



Rockland Electric Company
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New York NY 10003-0987
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March 31, 2010

Honorable Kristi Izzo
Secretary
State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Re: Rockland Electric Company's Annual Societal Benefits Charge Filing

Via Overnight Mail

Dear Secretary Izzo:

Rockland Electric Company ("RECO" or "the Company") hereby submits for filing an original and ten copies of Leaf No. 14 to its Schedule for Electric Service P.U.C. No. 2 – Electricity (the "Electric tariff") in draft format. This filing is submitted in accordance with Leaf No. 14 of the Company's Electric tariff, which requires the submission of an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge ("SBC") and to provide for current program cost recovery.

Specifically, paragraphs (a) and (b) of Leaf No. 14 provide that the SBC shall include current costs and any refund or recovery of prior period over- or under-collection balances relating to (a) the Company's demand-side management ("DSM") programs ("DSM Programs") and (b) the Clean Energy Program. In accordance with Leaf No. 14 of the Electric tariff, the rate component of the SBC relating to the DSM Programs and the Clean Energy Program is to be reflected in the SBC effective August 1, 2010. As noted on Leaf No. 14, the SBC also provides for the recovery of costs relating to the Universal Service Fund and Lifeline. In contrast to the rate components of the SBC relating to the DSM Programs and the Clean Energy Program, the Universal Service Fund and Lifeline rate components of the SBC of 0.1876 and 0.0713¢/kWh, including SUT, which became effective on October 12, 2009, remain unchanged.

Enclosed are the Company's workpapers detailing the reconciliation and calculation of the rate component of the SBC relating to the DSM Programs and Clean Energy Program. The result of this reconciliation is an increase in this rate component of the SBC from the currently effective rate of 0.2426 ¢/kWh to 0.3796 ¢/kWh¹, including Sales and Use Tax ("SUT"). The increase in this rate component is the result of a prior period under-collection of program costs of \$73,533 for the period August 1, 2008 through July 31, 2009², an anticipated under-collection of \$747,823 for the period August 1, 2009 through July 31, 2010, and an increase in program spending of \$824,075 above the amount included in the current SBC.

¹ On Leaf 14, this rate is shown in two components: a program cost recovery component of 0.3237 ¢/kWh and a reconciliation adjustment of 0.0559 ¢/kWh. The reconciliation component is set to expire on July 31, 2011.

² On March 31, 2009, the Company made its annual filing to set the SBC for the period August 1, 2009 - July 31, 2010. This filing is pending in BPU Docket No. ER09040287.

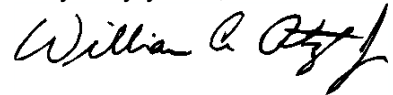
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The proposed SBC set forth on Leaf No. 14 is 0.6385 ¢/kWh, including SUT. As shown in the enclosed workpapers, Page 1 of 5, this rate reflects (1) a 0.3237 ¢/kWh rate component, including SUT, reflecting \$4,756,507 in projected DSM Programs and Clean Energy Program spending for the twelve-month period ending July 31, 2011; (2) a 0.0522 ¢/kWh reconciliation adjustment, including SUT, reflecting an under-collection for the period August 1, 2008 through July 31, 2010; (3) a 0.1876 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and (4) a 0.0713 ¢/kWh rate component, including SUT, relating to Lifeline. The Company's projected Clean Energy Program spending for the twelve-month period ending July 31, 2011, as shown on page 5 of 5 of the enclosed workpapers, reflects RECO's Board-approved 2009 -2010 Clean Energy Program spending level.

The revised SBC is proposed to become effective August 1, 2010.

Please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided. Questions regarding this filing can be directed to me at (212) 460-3308.

Very truly yours,



William A. Atzl, Jr.
Director – Rates

ROCKLAND ELECTRIC COMPANY

**Determination of Societal Benefits Charge ("SBC") to be Effective with
Service Rendered on or after August 1, 2010**

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT (¢/kWh)	Rate¹ Incl. RA & SUT (¢/kWh)	Rate² Excl. RA; Incl. SUT (¢/kWh)
DSM/Clean Energy Programs	0.3025	0.3237	0.3237
Reconciliation Adjustment ("RA")	0.0522	0.0559	-
Universal Service Fund	0.1753	0.1876	0.1876
Lifeline	<u>0.0666</u>	<u>0.0713</u>	<u>0.0713</u>
Total	0.5966	0.6385	0.5826

