



Rockland Electric Company
4 Irving Place
New York NY 10003-0987
www.oru.com

March 31, 2011

Honorable Kristi Izzo
Secretary
State of New Jersey
Board of Public Utilities
Two Gateway Center - Suite 801
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. 56 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric tariff") in draft format. This filing is submitted in accordance with General Information Section No. 33 of the 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 (1) and (2) of General Information Section No. 33 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 programs ("DSM Programs") and (b) the Clean Energy Program. In accordance with General Information Section No. 33 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, 2011. As noted in General Information Section No. 33, 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 0.2052 and 0.0664¢/kWh, including SUT, which became effective on November 1, 2010, 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 a decrease in this rate component of the SBC from the currently effective rate of 0.4055 ¢/kWh, including Sales and Use Tax ("SUT")¹, to 0.3546 ¢/kWh². The decrease in this rate component is the result of a prior period over-collection of program costs of \$135,929 coupled with the expiration of the Reconciliation Component and TRA.

The proposed SBC set forth on Leaf No. 56 is 0.6262 ¢/kWh, including SUT. As shown in the enclosed workpapers, Page 1 of 4, this rate reflects (1) a 0.3635 ¢/kWh rate component,

¹ This rate includes the Reconciliation Component and TRA which are set to expire on July 31, 2011.

² In the Electric tariff, this rate is shown in two components: a program cost recovery component of 0.3635 ¢/kWh and a reconciliation component of (0.0089) ¢/kWh.

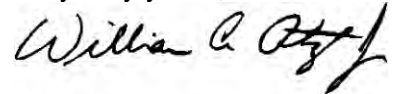
Honorable Kristi Izzo
March 31, 2011
Page 2 of 2

including SUT, reflecting \$5,573,697 in projected DSM Programs and Clean Energy Program spending for the twelve-month period ending July 31, 2012; (2) a (0.0089) ¢/kWh reconciliation adjustment, including SUT, reflecting an over-collection for the period August 1, 2010 through July 31, 2011; (3) a 0.2052 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and (4) a 0.0664 ¢/kWh rate component, including SUT, relating to Lifeline. The Company's projected Clean Energy Program spending for the twelve-month period ending July 31, 2012, as shown on page 4 of 4 of the enclosed workpapers, reflects RECO's Board-approved 2011 -2012 Clean Energy Program spending level.

The revised SBC is proposed to become effective August 1, 2011.

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, 2011**

<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	0.3397	0.3635	0.3635
Reconciliation Adjustment ("RA")	(0.0083)	(0.0089)	-
Universal Service Fund	0.1918	0.2052	0.2052
Lifeline	<u>0.0621</u>	<u>0.0664</u>	<u>0.0664</u>
Total	0.5853	0.6262	0.6351

Notes: ¹ Effective through July 31, 2012
 ² Effective after July 31, 2012

ROCKLAND ELECTRIC COMPANY

Determination of Societal Benefits Charge ("SBC")¹ to be Effective with Service Rendered on or after August 1, 2011

Reconciliation of SBC for the Period August 1, 2010 - July 31, 2011

SBC Recoveries: (08/01/10 - 07/31/11) - See Page 3	\$5,619,390
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/10 - 07/31/11) - See Page 3	4,757,679
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	723,336
Total SBC Costs to be Recovered (08/01/10 - 07/31/11)	5,481,015
SBC (Over)/Under Recovery Balance	(138,375)
Interest (Over)/Under Recovery Balance - See Page 3	<u>2,446</u>
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2011	(\$135,929)

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2012	1,640,714,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000083)
Projected Spending - 12 months ending July 31, 2012 - See Page 4	\$5,573,697
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.003397
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003314
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC Including SUT (\$ per kWh)</u>	\$0.003546

