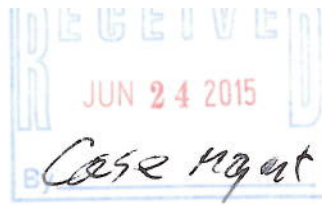




Rockland Electric Company



Rockland Electric Company
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June 19, 2015

Honorable Irene Kim Asbury
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 2015/2016 Annual Compliance Filing For a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charge Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:-21.1

BPU Docket No. ER15060732

Dear Secretary Asbury:

Rockland Electric Company ("RECO" or "the Company") hereby submits for filing with the Board of Public Utilities (the "Board") its 2015/2016 Universal Service Fund ("USF") Compliance Filing pursuant to its Schedule for Electric Service B.P.U. No. 3 – Electricity ("Electric tariff") and Board orders dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005 in Docket Nos. EX00020091, EO09060506 and EO09090771. Such filing consists of original Leaf No. 56 of RECO's Electric tariff in draft format. The draft tariff leaf indicates an increase in the statewide Permanent USF program factor and a decrease in the Lifeline program factor of the Company's Societal Benefits Charge ("SBC").

On behalf of all of the State's electric and gas public utilities, Public Service Electric and Gas Company ("PSE&G") has included in its annual USF compliance filing a series of worksheets that illustrate, by utility and statewide, USF recoveries and program costs to date. RECO hereby incorporates those worksheets by reference.

In addition, by Order dated June 21, 2010 ("June 2010 USF Order"), the Board approved separate stipulations ("Stipulations") between each utility, Board Staff and Rate Counsel to defer and seek annual recovery of USF-related administrative costs in each annual USF Compliance Filing beginning with the 2010-2011 USF Compliance Filing. Attachment A of the compliance filing submitted by PSE&G includes RECO's actual deferred administrative costs from July 1, 2014 through April 30, 2015 and estimated administrative costs for May through September 2015. Within the Joint Compliance Filing, the Utilities¹ request full recovery of their deferred administrative costs in 2015/2016 USF rates and Lifeline rates in the month following Board approval of such rates from funds disbursed to the Utilities by the USF Trust Account.

¹ The Utilities are RECO, PSE&G, Atlantic City Electric Company, Jersey Central Power & Light Company, Elizabethtown Gas Company, New Jersey Natural Gas Company and South Jersey Gas Company.

CMS H. Rich Energy TOL
Legal S. Peterson
DAG J. May
RPA P. Hileria


Based upon the results and the available estimates known to date for the 2014/2015 USF Program year and the available estimates for the 2015/2016 USF Program year, which are detailed in the referenced worksheets, it is proposed that the statewide electric USF Rate should increase, to \$0.002245/kWh including Sales and Use Tax ("SUT"), and that the statewide electric Lifeline rate should decrease, to \$0.000724/kWh including SUT, for the 2015/2016 USF Program year beginning on October 1, 2015.

RECO's proposed SBC set forth on Attachment A is 0.5516 cents per kWh, including SUT. This rate reflects (1) the 0.2547 cents per kWh rate component, including SUT, relating to the Company's DSM programs and Clean Energy Programs which became effective on September 1, 2014²; (2) the proposed 0.2245 cents per kWh rate component, including SUT, relating to the USF; and (3) the proposed 0.0724 cents per kWh rate component, including SUT, relating to Lifeline.

Because of the proposed net increase in the USF and Lifeline component of the SBC, RECO has appended hereto a form of Notice of Filing and of Public Hearings as Attachment B. This form of notice sets forth the requested changes and will be placed in newspapers having a circulation within the Company's service territory.³

Please acknowledge receipt of this filing by date stamping the enclosed extra copy of this letter and returning it in the self-addressed envelope. Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,



William A. Atzl, Jr.
Director – Rate Engineering

c: Service List (via electronic mail)

² A change to this component of the Company's SBC is pending.