Notes: ¹ Effective through July 31, 2011
 ² Effective after July 31, 2011

ROCKLAND ELECTRIC COMPANY**Determination of Societal Benefits Charge ("SBC")¹ to be Effective with Service Rendered on or after August 1, 2010****Reconciliation of SBC for the Period August 1, 2009 - July 31, 2010**

SBC Recoveries: (08/01/09 - 07/31/10) - See Page 3	\$3,477,100
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/09 - 07/31/10) - See Page 3	4,220,460
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	73,533
Total SBC Costs to be Recovered (08/01/09 - 07/31/10)	4,293,993
SBC (Over)/Under Recovery Balance	816,893
Interest (Over)/Under Recovery Balance - See Page 3	<u>4,463</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2010	\$821,356

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2011	1,572,485,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000522
Projected Spending - 12 months ending July 31, 2011 - See Page 4	\$4,756,507
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.003025
<u>Proposed SBC Excluding SUT (\$ per kWh)</u>	\$0.003547
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC Including SUT (\$ per kWh)</u>	\$0.003795

Notes: 1 Rate component of SBC relating to recovery of demand-side management ("DSM") and the Clean Energy Program as described in paragraphs (a) and (b) on Leaf No. 14 of the RECO Schedule for Electric Service, P.U.C. No. 2 - Electricity. Does not include the costs and the associated rate components of the SBC relating to the the Universal Service Fund and Lifeline.

ROCKLAND ELECTRIC COMPANY**Determination of Societal Benefits Charge ("SBC")
Service Rendered on or after August 1, 2010**

RECO	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	
SBC Recoveries	\$232,183	\$332,148	\$275,736	\$262,603	\$311,839	\$324,074	\$295,781	\$275,486	\$257,812	\$258,166	\$296,884	\$354,387	\$3,477,100
Prior Period Reconciliation Adj. ¹	\$73,533	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$73,533
Legacy Program Costs	\$42,945	\$30,397	\$35,161	\$45,856	\$31,224	\$31,215	\$31,224	\$31,224	\$21,967	\$19,827	\$31,224	\$31,224	\$383,487
CEP Program Costs	\$379,387	\$347,218	\$306,337	\$276,242	\$290,200	\$318,031	\$311,868	\$304,578	\$282,132	\$276,829	\$347,260	\$396,892	\$3,836,973
Total Program Costs	\$495,865	\$377,615	\$341,498	\$322,098	\$321,424	\$349,246	\$343,092	\$335,802	\$304,099	\$296,656	\$378,484	\$428,116	\$4,293,993
Interest - (Over)/Under Recovery	\$231	\$232	\$272	\$325	\$278	\$391	\$372	\$398	\$430	\$457	\$513	\$564	\$4,463
Total Program Costs Incl. Adjs. & Interest	\$496,096	\$377,847	\$341,770	\$322,423	\$321,702	\$349,637	\$343,464	\$336,200	\$304,529	\$297,113	\$378,997	\$428,680	\$4,298,456
(Over)/Under Recovery	\$263,913	\$45,699	\$66,034	\$59,819	\$9,863	\$25,563	\$47,683	\$60,714	\$46,716	\$38,947	\$82,113	\$74,293	\$821,356
Interest Rate (%) ²	1.78%	1.52%	1.47%	1.52%	1.27%	1.69%	1.46%	1.40%	1.40%	1.40%	1.40%	1.40%	

Notes: ¹ See Page 4 of 5² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.
Interest calculated on a net-of-tax basis.

ROCKLAND ELECTRIC COMPANY**Determination of Societal Benefits Charge ("SBC")
Service Rendered on or after August 1, 2009**

