



Rockland Electric Company

*Svd Sept. 29, 2017*  
RECEIVED  
SEP 26 2017  
By *CMS*

Margaret Comes  
Associate Counsel  
Law Department

September 25, 2017

Irene Kim Asbury, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350

BOARD OF PUBLIC UTILITIES

SEP 26 2017

MAIL RECEIVED

RE: I/M/O/ the Verified Petition of Rockland Electric Company For Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery  
BPU Docket No. ER17080869

Dear Secretary Asbury:

Attached please find original and ten copies of Rockland Electric Company Response to NJBPU Staff's Deficiency Letter of September 7, 2017. The Response is being transmitted electronically to the service list.

Kindly stamp the enclosed extra copy "filed" and return it to me in the enclosed postage paid envelope.

Respectfully submitted,

  
Margaret Comes

Enclosures

c: Electronic service list  
NJ Division of Rate Counsel

*Case mgmt*  
*Legal*  
*A. McLean*  
*J. Walker*

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

**I/M/O the Verified Petition of  
Rockland Electric Company for  
Approval of a Low Income Audit and  
Direct Install Energy Efficiency Program  
And Associated Rate Recovery Mechanism**

**NJBPU Docket No. ER17080869**

**RESPONSE TO DEFICIENCY LETTER**

**Deficiency Item #1.** The Company's draft public notice does not include proposed publication dates, as required. Please resubmit with proposed publication dates.

Response: Please see Attachment 1 for the public notice with the required information.

**Deficiency Item #2.** RECO has requested a waiver of this MFR. Please submit a proposed confidentiality agreement to expedite distribution of the current vendor contract.

Response: A proposed confidentiality agreement is attached as Attachment 2.

**Deficiency Item #3.**

b. The utility shall describe whether the proposed programs will generate incremental activity in the energy efficiency/conservation/renewable energy marketplace and what, if any, impact on competition may be created, included any impact on employment, economic development and the development of new business with all supporting documentation. This shall include a breakdown of the impact on the employment within this marketplace as follows: marketing/sales, training, program implementation, installation, equipment, manufacturing and evaluation and other applicable markets. With respect to the impact on competition the analysis should include the competition between utilities and other entities already currently delivering the service in the market or new markets that may be created.

- Please provide an amended response or explanation of why RECO believes this section is not applicable.

Response: Based on its experience with its Low Income Audit I and II programs, the Company believes that any incremental activity in the energy efficiency/conservation/renewable energy marketplace generated by the Low Income Audit III program will be minimal. Therefore, the Company believes this section is not applicable to the proposed Low Income Audit III program. Based on its experience with its Low Income Audit I and II programs, the Company also believes that the impact of the Low Income Audit III program on competition, including employment, economic development and the development of new business, will be minimal. Therefore, the Company believes this section is not applicable to the proposed Low Income Audit III program.

**Deficiency Item #4.**

c. The utility shall provide a description of any known market barriers that may impact the program and address the potential impact on such known market barriers for each proposed program with all supporting documentation. This

**analysis shall include barriers across the various markets including residential (both single and multi-family), commercial and industrial (both privately owned and leased buildings), as well as between small medium and large commercial and industrial markets. This should include both new development and retrofit or replacement upgrades across the market sectors.**

- **Please provide an amended response or explanation of why RECO believes this section is not applicable.**

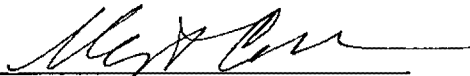
Response: Based on its experience with its Low Income Audit I and II programs, the Company believes that there are no known market barriers that may impact the Low Income Audit III program. Therefore, the Company believes this section is not applicable.

**Deficiency Item #5. The Company's petition does not include proposed tariff sheets, as required. Please provide proposed tariff sheets.**

Response: The proposed tariff sheets, which are Attachment A to the Testimony of John de la Bastide, are included as Attachment 3.

Respectfully submitted,

ROCKLAND ELECTRIC COMPANY

By 

Margaret Comes, Esq.  
Associate Counsel  
Rockland Electric Company.  
Law Department, Room 1815-S  
4 Irving Place  
New York, New York 10003

Attorney for Rockland Electric  
Company

Dated: September 25, 2017

ATTACHMENT 1

**NOTICE TO ROCKLAND ELECTRIC  
COMPANY CUSTOMERS**

**Notice of a Filing  
And Notice of Public Hearings  
For Proposed Energy Efficiency Stimulus Program  
And an Associated Cost Recovery Mechanism**

SEP 28 2017

Board of Public Utilities Docket Number ER17080869

**TAKE NOTICE** that, on August 10, 2017 Rockland Electric Company (“RECO” or “the Company”) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (“Board”) in Docket Number ER17080869 seeking Board approval to administer a RECO Energy Efficiency Stimulus Program (“EESP”) and to implement an associated cost recovery mechanism.