³ The Company and Board Staff will consult and determine the dates and times for the public hearings, which dates and times will be included in the form of notice placed in newspapers.

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Exhibit A
Proposed Tariff

DRAFT

Revised Leaf No. 56
Superseding Revised Leaf No. 56

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 0.5516 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	0.2380	0.2547
Universal Service Fund	0.2098	0.2245
Lifeline	0.0677	0.0724
Total SBC	0.5155	0.5516

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

Exhibit B

Proposed Public Notice of Filing And Public Hearings

**NOTICE TO ROCKLAND ELECTRIC
COMPANY CUSTOMERS**

**Notice of a Filing
And Notice of Public Hearings**

TAKE NOTICE that, on June 19, 2015, Rockland Electric Company (“RECO” or “the Company”) made an Annual Compliance Filing and provided supporting documentation for changes in the Universal Service Fund (“USF”) and Lifeline components of RECO’s Societal Benefits Charge (“SBC”). The requested program changes result in an increase to the USF component and a decrease to the Lifeline component of the SBC. The requested change in the USF and Lifeline components is made pursuant to the New Jersey Board of Public Utilities’ (“Board” or “BPU”) Orders and includes the recovery of funding for the USF Program through uniform statewide rates. The USF Program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, (“EDECA”), to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey’s Department of Community Affairs is the Administrator of the USF Program and the New Jersey Department of Health and Senior Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2014/2015 USF program year and the available estimates for the 2015/2016 USF program year, it is proposed that the statewide USF rates should be set to recover \$176.0 million and that the Lifeline rate should be set to collect \$74.2 million, on a statewide basis. The proposal is that \$21.9 million of the total estimated statewide USF cost of \$176.0 million will be recovered through gas rates and the remaining portion of \$154.1 million be recovered through electric rates. Also, the proposal is that \$24.5 million of the statewide Lifeline Program cost of \$74.2 million will be recovered through gas rates and the remaining portion of \$49.7 million be recovered through electric rates.

The Company has made a filing with the Board on June 19, 2015, requesting to change its current USF/Lifeline Program charges, as described below, to become effective on October 1, 2015.

The proposed charges for electric customers are as follows:

Universal Service/Lifeline Fund Components of Societal Benefits Charge				
	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
USF-Electric per kWh	\$0.001863	\$0.001993	\$0.002098	\$0.002245
Lifeline-Electric per kWh	\$0.000690	\$0.000738	\$0.000677	\$0.000724

The above requests will not result in any profit to RECO. The revenues received under the proposed USF and Lifeline Program factors are designed to permit RECO to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline Program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2016.

The effect of the proposed changes in the electric USF/Lifeline Program charge on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service				
Typical Average Monthly Bill (Includes Sales and Use Tax)				
			Decrease	
	Present Charges (1)	Proposed Charges (2)	Amount	Percent
650 kWh average monthly use	\$120.10	\$120.26	0.16	0.13
925 kWh average monthly use	170.09	170.31	0.22	0.13
1,500 kWh average monthly use	274.14	274.50	0.36	0.13

- (1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect June 1, 2015 and assumes that the customer receives BGS-RSCP service from RECO.
(2) Same as (1) except includes change in USF/Lifeline.

Based on RECO's June 20, 2015 filing, the Statewide Average residential customer using 808 kilowatt hours per summer month, and 7,800 kilowatt hours on an annual basis, would see an increase in the annual bill from \$1,441.24 to \$1,443.16, of \$1.92 or approximately 0.13%. The percentage change applicable to specific customers will vary according to the applicable service classification and the level of the customer's usage.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore the Board may establish the USF and Lifeline charges at levels other than those proposed by RECO.

Copies of the Company's SBC filing are available for review at the Company's headquarters at One Lethbridge Plaza, Suite 32 - 2nd Floor, Route 17 North, Mahwah, New Jersey 07430 and at the New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Trenton, NJ 08625.

ROCKLAND ELECTRIC COMPANY