



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

April 1, 2015

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

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

Dear Secretary Sheehan:

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, 2015. 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 0.1993 ¢/kWh and 0.0738 ¢/kWh, including Sales and Use Tax ("SUT"), which became effective on October 1, 2014, remain unchanged.

Enclosed are the Company's workpapers detailing the reconciliation and calculation of the rate component of the SBC relating to the DSM and Clean Energy Programs. The result of this reconciliation is an increase in this rate component of the SBC from the currently effective rate of 0.2547 ¢/kWh to 0.3286 ¢/kWh, including SUT. The increase in this rate component is the result of prior period over-collection of program costs of \$1,638,187 for the period August 1, 2013 through July 31, 2014, an anticipated over-collection of \$578,322 for the period August 1, 2014 through July 31, 2015, and a projected decrease in kWh usage as compared to the kWh used in the calculation of the current SBC.

The proposed SBC set forth on Leaf No. 56 is 0.6017 ¢/kWh, including SUT. As shown in the enclosed workpapers, Page 1 of 4, this rate reflects (1) a 0.3668 ¢/kWh rate component, including SUT, reflecting \$5,558,777 in projected DSM Programs and Clean Energy Program spending for the twelve-month period ending July 31, 2016; (2) a 0.0382 ¢/kWh reconciliation

Honorable Kenneth Sheehan

April 1, 2015

Page 2 of 2

credit adjustment, including SUT, reflecting an over-collection for the period August 1, 2014 through July 31, 2015; (3) a 0.1993 ¢/kWh rate component, including SUT, relating to the Universal Service Fund; and (4) a 0.0738 ¢/kWh rate component, including SUT, relating to Lifeline. Since the Board has not yet approved Clean Energy Program spending beyond June 2015, the Company's projected Clean Energy Program spending for the twelve month period ending July 2016, as shown on page 4 of 4 of the enclosed work papers, reflects the fiscal year 2015 amounts approved by the BPU in Docket No. EO11050324V, dated June 30, 2014.

The revised SBC is proposed to become effective August 1, 2015.

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,

/s/

William A. Atzl, Jr.

Director – Rate Engineering

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
Service Rendered on or after August 1, 2015**

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT (¢/kWh)	Rate Incl. RA & SUT (¢/kWh)
DSM/Clean Energy Programs	0.3071	0.3286
Universal Service Fund	0.1863	0.1993
Lifeline	<u>0.0690</u>	<u>0.0738</u>
Total	0.5624	0.6017

ROCKLAND ELECTRIC COMPANY

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

Reconciliation of SBC for the Period August 1, 2014 - July 31, 2015

SBC Recoveries: (08/01/14 - 07/31/15) - See Page 3	\$4,488,168
SBC Costs, Excluding Universal Service Fund/Lifeline Costs, for the period (08/01/14 - 07/31/15) - See Page 3	5,556,330
Prior Period Reconciliation (Over)/Under Recovery - See Page 3	(1,638,187)
Total SBC Costs to be Recovered (08/01/14 - 07/31/15)	3,918,142
SBC (Over)/Under Recovery Balance	(570,026)
Interest (Over)/Under Recovery Balance - See Page 3	(8,296)
Total SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2015	(\$578,322)

Determination of SBC

Projected Sales (kWh) 12 months ending July 31, 2016	1,621,553,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000357)
Projected Spending - 12 months ending July 31, 2016 - See Page 4	\$5,558,777
\$ per kWh Projected Spending to be Surcharged	\$0.003428
Proposed SBC Excluding SUT (\$ per kWh)	\$0.003071
Sales and Use Tax ("SUT")	1.07
<u>Proposed SBC Including SUT (\$ per kWh)</u>	\$0.003286

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 Universal Service Fund and Lifeline.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2014 through July 2015 Cost Recovery Period**