RECO had filed an EESP in February 2009 in response to Governor Corzine’s request for New Jersey’s electric and gas utilities to assist in promoting broad economic recovery in the State by increasing investments in energy efficiency. On November 20, 2009, the initial EESP was approved in Docket Number EO09010061. With this filing in Docket Number ERXXXXX, the Company proposes to implement a Low Income Audit and Direct Install Energy Efficiency III Program (“Low Income Audit III Program”).

Under the Low Income Audit III Program, RECO is proposing to implement a small scale pilot program that will result in the investment of approximately \$455,400 over a two-year period. Participating customers will receive an energy audit which will include health and safety testing. The Company will provide measures with a maximum value of \$2,500 per household (\$2,553 the second year of the program) which include: air sealing measures and thermal barriers, compact fluorescent lights, light-emitting diodes (“LEDs”), programmable thermostats, insulation and refrigerator and room air conditioner replacement.

RECO is requesting, for purposes of this small scale pilot program, that the Board grant approval of recovery of all program costs. Program costs would be amortized over ten years and would be recovered via the Company’s existing Regional Greenhouse Gas Initiative (“RGGI”) Surcharge that is filed each year. Further, pursuant to the RGGI legislation, the Company is requesting that the carrying charge on its deferred balances for the Low Income Audit II Program be set at 7.47%, which is the rate of return based upon RECO’s overall weighted average cost of capital (“WACC”) of 9.6% authorized by the Board in the Company’s most recent base rate case, together with tax effects.

The proposed charges for customers are as follows:

	Present	Present (Incl. Sales and Use Tax)	Proposed	Proposed (Incl. Sales and Use Tax)
RGGI Surcharge- per kWh	0.0152¢	0.0162¢	0.0199¢	0.0212¢

The effect of the proposed RGGI Surcharge 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)				
	Bill Amount		Increase	
	Present (1)	Proposed (2)	Amount	Percent
650 kWh average monthly use	\$111.56	\$111.59	\$0.03	0.03
925 kWh average monthly use	159.75	159.80	0.05	0.03
1,500 kWh average monthly use	260.35	260.43	0.08	0.03

- (1) Based upon Basic Generation Service Fixed Pricing ("BGS-FP") and Delivery Rates in effect January 1, 2017 and assumes that the customer receives BGS-FP service from RECO.
- (2) Same as (1) except includes proposed change in RGGI Surcharge.

Any final rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of this filing may be modified and/or allocated by the Board in accordance with the provisions of *N.J.S.A. 48:2-21* and for other good and legally sufficient reasons. Therefore, the above described charges may increase or decrease based upon the Board's decision.

Copies of the Company's August 10, 2017 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.

The following date, times and location for public hearings have been scheduled on the above filing so that members of the public may present their views.

Date: November 29, 2017  
 Times: 4:30 p.m. and 5: 30 p.m.  
 Location: Township of Mahwah  
 Court Room  
 475 Corporate Drive  
 Mahwah, NJ 07430

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations to the Company, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings. Customers may file written comments with the Secretary of the Board of Public Utilities at New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, PO Box 350, Trenton, NJ 08625-0350, ATTN: Kristi Izzo, whether or not they attend the public hearings.

**ROCKLAND ELECTRIC COMPANY**



ATTACHMENT 2

SEP 26 2017

**I/M/O THE VERIFIED PETITION OF  
ROCKLAND ELECTRIC COMPANY  
FOR APPROVAL OF A LOW INCOME  
AUDIT AND DIRECT INSTALL ENERGY  
EFFICIENCY PROGRAM  
AND ASSOCIATED RATE RECOVERY  
MECHANISM**

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
BPU DOCKET NO. ER17080869  
AGREEMENT OF  
NON-DISCLOSURE**

It is hereby AGREED, as of the \_\_\_\_ day of \_\_\_\_\_, 2017, by and among Rockland Electric Company (“Petitioner”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”) and the Division of Rate Counsel (“Rate Counsel”) (collectively, the “Parties”), who have agreed to execute this Agreement of Non-Disclosure of Information Claimed to be Confidential (“Agreement”), and to be bound thereby that:

