total Excluding SUT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,562 | \$40,234 | \$36,638 | \$26,299 | \$23,536 | \$26,659 | \$170,928 |

ROCKLAND ELECTRIC COMPANY
SuSI Program Component of RGGI Surcharge
Calendar Year 2022 SuSI Program Costs

| | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------|--------------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Estimate ¹ | |
| SuSI Costs | \$0 | \$0 | \$0 | \$20 | \$43 | \$145 | \$669 | \$2,427 | \$2,467 | \$4,583 | \$6,261 | \$6,301 | \$22,916 |
| Admin Costs | <u>0</u> | <u>0</u> | <u>0</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>105</u> | <u>946</u> |
| Total Costs | \$0 | \$0 | \$0 | \$125 | \$148 | \$250 | \$774 | \$2,533 | \$2,572 | \$4,688 | \$6,366 | \$6,406 | \$23,861 |

1. December 2022 costs are currently estimated and will be updated.

ROCKLAND ELECTRIC COMPANY

**SuSI Program Component of RGGI Surcharge
Forecasted Calendar Year 2023 SuSI Program Costs**

| | <u>Jan-23</u> | <u>Feb-23</u> | <u>Mar-23</u> | <u>Apr-23</u> | <u>May-23</u> | <u>Jun-23</u> | <u>Jul-23</u> | <u>Aug-23</u> | <u>Sep-23</u> | <u>Oct-23</u> | <u>Nov-23</u> | <u>Dec-23</u> | <u>Total</u> |
|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | |
| SuSI Costs | \$8,220 | \$7,876 | \$10,721 | \$17,010 | \$22,326 | \$26,584 | \$31,814 | \$33,885 | \$37,480 | \$44,802 | \$41,079 | \$36,289 | \$318,086 |
| Admin Costs | <u>105</u> | <u>105</u> | <u>210</u> | <u>210</u> | <u>210</u> | <u>315</u> | <u>420</u> | <u>420</u> | <u>525</u> | <u>630</u> | <u>630</u> | <u>735</u> | <u>4,517</u> |
| Total Costs | \$8,325 | \$7,981 | \$10,931 | \$17,220 | \$22,536 | \$26,899 | \$32,235 | \$34,305 | \$38,005 | \$45,432 | \$41,710 | \$37,024 | \$322,603 |

ROCKLAND ELECTRIC COMPANY

**Clean Energy Act Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of CEA Program Reconciliation Adjustment Component of RGGI Surcharge

| | |
|--|------------------|
| Clean Energy Act Program Recoveries (Calendar Year (CY) 2022) | \$1,106,754 |
| Clean Energy Act Program Revenue Requirement | 1,015,619 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>(336,645)</u> |
| Clean Energy Act Program (Over)/Under Recovery Balance | (\$427,780) |
| Interest (Over)/Under Recovery Balance | <u>(13,864)</u> |
| Total Clean Energy Act Program (Over)/Under Recovery Balance for CY 2022 | (\$441,644) |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | (\$0.000303) |
| Sales and Use Tax ("SUT") | 1.06625 |
| Clean Energy Act Program Reconciliation Adjustment | (\$0.000323) |

Determination of Forecast Clean Energy Act Program Component of RGGI Surcharge

| | |
|---|---------------|
| Forecast Revenue Requirement for CY 2023 | \$2,094,445 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Projected Spending to be (Refunded)/Surcharged | \$0.001438 |
| Sales and Use Tax ("SUT") | 1.06625 |
| Clean Energy Act Program Charge | \$0.001533 |

CEA Program Component of RGGI Surcharge

| | |
|--|------------|
| Proposed Clean Energy Act Program Component of RGGI Surcharge Excluding SUT (\$ per kWh) | \$0.001135 |
| Proposed Clean Energy Act Program Component of RGGI Surcharge Including SUT (\$ per kWh) | \$0.001210 |

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Clean Energy Act Program Component of RGGI Surcharge

| | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | |
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Revenue Requirement | \$21,756 | \$26,454 | \$45,680 | \$41,074 | \$54,106 | \$157,462 | \$58,367 | \$59,391 | \$61,967 | \$74,659 | \$91,174 | \$323,530 | \$1,015,619 |
| Prior Period Reconciliation Adj. ¹ | (336,645) | | | | | | | | | | | | (336,645) |
| Monthly Recoveries | 92,927 | 87,736 | 79,969 | 74,772 | 73,154 | 93,104 | 116,195 | 128,258 | 116,793 | 83,835 | 75,028 | 84,982 | \$1,106,754 |
| (Over)/Under Recovery | <u>(\$407,816)</u> | <u>(\$61,282)</u> | <u>(\$34,289)</u> | <u>(\$33,698)</u> | <u>(\$19,048)</u> | <u>\$64,357</u> | <u>(\$57,829)</u> | <u>(\$68,867)</u> | <u>(\$54,826)</u> | <u>(\$9,176)</u> | <u>\$16,146</u> | <u>\$238,548</u> | <u>(\$427,780)</u> |
| Beginning Balance - (Over)/Under Recovery | (\$336,645) | (\$407,816) | (\$469,098) | (\$503,387) | (\$537,086) | (\$556,133) | (\$491,776) | (\$549,605) | (\$618,472) | (\$673,298) | (\$682,474) | (\$666,328) | |
| Ending Balance (Over)/Under Recovery | <u>(\$407,816)</u> | <u>(\$469,098)</u> | <u>(\$503,387)</u> | <u>(\$537,086)</u> | <u>(\$556,133)</u> | <u>(\$491,776)</u> | <u>(\$549,605)</u> | <u>(\$618,472)</u> | <u>(\$673,298)</u> | <u>(\$682,474)</u> | <u>(\$666,328)</u> | <u>(\$427,780)</u> | |
| Average Balance (Over)/Under | (\$372,230) | (\$438,457) | (\$486,243) | (\$520,237) | (\$546,610) | (\$523,955) | (\$520,690) | (\$584,038) | (\$645,885) | (\$677,886) | (\$674,401) | (\$547,054) | |
| Average Balance (Over)/Under - Net of Tax ² | (\$267,596) | (\$315,207) | (\$349,560) | (\$373,998) | (\$392,958) | (\$376,671) | (\$374,324) | (\$419,865) | (\$464,327) | (\$487,332) | (\$484,827) | (\$393,277) | |
| Interest Rate (Annual) ³ | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | (\$308) | (\$468) | (\$556) | (\$947) | (\$1,090) | (\$1,023) | (\$1,073) | (\$1,225) | (\$1,590) | (\$1,917) | (\$2,077) | (\$1,589) | <u>(\$13,864)</u> |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>(\$441,644)</u> |

Notes: 1. Prior Period Reconciliation Adj. as per Appendix G of the BPU Order Approving Stipulation dated April 26, 2023 in BPU Docket No. ER22020034.

2. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

3. Interest Rates shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Clean Energy Act Program Component of the RGGI Surcharge

| <u>SC No.</u> | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| 1 | \$42,688 | \$38,658 | \$33,960 | \$30,990 | \$31,072 | \$45,513 | \$62,218 | \$71,885 | \$61,570 | \$37,576 | \$31,565 | \$38,211 | \$525,907 |
| 2 | 34,490 | 34,923 | 32,515 | 29,855 | 28,693 | 32,474 | 36,791 | 40,443 | 39,833 | 32,190 | 30,077 | 33,330 | 405,614 |
| 3 | 25 | 21 | 18 | 16 | 14 | 20 | 24 | 30 | 26 | 18 | 16 | 21 | 249 |
| 4 | 497 | 418 | 411 | 349 | 321 | 287 | 292 | 345 | 376 | 442 | 464 | 502 | 4,705 |
| 5 | 1,179 | 1,132 | 898 | 731 | 591 | 729 | 946 | 1,083 | 0 | 0 | 0 | 0 | 7,291 |
| 6 | 376 | 326 | 300 | 293 | 290 | 256 | 263 | 262 | 308 | 365 | 396 | 400 | 3,835 |
| 7 | <u>13,672</u> | <u>12,258</u> | <u>11,867</u> | <u>12,538</u> | <u>12,172</u> | <u>13,825</u> | <u>15,660</u> | <u>14,210</u> | <u>14,680</u> | <u>13,244</u> | <u>12,511</u> | <u>12,518</u> | <u>159,153</u> |
| Total Excluding SUT | \$92,927 | \$87,736 | \$79,969 | \$74,772 | \$73,154 | \$93,104 | \$116,195 | \$128,258 | \$116,793 | \$83,835 | \$75,028 | \$84,982 | \$1,106,754 |