<u>RECO</u>	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	
SBC Recoveries	\$592,474	\$545,280	\$419,406	\$376,001	\$318,725	\$339,015	\$320,907	\$278,277	\$271,310	\$271,182	\$344,619	\$410,971	\$4,488,168
Prior Period Reconciliation Adj. ¹	(\$1,638,187)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,638,187)
Legacy Program Costs	(\$2,447)	\$0	\$67,010	\$0	\$0	\$58,442	\$29,221	\$58,442	\$29,221	\$29,221	\$29,221	\$29,221	\$327,553
CEP Program Costs	\$456,150	\$512,959	\$539,652	\$500,066	\$0	\$773,599	\$413,062	\$460,233	\$430,956	\$383,301	\$376,497	\$382,301	\$5,228,777
Total Program Costs	(\$1,184,484)	\$512,959	\$606,662	\$500,066	\$0	\$832,041	\$442,283	\$518,676	\$460,177	\$412,522	\$405,718	\$411,522	\$3,918,142
Interest - (Over)/Under Recovery	(\$937)	(\$1,008)	(\$903)	(\$827)	(\$976)	(\$822)	(\$646)	(\$597)	(\$480)	(\$392)	(\$354)	(\$354)	(\$8,296)
Total Program Costs Incl. Adjs. & Interest	(\$1,185,421)	\$511,951	\$605,759	\$499,239	(\$976)	\$831,219	\$441,637	\$518,079	\$459,697	\$412,130	\$405,364	\$411,168	\$3,909,846
(Over)/Under Recovery	(\$1,777,896)	(\$33,329)	\$186,353	\$123,238	(\$319,701)	\$492,204	\$120,730	\$239,802	\$188,387	\$140,948	\$60,745	\$197	(\$578,322)
Interest Rate (%) ²	1.07%	1.13%	1.13%	1.12%	1.09%	1.26%	1.09%	1.26%	1.26%	1.26%	1.26%	1.26%	

Notes: ¹ Over recovery for the period August 1, 2013 through July 31, 2014 per Exhibit A, Page 3 of 5 of Stipulation of Settlement dated October 9, 2014, in Docket Numbers' ER13060537 and ER14050439 adopted by the Board in its Order dated October 22, 2014.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")
Effective August 1, 2015**

SBC Projected Program Costs: August 2015 - July 2016 (1)

	<u>Projected Program Costs</u>		
<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-15	\$456,150	\$19,964	\$476,114
Sep-15	512,959	17,824	530,783
Oct-15	539,652	29,221	568,874
Nov-15	500,066	29,221	529,287
Dec-15	404,334	29,221	433,555
Jan-16	369,265	29,221	398,486
Feb-16	413,062	29,221	442,283
Mar-16	460,233	29,221	489,454
Apr-16	430,956	29,221	460,177
May-16	383,301	29,221	412,522
Jun-16	376,497	29,221	405,718
Jul-16	<u>382,301</u>	<u>29,221</u>	<u>411,522</u>
Total	\$5,228,777	\$330,000	\$5,558,777

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.

2 At the time of this filing, there was no approved Clean Energy budget beyond June 2015. The Company's projected Clean Energy Program costs for the twelve month period ending July 2016 reflects the FY15 amounts approved by the BPU in Docket No. EO11050324V dated June 30, 2014. It should also be noted that the cost estimates for CEP reflect a two month lag from the approved schedule to reflect the months with which these amounts will be remitted to the BPU.

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 0.52780.6017 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	<u>0.23890.3071</u>	<u>0.25470.3286</u>
Universal Service Fund	0.1863	0.1993
Lifeline	0.0690	0.0738
Total SBC	<u>0.49330.5624</u>	<u>0.52780.6017</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: Timothy Cawley, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

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

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

The SBC to be effective on and after the date indicated below shall be set at 0.6017 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3071	0.3286
Universal Service Fund	0.1863	0.1993
Lifeline	0.0690	0.0738
Total SBC	0.5624	0.6017

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: Timothy Cawley, President
Mahwah, New Jersey 07430