WHEREAS, in connection with the above-captioned proceeding before the Board of Public Utilities (the “Board”) and/or the Office of Administrative Law (the “OAL”), Petitioner and/or another party (“Producing Party”) may be requested or required to provide petitions, pre-filed testimony, other documents, analyses and/or other data or information regarding the subject matter of this proceeding that the Producing Party may claim constitutes or contains confidential, proprietary or trade secret information, or which otherwise may be claimed by the Producing Party to be of a market-sensitive, competitive, confidential or proprietary nature (hereinafter sometimes referred to as “Confidential Information” or “Information Claimed to be Confidential”); and

WHEREAS, the Parties wish to enter into this Agreement to facilitate the exchange of information while recognizing that under Board regulations at N.J.A.C. 14:1-12 et seq., a request for confidential treatment for information filed with the Board shall be submitted to the Custodian who is to rule on requests made pursuant to the Open Public Records Act (“OPRA”),

N.J.S.A. 47:1A-1 et seq., unless such information is to be kept confidential pursuant to court or administrative order (including, but not limited to, an Order by an Administrative Law Judge sealing the record or a portion thereof pursuant to N.J.A.C. 1:1-14.1, and the Parties acknowledge that an Order by an Administrative Law Judge to seal the record is subject to modification by the Board), and also recognizing that a request may be made to designate any such purportedly confidential information as public through the course of this administrative proceeding; and

WHEREAS, the Parties acknowledge that unfiled discovery and other materials are not subject to public access under OPRA; and

WHEREAS, the Parties acknowledge that, despite each Party's best efforts to conduct a thorough pre-production review of all documents and electronically stored information ("ESI"), some work product material and/or privileged material ("protected material") may be inadvertently disclosed to another Party during the course of this proceeding; and

WHEREAS, the undersigned Parties desire to establish a mechanism to avoid waiver of privilege or any other applicable protective evidentiary doctrine as a result of the inadvertent disclosure of protected material;

NOW, THEREFORE, the Parties hereto, intending to be legally bound thereby, DO HEREBY AGREE as follows:

1. The inadvertent disclosure of any document or ESI that is subject to a legitimate claim that the document or ESI should have been withheld from disclosure as protected material shall not waive any privilege or other applicable protective doctrine for that document or ESI or for the subject matter of the inadvertently disclosed document or ESI if the Producing Party,

upon becoming aware of the disclosure, promptly requests its return and takes reasonable precautions to avoid such inadvertent disclosure.

2. Except in the event that the receiving Party or Parties disputes the claim, any documents or ESI that the Producing Party deems to contain inadvertently disclosed protected material shall be, upon written request, promptly returned to the Producing Party or destroyed at the Producing Party's option. This includes all copies, electronic or otherwise, of any such documents or ESI. In the event that the Producing Party requests destruction, the receiving party shall provide written confirmation of compliance within thirty (30) days of such written request. In the event that the receiving Party disputes the Producing Party's claim as to the protected nature of the inadvertently disclosed material, a single set of copies may be sequestered and retained by and under the control of the receiving Party until such time as the Producing Party has received final determination of the issue by the Board or an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge.

3. Any such protected material inadvertently disclosed by the Producing Party to the receiving Party pursuant to this Agreement shall be and remain the property of the Producing Party.

4. Any Information Claimed to be Confidential that the Producing Party produces to any of the other Parties in connection with the above-captioned proceeding and pursuant to the terms of this Agreement shall be specifically identified and marked by the Producing Party as Confidential Information when provided hereunder. If only portions of a document are claimed to be confidential, the Producing Party shall specifically identify which portions of that document are claimed to be confidential. Additionally, any such Information Claimed to be Confidential shall be provided in the form and manner prescribed by the Board's regulations at

N.J.A.C. 14:1-12 et seq., unless such information is to be kept confidential pursuant to court or administrative order. However, nothing in this Agreement shall require the Producing Party to file a request with the Board's Custodian of Records for a confidentiality determination under N.J.A.C. 14:1-12 et seq., with respect to any Information Claimed to be Confidential that is provided in discovery or otherwise exchanged and not filed with the Board.

5. With respect to documents identified and marked as Confidential Information, if the Producing Party's intention is that not all of the information contained therein should be given protected status, the Producing Party shall indicate which portions of such documents contain the Confidential Information in accordance with the Board's regulations at N.J.A.C. 14:1-12.2 and 12.3. Additionally, the Producing Party shall provide to all signatories of this Agreement full and complete copies of both the proposed public version and the proposed confidential version of any information for which confidential status is sought.

6. With respect to all Information Claimed to be Confidential, it is further agreed that:

(a) Access to the documents designated as Confidential Information, and to the information contained therein, shall be limited to the Party signatories to this Agreement and their identified attorneys, employees, and consultants whose examination of the Information Claimed to be Confidential is required for the conduct of this particular proceeding.

(b) Recipients of Confidential Information shall not disclose the contents of the documents produced pursuant to this Agreement to any person(s) other than their identified employees and any identified experts and consultants whom they may retain in connection with this proceeding, irrespective of whether any such expert is retained specially and is not expected to testify, or is called to testify in this proceeding. All consultants or experts of any Party to this

Agreement who are to receive copies of documents produced pursuant to this Agreement shall have previously executed a copy of the Acknowledgement of Agreement attached hereto as "Attachment 1", which executed Acknowledgement of Agreement shall be forthwith provided to counsel for the Producing Party, with copies to counsel for Board Staff and Rate Counsel.

(c) No other disclosure of Information Claimed to be Confidential shall be made to any person or entity except with the express written consent of the Producing Party or their counsel, or upon further determination by the Custodian, or order of the Board, the Government Records Council or of any court of competent jurisdiction that may review these matters.

7. The undersigned Parties have executed this Agreement for the exchange of Information Claimed to be Confidential only to the extent that it does not contradict or in any way restrict any applicable Agency Custodian, the Government Records Council, an Administrative Law Judge of the State of New Jersey, the Board, or any court of competent jurisdiction from conducting appropriate analysis and making a determination as to the confidential nature of said information, where a request is made for information filed with the Board pursuant to OPRA, N.J.S.A. 47:1A-1 et seq. Absent a determination by any applicable Custodian, Government Records Council, Administrative Law Judge, the Board, or any court of competent jurisdiction that a document(s) is to be made public, the treatment of the documents exchanged during the course of this proceeding and any subsequent appeals is to be governed by the terms of this Agreement.

8. In the absence of a decision by the Custodian, Government Records Council, an Administrative Law Judge, or any court of competent jurisdiction, the acceptance by the undersigned Parties of information that the Producing Party has identified and marked as

Confidential Information shall not serve to establish a presumption that the material is in fact entitled to any special status in these or any other proceedings. Likewise, the affidavit(s) submitted pursuant to N.J.A.C. 14:1-12.8 shall not alone be presumed to constitute adequate proof that the Producing Party is entitled to a protective order for any of the information provided hereunder.

9. In the event that any Party seeks to use the Information Claimed to be Confidential in the course of any hearings or as part of the record of this proceeding, the Parties shall seek a determination by the trier of fact as to whether the portion of the record containing the Information Claimed to be Confidential should be placed under seal. Furthermore, if any Party wishes to challenge the Producing Party's designation of the material as Confidential Information, such Party shall provide reasonable notice to all other Parties of such challenge and the Producing Party may make a motion seeking a protective order. In the event of such challenge to the designation of material as Confidential Information, the Producing Party, as the provider of the Information Claimed to be Confidential, shall have the burden of proving that the material is entitled to protected status. However, all Parties shall continue to treat the material as Confidential Information in accordance with the terms of this Agreement, pending resolution of the dispute as to its status by the trier of fact.

10. Confidential Information that is placed on the record of this proceeding under seal pursuant to a protective order issued by the Board, an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge, or any court of competent jurisdiction, shall remain with the Board under seal after the conclusion of this proceeding. If such Confidential Information is provided to appellate courts for the purposes of

an appeal(s) from this proceeding, such information shall be provided, and shall continue to remain, under seal.

11. This Agreement shall not:

(a) Operate as an admission for any purpose that any documents or information produced pursuant to this Agreement are admissible or inadmissible in any proceeding; or

(b) Prejudice in any way the right of the Parties, at any time, on notice given in accordance with the rules of the Board, to seek appropriate relief in the exercise of discretion by the Board for violations of any provision of this Agreement.

12. Within forty-five (45) days of the final Board Order resolving the above-referenced proceeding, all documents, materials and other information designated as "Confidential Information," regardless of format, shall be destroyed or returned to counsel for the Producing Party. In the event that such Board Order is appealed, the documents and materials designated as "Confidential Information" shall be returned to counsel for the Producing Party or destroyed within forty-five (45) days of the conclusion of the appeal.

Notwithstanding the above return requirement, Board Staff and Rate Counsel may maintain in their files copies of all pleadings, briefs, transcripts, discovery and other documents, materials and information designated as "Confidential Information," regardless of format, exchanged or otherwise produced during these proceedings, provided that all such information and/or materials that contain Information Claimed to be Confidential shall remain subject to the terms of this Agreement. The Producing Party may request consultants who received Confidential Information, who have not returned such material to counsel for the Producing



Party as required above, to certify in writing to counsel for the Producing Party that the terms of this Agreement have been met upon resolution of the proceeding.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be produced for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for Petitioner, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do HEREBY AGREE to the form and execution of this Agreement.

**PETITIONER:  
ROCKLAND ELECTRIC COMPANY**

By: \_\_\_\_\_  
Margaret Comes  
Associate Counsel

**ROBERT LOUGY  
ACTING ATTORNEY GENERAL  
OF NEW JERSEY  
Attorney for the Staff of the  
New Jersey Board of Public Utilities**

By: \_\_\_\_\_  
\_\_\_\_\_  
Deputy Attorney General

**STEFANIE A. BRAND, DIRECTOR  
DIVISION OF RATE COUNSEL**

By: \_\_\_\_\_  
\_\_\_\_\_  
Assistant Deputy Rate Counsel

Dated:

SEP 26 2017

**I/M/O THE VERIFIED PETITION OF  
ROCKLAND ELECTRIC COMPANY  
FOR APPROVAL OF A LOW INCOME  
AUDIT AND DIRECT INSTALL ENERGY  
EFFICIENCY PROGRAM  
AND ASSOCIATED RATE RECOVERY  
MECHANISM**

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES  
  
BPU DOCKET NO. ER17080869  
  
AGREEMENT OF NON-DISCLOSURE  
OF INFORMATION CLAIMED  
TO BE CONFIDENTIAL**

**ACKNOWLEDGMENT OF AGREEMENT**

The undersigned is an attorney, employee, consultant and/or expert witness for the Division of Rate Counsel or an intervenor who has received, or is expected to receive, Confidential Information provided by Rockland Electric Company or by another party (“Producing Party”) that has been identified and marked by the Producing Party as “Confidential Information.” The undersigned acknowledges receipt of the Agreement of Non-Disclosure of Information Claimed to be Confidential and agrees to be bound by the terms of the Agreement.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
(Name, Title and Affiliation)

ATTACHMENT 3

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”); ~~and~~
- (c) Low Income Audit and Direct Install Energy Efficiency Program (“Low Income Audit III Program)

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.04620.0212 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	0.0168	0.0179
Low Income Audit II Program	(0.0016)	(0.0017)
<u>Low Income Audit III Program</u>	<u>0.0047</u>	<u>0.0050</u>
Total RGGI Surcharge	<u>0.04520.0199</u>	<u>0.04620.0212</u>

**(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 February 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 June 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 June 1.

(Continued)

ISSUED:

EFFECTIVE:

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

GENERAL INFORMATION

No. 34 REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI") SURCHARGE (Continued)

(b) Low Income Audit II Program

The Low Income Audit II 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 Low Income Audit II Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit II Program and actual recoveries through the Low Income Audit II Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit II Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit II 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 Low Income Audit II Program revenue requirement over the twelve-month period commencing the following June 1.

(b) Low Income Audit III Program

The Low Income Audit III 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 Low Income Audit III Program component of the following year's RGGI Surcharge. The difference between the actual monthly revenue requirement associated with the Low Income Audit III Program and actual recoveries through the Low Income Audit III Program component of the RGGI Surcharge will be deferred, with interest, for future recovery in the case of an under-collection or for future credits in the case of an over-collection.

On February 1 of each year, the Company shall file with the Board the Low Income Audit III Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The Low Income Audit III 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 Low Income Audit III Program revenue requirement over the twelve-month period commencing the following June 1.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for the EES Program component and the Low Income Audit II Program component of the RGGI Surcharge and will be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

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ISSUED:

EFFECTIVE:

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