RECO	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SBC Recoveries	\$444,265	\$409,633	\$348,641	\$322,354	\$217,469	\$97,627	\$90,462	\$82,437	\$76,054	\$82,594	\$90,755	\$99,782	\$2,362,073
Prior Period Reconciliation Adj. ¹	(\$1,549,628)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,549,628)
Legacy Program Costs	\$62,101	\$17,846	\$56,380	\$42,945	\$4,365	\$43,947	\$42,946	\$3,362	\$73,271	\$31,557	\$38,715	\$42,946	\$460,381
CEP Program Costs	\$367,481	(\$3,000)	\$603,442	\$260,387	\$523,857	\$42,683	\$292,054	\$277,403	\$256,868	\$240,330	\$313,379	\$363,214	\$3,538,098
Total Program Costs	(\$1,120,046)	\$14,846	\$659,822	\$303,332	\$528,222	\$86,630	\$335,000	\$280,765	\$330,138	\$271,887	\$352,094	\$406,160	\$2,448,851
Interest - (Over)/Under Recovery	(\$2,398)	(\$2,762)	(\$1,966)	(\$1,684)	(\$1,003)	(\$997)	(\$825)	(\$679)	(\$472)	(\$360)	(\$170)	\$71	(\$13,245)
Total Program Costs Incl. Adjs. & Interest	(\$1,122,444)	\$12,084	\$657,856	\$301,648	\$527,219	\$85,633	\$334,175	\$280,086	\$329,666	\$271,527	\$351,924	\$406,231	\$2,435,606
(Over)/Under Recovery	(\$1,566,709)	(\$397,549)	\$309,215	(\$20,706)	\$309,750	(\$11,994)	\$243,713	\$197,649	\$253,612	\$188,933	\$261,170	\$306,449	\$73,533
Interest Rate (%) ²	3.11%	2.86%	2.42%	2.05%	1.50%	1.48%	1.49%	1.49%	1.43%	1.52%	1.57%	1.65%	

Notes: ¹ Over recovery for the period August 1, 2007 through July 31, 2008 per Exhibit A, Page 3 of 7 of SBC Stipulation of Settlement dated November 5, 2008, in Docket Numbers ET06090630, ET07040244, and ET08040274 adopted by the Board in its Order dated November 26, 2008.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.
Interest calculated on a net-of-tax basis.

ROCKLAND ELECTRIC COMPANY**Determination of Societal Benefits Charge ("SBC")
Effective August 1, 2010****SBC Projected Program Costs: August 2010 - July 2011 (1)**

<u>Month</u>	<u>Projected Program Costs</u>		
	<u>Clean Energy</u>	<u>Legacy</u>	<u>Total</u>
Aug-10	\$416,778	\$31,224	\$448,002
Sep-10	383,133	31,224	414,357
Oct-10	336,345	31,224	367,569
Nov-10	303,402	31,224	334,626
Dec-10	319,230	31,224	350,454
Jan-11	375,063	29,221	404,284
Feb-11	373,037	29,221	402,258
Mar-11	361,757	29,221	390,978
Apr-11	335,097	19,964	355,061
May-11	328,799	17,824	346,623
Jun-11	412,452	29,221	441,673
Jul-11	<u>471,401</u>	<u>29,221</u>	<u>500,622</u>
Total	\$4,416,494	\$340,013	\$4,756,507

Notes: 1 Rate component of SBC relating to recovery of demand-side management ("DSM") and Clean Energy Program costs as described in paragraphs (a) and (b) on Leaf No. 14 of the RECO Schedule for Electric Service, P.U.C. No. 2 - Electricity. Does not include costs associated with USF and Lifeline.

GENERAL INFORMATION

No. 29 SOCIETAL BENEFITS CHARGE (“SBC”)

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.6385 cents per kWh, including sales and use tax (“SUT”), and includes a Reconciliation Component that shall remain in effect through July 31, 2011. Thereafter, unless changed by an order of the Board, the SBC shall be 0.5826 cents per kWh, including SUT. The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)		
	Through July 31, 2011		After July 31, 2011
	Excluding SUT	Including SUT	Including SUT
DSM & CEP	0.3025	0.3237	0.3237
Reconciliation	0.0522	0.0559	-
Universal Service Fund	0.1753	0.1876	0.1876
Lifeline	0.0666	0.0713	0.0713
Total SBC	0.5966	0.6385	0.5826

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

On April 1 of each year, the Company shall file with the Board the SBC rate components listed in (a) and (b) above for inclusion in the SBC effective for the twelve-month period commencing the following August 1. Such rate components shall be set to amortize any over- or under-recovered balances, including interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, and to provide current program cost recovery over the twelve-month period commencing the following August 1.

On July 1 of each year, the Company shall file with the Board the Universal Service Fund and Lifeline rate components for inclusion in the SBC effective for the twelve-month period commencing the following October 1. Such rate components shall be set to recovery any under-recovered balances, including interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, and to provide current program cost recovery over the twelve-month period commencing the following October 1, consistent with the Board’s Universal Service Fund and Lifeline directives.

ISSUED:

EFFECTIVE:

ISSUED BY: William Longhi, President
Saddle River, New Jersey 07458