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

ROCKLAND ELECTRIC COMPANY

**Determination of Societal Benefits Charge ("SBC")
August 2010 through July 2011 Cost Recovery Period**

<u>RECO</u>	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	
SBC Recoveries	\$399,808	\$347,475	\$379,310	\$484,123	\$505,470	\$535,726	\$496,710	\$457,472	\$425,742	\$425,621	\$539,939	\$621,996	\$5,619,390
Prior Period Reconciliation Adj. ¹	\$723,336	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$723,336
Legacy Program Costs	\$23,620	\$30,397	\$31,224	\$20,653	\$30,397	\$29,221	\$30,047	\$29,221	\$29,221	\$29,221	\$29,221	\$29,221	\$341,666
CEP Program Costs	\$416,778	\$382,725	\$336,272	\$305,652	\$316,980	\$375,063	\$373,037	\$361,757	\$335,097	\$328,799	\$412,452	\$471,401	\$4,416,013
Total Program Costs	\$1,163,734	\$413,122	\$367,496	\$326,305	\$347,377	\$404,284	\$403,084	\$390,978	\$364,318	\$358,020	\$441,673	\$500,622	\$5,481,015
Interest - (Over)/Under Recovery	\$437	\$450	\$411	\$306	\$280	\$221	\$165	\$131	\$92	\$50	(\$11)	(\$86)	\$2,446
Total Program Costs Incl. Adjs. & Interest	\$1,164,171	\$413,572	\$367,907	\$326,611	\$347,657	\$404,505	\$403,249	\$391,109	\$364,410	\$358,070	\$441,662	\$500,536	\$5,483,461
(Over)/Under Recovery	\$764,363	\$66,098	(\$11,403)	(\$157,512)	(\$157,812)	(\$131,221)	(\$93,461)	(\$66,363)	(\$61,332)	(\$67,551)	(\$98,276)	(\$121,460)	(\$135,929)
Interest Rate (%) ²	1.16%	1.10%	1.02%	0.94%	1.13%	1.21%	1.21%	1.26%	1.26%	1.26%	1.26%	1.26%	

Notes: ¹ Under recovery for the period August 1, 2008 through July 31, 2010 per Exhibit A, Page 3 of 6 of SBC Stipulation of Settlement dated September 9, 2010, in Docket Numbers ER09040287 and ER10030242 adopted by the Board in its Order dated September 16, 2010.

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, 2011**

SBC Projected Program Costs: August 2011 - July 2012 (1)

	<u>Projected Program Costs</u>		
<u>Month</u>	<u>Clean Energy</u>	<u>Legacy</u>	<u>Total</u>
Aug-11	\$495,021	\$19,964	\$514,985
Sep-11	455,060	17,824	472,884
Oct-11	399,488	29,221	428,709
Nov-11	360,361	29,221	389,582
Dec-11	379,160	29,221	408,381
Jan-12	445,204	29,221	474,425
Feb-12	442,799	29,221	472,020
Mar-12	429,409	29,221	458,630
Apr-12	397,764	29,221	426,985
May-12	390,288	29,221	419,509
Jun-12	489,585	29,221	518,806
Jul-12	<u>559,558</u>	<u>29,221</u>	<u>588,779</u>
Total	\$5,243,697	\$330,000	\$5,573,697

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

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.6262 cents per kWh, including sales and use tax ("SUT"), and includes a Reconciliation Component that shall remain in effect through July 31, 2012. Thereafter, unless changed by an order of the Board, the SBC shall be 0.6351 cents per kWh, including SUT. The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)		
	Through July 31, 2012		After July 31, 2012
	Excluding SUT	Including SUT	Including SUT
DSM & CEP	0.3397	0.3635	0.3635
Reconciliation	(0.0083)	(0.0089)	-
Universal Service Fund	0.1918	0.2052	0.2052
Lifeline	0.0621	0.0664	0.0664
Total SBC	0.5853	0.6262	0.6351

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

(Continued)

ISSUED:

EFFECTIVE:

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

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE (“SBC”)

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.67740.6262 cents per kWh, including sales and use tax (“SUT”), and includes a Reconciliation Component that shall remain in effect through July 31, 20142012. Thereafter, unless changed by an order of the Board, the SBC shall be 0.59530.6351 cents per kWh, including SUT. The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)		
	Through July 31, <u>20142012</u>		After July 31, <u>20142012</u>
	Excluding SUT	Including SUT	Including SUT
DSM & CEP	<u>0.30253397</u>	<u>0.32373635</u>	<u>0.32373635</u>
Reconciliation	<u>0.0460 (0.0083)</u>	<u>0.0492 (0.0089)</u>	-
Temporary Rate Adjustment	<u>0.0305</u>	<u>0.0326</u>	-
Universal Service Fund	0.1918	0.2052	0.2052
Lifeline	0.0621	0.0664	0.0664
Total SBC	<u>0.63290.5853</u>	<u>0.67740.6262</u>	<u>0.59530.6351</u>

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

(Continued)

ISSUED:

EFFECTIVE:

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