ROCKLAND ELECTRIC COMPANY

**Clean Energy Act Program Component of RGGI Surcharge
CY 2022 Program Spending**

| | <u>Jan-22</u> | <u>Feb-22</u> | <u>Mar-22</u> | <u>Apr-22</u> | <u>May-22</u> | <u>Jun-22</u> | <u>Jul-22</u> | <u>Aug-22</u> | <u>Sep-22</u> | <u>Oct-22</u> | <u>Nov-22</u> | <u>Dec-22</u> | <u>Total</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | |
| Implementation and Incentive Spending | \$176,406 | \$46,734 | \$293,248 | \$18,177 | \$185,699 | \$439,672 | \$308,317 | \$250,317 | \$188,408 | \$465,748 | \$481,881 | \$630,004 | \$3,484,611 |
| O&M Spending | <u>10,530</u> | <u>14,491</u> | <u>29,098</u> | <u>24,206</u> | <u>34,313</u> | <u>130,743</u> | <u>26,791</u> | <u>24,187</u> | <u>24,539</u> | <u>29,898</u> | <u>38,921</u> | <u>261,743</u> | <u>649,461</u> |
| Total Spending | \$186,936 | \$61,226 | \$322,346 | \$42,383 | \$220,012 | \$570,415 | \$335,109 | \$274,504 | \$212,947 | \$495,647 | \$520,802 | \$891,746 | \$4,134,072 |

ROCKLAND ELECTRIC COMPANY

**CSEP Program Component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Summary of (Over)/Under Recovery and Proposed Rate**

Determination of CSEP Program Component of RGGI Surcharge

| | |
|--|---------------|
| CSEP Program Recoveries (Calendar Year (CY) 2022) | \$0 |
| CSEP Program Costs CY 2022 | 284,521 |
| Prior Period Reconciliation (Over)/Under Recovery - See Page 2 | <u>0</u> |
| CSEP Program (Over)/Under Recovery Balance | \$284,521 |
| Interest (Over)/Under Recovery Balance | <u>2,832</u> |
| Total CSEP Program (Over)/Under Recovery Balance for CY 2022 | \$287,353 |
| Projected Sales (kWh) 12 months ending May 31, 2024 | 1,456,659,000 |
| \$ per kWh Reconciliation to be (Refunded)/Surcharged | \$0.000197 |
| Sales and Use Tax ("SUT") | 1.06625 |
| CSEP Program Reconciliation Adjustment | \$0.000210 |

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with CSEP Program Component of RGGI Surcharge

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Actual | <u>Total</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| <u>Determination of (Over)/Under Recovered Balance</u> | | | | | | | | | | | | | |
| Total Costs | \$0 | \$0 | \$0 | \$3,168 | \$30,942 | \$30,582 | \$31,854 | \$17,292 | \$56,554 | \$40,684 | \$16,632 | \$56,814 | \$284,521 |
| Prior Period Reconciliation Adj. | 0 | | | | | | | | | | | | 0 |
| Monthly Recoveries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Over)/Under Recovery | \$0 | \$0 | \$0 | \$3,168 | \$30,942 | \$30,582 | \$31,854 | \$17,292 | \$56,554 | \$40,684 | \$16,632 | \$56,814 | \$284,521 |
| Beginning Balance (Over)/Under Recovery | \$0 | \$0 | \$0 | \$0 | \$3,168 | \$34,110 | \$64,692 | \$96,546 | \$113,838 | \$170,392 | \$211,076 | \$227,708 | |
| Ending Balance (Over)/Under Recovery | 0 | 0 | 0 | 3,168 | 34,110 | 64,692 | 96,546 | 113,838 | 170,392 | 211,076 | 227,708 | 284,521 | |
| Average Balance (Over)/Under | \$0 | \$0 | \$0 | \$1,584 | \$18,639 | \$49,401 | \$80,619 | \$105,192 | \$142,115 | \$190,734 | \$219,392 | \$256,114 | |
| Average Balance (Over)/Under - Net of Tax ¹ | \$0 | \$0 | \$0 | \$1,139 | \$13,400 | \$35,514 | \$57,957 | \$75,623 | \$102,166 | \$137,118 | \$157,721 | \$184,121 | |
| Interest Rate (Annual) ² | 1.38% | 1.78% | 1.91% | 3.04% | 3.33% | 3.26% | 3.44% | 3.50% | 4.11% | 4.72% | 5.14% | 4.85% | |
| Interest Rate (Monthly) | 0.12% | 0.15% | 0.16% | 0.25% | 0.28% | 0.27% | 0.29% | 0.29% | 0.34% | 0.39% | 0.43% | 0.40% | |
| Interest (To Customer) /To Company | \$0 | \$0 | \$0 | \$3 | \$37 | \$96 | \$166 | \$221 | \$350 | \$539 | \$676 | \$744 | \$2,832 |
| | | | | | | | | | | | | | Total (Over)/Under Collection Including Interest |
| | | | | | | | | | | | | | <u>\$287,353</u> |

Notes: 1. Net-of-tax value applied to average balance for purposes of calculating interest. Net-of-tax value shown in Appendix J.

