



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

August 28, 2014

Honorable Kristi Izzo
Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, New Jersey 08625-0350

Re: In the Matter of 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. _____

Dear Secretary Izzo:

Rockland Electric Company ("RECO" or "the Company") hereby submits for filing an original and ten copies of Leaf No. 58 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. 34 of the Company's Electric Tariff, which requires the submission of an annual filing to reconcile any over- or under-recovered balances collected through the Energy Efficiency Stimulus Program ("EES Program") component of the Regional Greenhouse Gas Initiative ("RGGI") Surcharge and to establish the RGGI Surcharge in effect for the following January 1.

The Company is proposing a RGGI Surcharge that is a charge of 0.0548 cents per kWh, including Sales and Use Tax ("SUT") effective January 1, 2015. The proposed RGGI Surcharge includes two components: (1) a revised EES Program surcharge of 0.0465 cents per kWh, including SUT; and (2) a Low Income Audit II Program surcharge of 0.0083 cents per kWh, including SUT, which is unchanged.

EES Program

The EES Program called for a \$1.0 million increase in energy efficiency spending in 2010 through three new programs: On-Line Audit Program, Residential Enhanced Rebate Program, and Low Income Audit and Install Program. On November 19, 2009, a Stipulation of Settlement ("EES 2009 Program Stipulation") was entered into by the Company, the Staff of the New Jersey Board of Public Utilities ("Staff"), and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") detailing the proposed programs and cost recovery mechanisms. The

Board, in its Order dated November 23, 2009 in Docket Nos. EO09010056¹ and EO09010061² ("November 2009 Order"), approved the EES Program Stipulation.

The EES 2009 Program Stipulation calls for an annual filing to be made by September 1st of each year containing the EES Program component of the RGGI Surcharge to be in effect for the twelve month period commencing the following January 1.³ The EES Program component of the RGGI Surcharge is set to recover any prior period under- or over-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following January 1. The calculation of the under/over-collection as well as the associated interest is set forth on Appendix A, Page 3. Included in this calculation of the under/over-collection for the review period are actual revenue requirements and recoveries for January through July 2014 and estimated revenue requirements and recoveries for August through December 2014. The revenue requirement calculation includes a Weighted Average Cost of Capital ("WACC") of 8.21%⁴ for the period January through July 2014 and 7.83%⁵ from August 2014 forward. The calculations supporting the determination of these WACCs can be found on Pages 7 and 10 of Appendix A.

As provided for in the Board's November 23, Order (p. 7), any change in the Revenue Requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over- and under-recoveries until the next scheduled annual true-up. Therefore, in calculating the associated interest with the EES Program under-collection for calendar year 2014, the Company recalculated the monthly revenue requirements for the period August through December 2014 using a WACC of 8.21%. The monthly revenue requirement calculations used for both the interest calculation and the over/under collection calculation are set forth on Pages 8 and 11 of Appendix A.

As shown in Appendix A, Page 3, the total under-collection related to the EES Program equals \$548,607 including interest. As shown in Appendix A, Page 12, the estimated revenue requirement related to the EES Program for calendar year 2015 equals \$162,592.

EES Program Minimum Filing Requirements

There were a number of minimum filing requirements that were required in the EES 2009 Program Stipulation.⁶ As directed by the EES 2009 Program Stipulation, the Company was to include these minimum filing requirements as part of its Annual Filing. Appendices A through F contain the requested information outlined in these minimum filing requirements. The table below outlines which requirements are met by each of the Appendices attached to this filing letter.

¹ I/M/O *The Energy Efficiency Programs and Associated Cost Recovery Mechanisms Proceedings*

² I/M/O *The Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery*

³ On August 31, 2012, the Company filed its annual reconciliation of the EES Program component of the RGGI Surcharge. This filing is pending in BPU Docket No. ER1208795. On August 30, 2013, the Company filed its annual reconciliation of the EES Program component of the RGGI Surcharge. This filing is pending in BPU Docket No. ER13090812

⁴ This is the WACC used to set rates in BPU Docket No. ER09080668.

⁵ This is the WACC used to set rates in BPU Docket No. ER13111135.

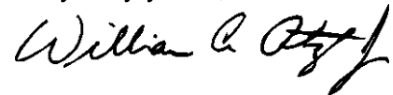
⁶ See Attachment 5 of the EES 2009 Program Stipulation.

Appendix	Minimum Filing Requirement Satisfied
A	(2), (3), (4), (5), (6) and (10)
B	(7)
C	(8)
D	(1)
E	(11)
F	(9)

Please date and time-stamp the enclosed extra copy of this letter and return it in the envelope provided.

Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,



William A. Atzl, Jr.
Director – Rate Engineering

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) Energy Efficiency Stimulus Program (“EES Program”); and
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0038 cents 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
EES Program	0.0435	0.0465
Low Income Audit II Program	0.0078	0.0083
Total RGGI Surcharge	0.0513	0.0548

(a) EES Program

The EES Program component of the RGGI Surcharge will 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 will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On September 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following January 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following January 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Timothy Cawley, President
Mahwah, New Jersey 07430

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) Energy Efficiency Stimulus Program (“EES Program”); and
- (b) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit II Program”).

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0038 cents 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
EES Program	(0.0042) 0.0435	(0.0045) 0.0465
Low Income Audit II Program	0.0078	0.0083
Total RGGI Surcharge	0.00360.0513	0.00380.0548

(a) EES Program

The EES Program component of the RGGI Surcharge will 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 will be included in the EES Program component of the following year’s RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the EES Program and actual recoveries through the EES Program component of the RGGI Surcharge will be deferred, with interest, for future recovery.

On September 1 of each year, the Company shall file with the Board the EES Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following January 1. The EES Program component of the RGGI Surcharge shall be set to recover any prior period over- or under-recovered balances, including interest, and to provide current recovery of the forecasted EES Program revenue requirement over the twelve-month period commencing the following January 1.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Timothy Cawley, President
 Mahwah, New Jersey 07430

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge

Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

EES Program Recoveries (January 1, 2014 - December 31, 2014)	(\$68,312)
EES Program Revenue Requirement	178,211
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>299,503</u>
EES Program (Over)/Under Recovery Balance	546,026
Interest (Over)/Under Recovery Balance	<u>2,582</u>
Total EES Program (Over)/Under Recovery Balance for 12 ME 12/31/2014	548,607
Projected Sales (kWh) 12 months ending December 31, 2015	1,638,080,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	\$0.000335
Sales and Use Tax ("SUT")	1.07
EES Program Reconciliation Adjustment	\$0.000358

Determination of Forecast EES Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2015	\$163,288
Projected Sales (kWh) 12 months ending December 31, 2015	1,638,080,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000100
Sales and Use Tax ("SUT")	1.07
EES Program Charge	\$0.000107

RGGI Surcharge

Proposed RGGI Surcharge Excluding SUT (\$ per kWh)	\$0.000435
Proposed RGGI Surcharge Including SUT (\$ per kWh)	\$0.000465

ROCKLAND ELECTRIC COMPANY

**Determination of RGGI Surcharge to be Effective with
Service Rendered on or after January 1, 2015**

<u>RGGI Rate Components</u>	<u>Excl. SUT (¢/kWh)</u>	<u>Incl. SUT (¢/kWh)</u>
EES Program	0.0435	0.0465
Low Income Audit II Program	<u>0.0078</u>	<u>0.0083</u>
Total	0.0513	0.0548

ROCKLAND ELECTRIC COMPANY

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

	<u>Jan-14</u> Actual	<u>Feb-14</u> Actual	<u>Mar-14</u> Actual	<u>Apr-14</u> Actual	<u>May-14</u> Actual	<u>Jun-14</u> Actual	<u>Jul-14</u> Actual	<u>Aug-14</u> Estimate	<u>Sep-14</u> Estimate	<u>Oct-14</u> Estimate	<u>Nov-14</u> Estimate	<u>Dec-14</u> Estimate	<u>Total</u>
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement ¹	\$15,292	\$15,218	\$15,145	\$15,071	\$14,997	\$14,923	\$14,850	\$14,684	\$14,614	\$14,543	\$14,473	\$14,402	\$178,211
Prior Period Reconciliation Adj. ²	299,503												\$299,503
Monthly Recoveries	(6,115)	(5,616)	(5,244)	(4,678)	(4,749)	(5,686)	(6,808)	(7,091)	(6,376)	(5,362)	(4,944)	(5,644)	(\$68,312)
(Over)/Under Recovery	<u>\$320,910</u>	<u>\$20,834</u>	<u>\$20,388</u>	<u>\$19,748</u>	<u>\$19,746</u>	<u>\$20,610</u>	<u>\$21,657</u>	<u>\$21,775</u>	<u>\$20,989</u>	<u>\$19,905</u>	<u>\$19,417</u>	<u>\$20,046</u>	<u>\$546,026</u>
2. Determination of Interest													
Revenue Requirement @ WACC = 8.21%	\$15,292	\$15,218	\$15,145	\$15,071	\$14,997	\$14,923	\$14,850	\$14,776	\$14,702	\$14,628	\$14,555	\$14,481	\$178,637
Prior Period Reconciliation Adj. ²	\$299,503												\$299,503
Monthly Recoveries	(6,115)	(5,616)	(5,244)	(4,678)	(4,749)	(5,686)	(6,808)	(7,091)	(6,376)	(5,362)	(4,944)	(5,644)	(68,312)
(Over)/Under Recovery	<u>\$320,910</u>	<u>\$20,834</u>	<u>\$20,388</u>	<u>\$19,748</u>	<u>\$19,746</u>	<u>\$20,610</u>	<u>\$21,657</u>	<u>\$21,867</u>	<u>\$21,078</u>	<u>\$19,990</u>	<u>\$19,499</u>	<u>\$20,125</u>	<u>\$546,452</u>
Beginning Balance - (Over)/Under Recovery	\$299,503	\$320,910	\$341,744	\$362,132	\$381,880	\$401,627	\$422,237	\$443,894	\$465,761	\$486,839	\$506,829	\$526,327	
Ending Balance (Over)/Under Recovery	<u>\$320,910</u>	<u>\$341,744</u>	<u>\$362,132</u>	<u>\$381,880</u>	<u>\$401,627</u>	<u>\$422,237</u>	<u>\$443,894</u>	<u>\$465,761</u>	<u>\$486,839</u>	<u>\$506,829</u>	<u>\$526,327</u>	<u>\$546,452</u>	
Average Balance (Over)/Under	\$310,206	\$331,327	\$351,938	\$372,006	\$391,754	\$411,932	\$433,065	\$454,827	\$476,300	\$496,834	\$516,578	\$536,390	
Average Balance (Over)/Under - Net of Tax	\$183,487	\$195,980	\$208,171	\$220,042	\$231,722	\$243,658	\$256,158	\$269,030	\$281,731	\$293,877	\$305,556	\$317,275	
Interest Rate (Annual) ³	0.99%	0.90%	0.92%	1.04%	1.01%	0.99%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	
Interest Rate (Monthly)	0.08%	0.08%	0.08%	0.09%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
Interest (To Customer) /To Company	\$151	\$147	\$160	\$191	\$195	\$201	\$228	\$240	\$251	\$262	\$272	\$283	<u>\$2,582</u>
Total (Over)/Under Collection Including Interest													<u>\$548,607</u>

Notes: ¹ Based on WACC of 8.21% through July 31, 2014 and a WACC of 7.83% effective August 1, 2014

² Under recovery for the period January 1, 2013 through December 31, 2013.

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

ROCKLAND ELECTRIC COMPANY

**EES Program Component of RGGI Surcharge
Basic Assumptions**

	<u>Effective Prior to August 1, 2014</u>	<u>Effective August 1, 2014</u>
Amortization Period	60 Months	60 Months
Equity Ratio	49.85%	50.35%
Return on Equity	10.30%	9.75%
Equity Component	5.13%	4.91%
After-Tax WACC	8.21%	7.83%
Effective Tax Rate	40.85%	40.85%
Interest Expense	3.07%	2.92%

Case ER09080668
Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending December 31, 2009
(000's)

	Amount (\$000's)	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	\$ 521,503	49.76%	6.16%	3.07%	3.07%
Short Term Debt	4,044	0.39%	1.50%	0.01%	0.01%
Common Equity	522,465	49.85%	10.30%	5.13%	8.69%
Total	\$ 1,048,012	100%		8.21%	11.76%

ROCKLAND ELECTRIC COMPANY

**EES Program Component of RGGI Surcharge
2014 Revenue Requirement
Revenue Requirement For Use in Calculation of Interest**

	<u>Jan-14</u> <u>Actual</u>	<u>Feb-14</u> <u>Actual</u>	<u>Mar-14</u> <u>Actual</u>	<u>Apr-14</u> <u>Actual</u>	<u>May-14</u> <u>Actual</u>	<u>Jun-14</u> <u>Actual</u>	<u>Jul-14</u> <u>Actual</u>	<u>Aug-14</u> <u>Estimate</u>	<u>Sep-14</u> <u>Estimate</u>	<u>Oct-14</u> <u>Estimate</u>	<u>Nov-14</u> <u>Estimate</u>	<u>Dec-14</u> <u>Estimate</u>
1. Program Spending	(3,857)	0	0	0	0	0	0	0	0	0	0	0
2. Cumulative Spending	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
3.												
4.												
5. Gross Expenditures	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	<u>317,637</u>	<u>330,368</u>	<u>343,099</u>	<u>355,829</u>	<u>368,560</u>	<u>381,291</u>	<u>394,021</u>	<u>406,752</u>	<u>419,483</u>	<u>432,213</u>	<u>444,944</u>	<u>457,675</u>
7. Net Expenditures	442,346	429,615	416,885	404,154	391,423	378,693	365,962	353,231	340,501	327,770	315,039	302,309
8. Accumulated Deferred Tax	<u>180,799</u>	<u>175,599</u>	<u>170,398</u>	<u>165,198</u>	<u>159,997</u>	<u>154,797</u>	<u>149,596</u>	<u>144,396</u>	<u>139,195</u>	<u>133,995</u>	<u>128,794</u>	<u>123,594</u>
9. Under/(Over) Recovery Balance	261,547	254,017	246,487	238,956	231,426	223,896	216,366	208,836	201,305	193,775	186,245	178,715
10.												
11. Return Requirement	1,788	1,737	1,685	1,634	1,582	1,531	1,480	1,428	1,377	1,325	1,274	1,222
12. Equity Portion	1,119	1,087	1,055	1,022	990	958	926	894	861	829	797	765
13.												
14.												
15. Revenue	15,292	15,218	15,145	15,071	14,997	14,923	14,850	14,776	14,702	14,628	14,555	14,481
16.												
17. Expenses:												
18. Amortization	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731
19. Administrative Costs												
20. Interest Expense	669	650	631	612	592	573	554	534	515	496	477	457
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	1,892	1,838	1,783	1,729	1,674	1,620	1,565	1,511	1,456	1,402	1,347	1,293
23. Federal and State Taxes	<u>773</u>	<u>751</u>	<u>728</u>	<u>706</u>	<u>684</u>	<u>662</u>	<u>639</u>	<u>617</u>	<u>595</u>	<u>573</u>	<u>550</u>	<u>528</u>
24. Net Income	1,119	1,087	1,055	1,022	990	958	926	894	861	829	797	765
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	15,292	15,218	15,145	15,071	14,997	14,923	14,850	14,776	14,702	14,628	14,555	14,481
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	15,292	15,218	15,145	15,071	14,997	14,923	14,850	14,776	14,702	14,628	14,555	14,481
									12 Month Total			178,637

ROCKLAND ELECTRIC COMPANY

**EES Program Component of RGGI Surcharge
2015 Projection of Revenue Requirement
Revenue Requirement For Use in Calculation of Interest**

	<u>Jan-15</u> Estimate	<u>Feb-15</u> Estimate	<u>Mar-15</u> Estimate	<u>Apr-15</u> Estimate	<u>May-15</u> Estimate	<u>Jun-15</u> Estimate	<u>Jul-15</u> Estimate	<u>Aug-15</u> Estimate	<u>Sep-15</u> Estimate	<u>Oct-15</u> Estimate	<u>Nov-15</u> Estimate	<u>Dec-15</u> Estimate
1. Program Spending	0	0	0	0	0	0	0	0	0	0	0	0
2. Cumulative Spending	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
3.												
4.												
5. Gross Expenditures	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	<u>470,405</u>	<u>483,136</u>	<u>495,860</u>	<u>508,571</u>	<u>521,275</u>	<u>533,952</u>	<u>546,618</u>	<u>559,096</u>	<u>571,452</u>	<u>583,760</u>	<u>595,219</u>	<u>605,468</u>
7. Net Expenditures	289,578	276,847	264,124	251,412	238,709	226,031	213,365	200,887	188,532	176,224	164,765	154,516
8. Accumulated Deferred Tax	<u>116,818</u>	<u>111,617</u>	<u>106,420</u>	<u>101,227</u>	<u>96,038</u>	<u>90,859</u>	<u>85,685</u>	<u>80,588</u>	<u>75,540</u>	<u>70,513</u>	<u>65,832</u>	<u>61,645</u>
9. Under/(Over) Recovery Balance	172,760	165,230	157,704	150,185	142,671	135,172	127,680	120,300	112,991	105,711	98,933	92,871
10.												
11. Return Requirement	1,181	1,130	1,078	1,027	976	924	873	823	773	723	677	635
12. Equity Portion	739	707	675	643	610	578	546	515	483	452	423	397
13.												
14.												
15. Revenue	14,423	14,349	14,268	14,182	14,101	14,001	13,916	13,656	13,462	13,343	12,428	11,159
16.												
17. Expenses:												
18. Amortization	12,731	12,731	12,724	12,711	12,703	12,677	12,666	12,478	12,356	12,308	11,459	10,249
19. Administrative Costs												
20. Interest Expense	442	423	404	384	365	346	327	308	289	271	253	238
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	1,250	1,195	1,141	1,086	1,032	978	924	870	817	765	716	672
23. Federal and State Taxes	<u>511</u>	<u>488</u>	<u>466</u>	<u>444</u>	<u>422</u>	<u>399</u>	<u>377</u>	<u>355</u>	<u>334</u>	<u>312</u>	<u>292</u>	<u>274</u>
24. Net Income	739	707	675	643	610	578	546	515	483	452	423	397
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	14,423	14,349	14,268	14,182	14,101	14,001	13,916	13,656	13,462	13,343	12,428	11,159
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	14,423	14,349	14,268	14,182	14,101	14,001	13,916	13,656	13,462	13,343	12,428	11,159
									12 Month Total			163,288

Case ER13111135
Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending March 31, 2014
(000's)

	Amount (\$000's)	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	\$ 603.6	49.65%	5.89%	2.92%	2.92%
Common Equity	612	50.35%	9.75%	4.91%	8.31%
Total	<u>\$ 1,215.8</u>	<u>100%</u>		<u>7.83%</u>	<u>11.24%</u>

ROCKLAND ELECTRIC COMPANY

**EES Program Component of RGGI Surcharge
2014 Revenue Requirement**

Revenue Requirement For Use in Calculation of (Over)/Under Collection

	<u>Jan-14</u> <u>Actual</u>	<u>Feb-14</u> <u>Actual</u>	<u>Mar-14</u> <u>Actual</u>	<u>Apr-14</u> <u>Actual</u>	<u>May-14</u> <u>Actual</u>	<u>Jun-14</u> <u>Actual</u>	<u>Jul-14</u> <u>Actual</u>	<u>Aug-14</u> <u>Estimate</u>	<u>Sep-14</u> <u>Estimate</u>	<u>Oct-14</u> <u>Estimate</u>	<u>Nov-14</u> <u>Estimate</u>	<u>Dec-14</u> <u>Estimate</u>
1. Program Spending	(3,857)	0	0	0	0	0	0	0	0	0	0	0
2. Cumulative Spending	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
3.												
4.												
5. Gross Expenditures	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983	759,983
6. Accumulated Amortization	317,637	330,368	343,099	355,829	368,560	381,291	394,021	406,752	419,483	432,213	444,944	457,675
7. Net Expenditures	442,346	429,615	416,885	404,154	391,423	378,693	365,962	353,231	340,501	327,770	315,039	302,309
8. Accumulated Deferred Tax	180,799	175,599	170,398	165,198	159,997	154,797	149,596	144,396	139,195	133,995	128,794	123,594
9. Under/(Over) Recovery Balance	261,547	254,017	246,487	238,956	231,426	223,896	216,366	208,836	201,305	193,775	186,245	178,715
10.												
11. Return Requirement	1,788	1,737	1,685	1,634	1,582	1,531	1,480	1,363	1,314	1,265	1,216	1,167
12. Equity Portion	1,119	1,087	1,055	1,022	990	958	926	854	824	793	762	731
13.												
14.												
15. Revenue	15,292	15,218	15,145	15,071	14,997	14,923	14,850	14,684	14,614	14,543	14,473	14,402
16.												
17. Expenses:												
18. Amortization	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731	12,731
19. Administrative Costs												
20. Interest Expense	669	650	631	612	592	573	554	509	491	472	454	436
21. Deferred Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22. Taxable Income	1,892	1,838	1,783	1,729	1,674	1,620	1,565	1,444	1,392	1,340	1,288	1,236
23. Federal and State Taxes	773	751	728	706	684	662	639	590	569	547	526	505
24. Net Income	1,119	1,087	1,055	1,022	990	958	926	854	824	793	762	731
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	15,292	15,218	15,145	15,071	14,997	14,923	14,850	14,684	14,614	14,543	14,473	14,402
28. O&M	0	0	0	0	0	0	0	0	0	0	0	0
29. Total Revenue Requirement	15,292	15,218	15,145	15,071	14,997	14,923	14,850	14,684	14,614	14,543	14,473	14,402
										12 Month Total		178,211

Rockland Electric Company
Regional Greenhouse Gas Initiative (RGGI) - EES Program Component
Account # 182416 Regulatory Asset Analysis

Year / Month	Low Income Audit & Install 46_0470	On-Line Audit 46_0471	Residential Enhanced Rebate 46_0472
<u>2014</u>			
January	-3,856.65		
February	0.00		
March	0.00		
April	0.00		
May	0.00		
June	0.00		
July			
August			
September			
October			
November			
December			
Total	-3,856.65	0.00	0.00

Rockland Electric Company
Proposed Economic Stimulus Programs
Date - Period Ending 12/31/2013

Program	Labor Creation Estimate	Labor Creation Actual
RESIDENTIAL ENERGY EFFICIENCY		
Low Income Audit and Install	1.50	0.00
Residential Enhanced Rebate	1.50	0.25
On-Line Audit	1.00	0.00
Total	4	0.25

**Rockland Electric Company
Proposed Economic Stimulus Programs
Date - Period Ending 12/31/2014**

Program	Projected Participants	Actual Participants
RESIDENTIAL ENERGY EFFICIENCY		
Low Income Audit and Install	100*	393
Residential Enhanced Rebate	101	77
On-Line Audit	10,000	NA

*The participant projection for the Low Income Audit and Install program was projected for one year.

ROCKLAND ELECTRIC COMPANY

Administrative Costs Associated with Economic Stimulus Programs

USF Low Income Direct Install

Date	Activity Name	Provider Section	Admin
Jan 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00
Feb 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00
Mar 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00
Mar 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00
Apr 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00
Jun 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00
Jul 2014	PROVIDE PROGRAM ADMIN SUPPORT	2860-CUST SVC - CUST ENERGY SVCS	\$0.00

Total \$0.00