2. Interest Rates shown in Appendix J.

ROCKLAND ELECTRIC COMPANY

**CSEP Program Component of RGGI Surcharge
Calendar Year 2022 CSEP Program Costs**

| | <u>Jan-22</u> Actual | <u>Feb-22</u> Actual | <u>Mar-22</u> Actual | <u>Apr-22</u> Actual | <u>May-22</u> Actual | <u>Jun-22</u> Actual | <u>Jul-22</u> Actual | <u>Aug-22</u> Actual | <u>Sep-22</u> Actual | <u>Oct-22</u> Actual | <u>Nov-22</u> Actual | <u>Dec-22</u> Actual | <u>Total</u> |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------|
| CSEP Credits Paid Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Implementation Costs | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,168</u> | <u>30,942</u> | <u>30,582</u> | <u>31,854</u> | <u>17,292</u> | <u>56,554</u> | <u>40,684</u> | <u>16,632</u> | <u>56,814</u> | <u>284,521</u> |
| Total Costs | \$0 | \$0 | \$0 | \$3,168 | \$30,942 | \$30,582 | \$31,854 | \$17,292 | \$56,554 | \$40,684 | \$16,632 | \$56,814 | \$284,521 |

ROCKLAND ELECTRIC COMPANY**Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Interest Rates and Net-of-Tax Factors****Interest Rates**

| | <u>Interest Rate</u> ¹ | <u>Interest Rate + 60 BP</u> | <u>RECO Overall ROR</u> | <u>Min</u> |
|--------|-----------------------------------|------------------------------|-------------------------|------------|
| Jan-22 | 0.78% | 1.38% | 7.08% | 1.38% |
| Feb-22 | 1.18% | 1.78% | 7.08% | 1.78% |
| Mar-22 | 1.31% | 1.91% | 7.08% | 1.91% |
| Apr-22 | 2.44% | 3.04% | 7.08% | 3.04% |
| May-22 | 2.73% | 3.33% | 7.08% | 3.33% |
| Jun-22 | 2.66% | 3.26% | 7.08% | 3.26% |
| Jul-22 | 2.84% | 3.44% | 7.08% | 3.44% |
| Aug-22 | 2.90% | 3.50% | 7.08% | 3.50% |
| Sep-22 | 3.51% | 4.11% | 7.08% | 4.11% |
| Oct-22 | 4.12% | 4.72% | 7.08% | 4.72% |
| Nov-22 | 4.54% | 5.14% | 7.08% | 5.14% |
| Dec-22 | 4.25% | 4.85% | 7.08% | 4.85% |

1. Federal Reserve Board US Treasury Securities at two year constant maturity rate on 1st business day of month.

Net of Tax Factor Calculation

| | | |
|----------------------|-------|--------------|
| Revenue | | 100.00 |
| NJ CBT @ | 9.0% | <u>9.00</u> |
| | | 91.00 |
| FIT @ | 21.0% | <u>19.11</u> |
| Retention Factor | | 71.89 |
| 1 - Retention Factor | | 28.11 |

ROCKLAND ELECTRIC COMPANY

**Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge
Capital Structure**

Capital Structure approved in RECO Base Rate Case ER21050823, effective Jan. 1, 2022.

| | |
|--------------------|--------|
| Equity Ratio | 48.51% |
| Return on Equity | 9.60% |
| Equity Component | 4.66% |
| After-Tax WACC | 7.08% |
| Effective Tax Rate | 28.11% |
| Interest Expense | 2.42% |

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”) SURCHARGE

The RGGI Surcharge shall be applied to the kWh usage on the bills of all customers served under this Schedule. The RGGI Surcharge shall include the costs related to the Company’s:

- (a) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”);
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program”);
- (c) Solar Renewable Energy Certificate Program (“SREC Program”), including both the SREC I and SREC II Programs;
- (d) Transitional Renewable Energy Certificate Program (“TREC Program”);
- (e) Successor Solar Incentive Program (“SuSI Program”);
- (f) Clean Energy Act Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs; and
- (g) Community Solar Energy Pilot Program (“CSEP Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.5053cents per kWh, including sales and use tax (“SUT”). The RGGI Surcharge includes the following rate components:

| | RGGI Surcharge Rate Components (Cents per kWh) | |
|------------------------------|--|---------------|
| | Excluding SUT | Including SUT |
| Low Income Audit II Program | (0.0025) | (0.0027) |
| Low Income Audit III Program | 0.0123 | 0.0131 |
| SREC I Program | (0.0128) | (0.0137) |
| SREC II Program | 0.0000 | 0.0000 |
| TREC Program | 0.2923 | 0.3117 |
| SuSI Program | 0.0119 | 0.0127 |
| Clean Energy Act Program | 0.1135 | 0.1210 |
| CSEP Program | 0.0197 | 0.0210 |
| Total RGGI Surcharge | 0.4344 | 0.4631 |

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: