



Rockland Electric Company

Final
3/19/18

Margaret Comes
Associate Counsel
Law Department

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MAR 15 2018

March 14, 2018

RECEIVED
CASE MANAGEMENT

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

VIA OVERNIGHT

Aida Camacho, Secretary
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

MAR 15 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

RE: In the Matter of 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 Camacho:

Enclosed for filing in the above matter are an original and ten copies of Stipulation of Settlement and Exhibits 1 through 8 in the above matter.

Respectfully,

Margaret Comes
Margaret Comes
Associate Counsel

Case mgmt
Legal
A. Moreau, Esq.

c: Stacy Peterson

RECEIVED
CASE MANAGEMENT

MAR 15 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

RECEIVED
MAIL ROOM

MAR 15 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

**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
STIPULATION OF SETTLEMENT**

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

**Brian O. Lipman, Esq., Litigation Manager, Felicia Thomas-Friel, Esq., Deputy Rate
Counsel and Kurt S. Lewandowski, Esq., Assistant Deputy Rate Counsel, Division of Rate
Counsel (Stefanie A. Brand, Director)**

**Renee Greenberg and Alex Moreau, Deputy Attorneys General, for Staff of the New Jersey
Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)**

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, as of the 13th day of March, 2018, by and among Rockland Electric Company ("RECO" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (referred to collectively as "Signatory Parties") to execute this Stipulation of Settlement ("Stipulation") for RECO's Low Income Audit and Direct Install Program Energy Efficiency III Program ("Low Income III Program" or "Program").

The Signatory Parties do hereby join in recommending that the New Jersey Board of Public Utilities ("Board") issue a Final Decision and Order approving this Stipulation, including the attachments and proposed sheets of RECO's electric service tariff as set forth herein.

BACKGROUND

1. On August 9, 2017, the Company filed a Verified Petition (“Petition”) in the above docket seeking Board approval to administer an Energy Efficiency Stimulus Program (“EESP”) and to implement an associated cost recovery mechanism pursuant to N.J.S.A. 48:3-98.1. The Company requested authorization to implement the Low Income III Program, which would provide free energy efficiency measures, recommended as a result of an energy audit, to low income customers in the Company’s service territory. The Company explained in the Petition that the Low Income III Program was designed to be similar in most material respects to the Company’s “Low Income Audit and Direct Install Program Energy Efficiency II Program” (“Low Income II Program”) approved by the Board in Docket No. ER13060535. The Petition sought Board approval to recover program costs and revenue requirements through a separate component of the Company’s RGGI Surcharge.

2. In the Petition, RECO explained that the Program will provide energy efficiency measures, recommended as a result of an energy audit, at no charge to customers in RECO’s service territory that meet the specified income criteria. Similar to the Low Income II Program, the Low Income III Program is designed to serve customers currently enrolled in the Universal Service Fund Program, households with an income level at or below 225% of the federal poverty guidelines, and customers who receive Federal Supplemental Security Income, Home Energy Assistance, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families or Section 8 Housing. The energy audit and installation of energy efficiency measures will be performed by a vendor chosen by the Company. The Company proposes to continue to use the vendor chosen by the Company for its Low Income II Program. The total projected cost of the Low Income Audit III Program is approximately \$225,800 in Year.

1 and \$229,600 in Year 2 or \$455,400 over the two year program period. RECO has approximately \$356,000 remaining from the Low Income II Program because average participation and measure spending was lower than projected, and requests that it be allowed to supplement the program budget by adding \$100,000 to the remaining funds from the Low Income II Program.

3. Under the proposed Program, RECO will offer at no charge to program participants a residential energy efficiency audit of the customer's home and will install, based on the audit results, on average \$1,600 in energy efficiency measures (capped at \$2,500) in Year One. Measures include, but are not limited to, weather stripping, insulation, LEDs, programmable thermostats, and the replacement of certain appliances (collectively "EE Measures"). The maximum per household value per year will be increased in the second year of the Program by 2.1% to account for the annual cost of inflation. Specifically, the maximum values will increase to \$1,634 per household in the second year of the Program (capped at \$2,553). The Program is targeted to reach 200 participants over a two year period (i.e., 2018-2019). The Company's contractor can exceed these spending cap amounts for EE measures on any individual household upon the approval of the Company's Program Administrator.

4. RECO filed its first EESP in 2009 ("2009 EESP"). The 2009 EESP was approved as a one-year program by the Board in its Decision and Order Approving Stipulation dated November 23, 2009 ("November 2009 Order") in Docket Nos. EO09010056 and EO09010061.

5. The 2009 EESP included three sub-programs: (1) a Residential Enhanced Rebate Sub-Program, which provided enhanced rebates to induce residential energy consumers to select energy efficient measures; (2) an On-Line Energy Audit Sub-Program ("On-Line Sub-Program"), where the Company selected a vendor to create software that allows customers to

conduct an on-line energy audit and cost/benefit analysis, using their billing information from the Company's billing database; and (3) a Low Income Audit and Install Sub-Program ("Low Income Audit I Program") where the Company selected a vendor to provide its low income customers with an energy audit and energy efficiency measures at no cost to the customer. The Board-approved budget for the Low Income Audit I Program was \$770,000.

6. RECO implemented the three sub-programs, but found at the end of 2010 that spending was less than anticipated, and requested that the Board approve an extension of the three sub-programs. The Board approved an extension of the programs through 2011 or until all budgeted funds were expended.¹

7. In 2012, the On-Line Sub-Program had been implemented and was up and running. The Company found, however, that there was a lack of customer interest in the Residential Enhanced Rebate Sub-Program. At the same time, there was continued interest in the Low-Income Audit I Program. Customer goals for the Low Income Audit I Program had been exceeded and spending was under the Board-approved levels. The Company requested, and the Board approved, an extension of the Low Income Audit I Program through 2012,² or until all budgeted funds in the Low Income Audit I Program were expended, whichever came first, with a close-out by March 31, 2013.

8. By way of a letter petition filed on December 12, 2012, the Company sought an extension of its Low Income Audit I Program through December 31, 2013. On March 20, 2013, the Board approved³ an extension of the Low Income Audit I Program through December 31, 2013 or until all remaining funds for the Low Income Audit I Program were expended, with a close-out period to end March 31, 2014. The Company also agreed, and the Board ordered, that within 90 days

¹ See *Decision and Order Approving Stipulation*, Docket No. EO10120987 (March 30, 2011).

² See *Decision and Order Approving Stipulation*, Docket No. EO12020115 (March 12, 2012).

³ See *Decision and Order Approving Stipulation*, Docket No. EO12121073 (March 20, 2013).

of the Board Order approving the extension, the Company would file a new EESP petition replacing the Low Income Audit I Program.

9. On June 21, 2013, the Company filed a Verified Petition in Docket Number ER13060535 seeking Board approval to administer the Low Income II Program. On April 23, 2014, the Board approved a Stipulation of Settlement for the Low Income Audit II Program but reduced the program from a three-year program to a two-year program. The Low Income Audit II Program commenced January 1, 2015 and terminated December 31, 2016.

10. On August 9, 2017, the Company filed its Low Income III Program Petition. By way of a letter dated September 7, 2017 ("Deficiency Letter"), Board Staff informed the Company that it found the August 9, 2017 Petition to be administratively deficient with respect to the Minimum Filing Requirements set forth in the Board's May 12, 2008 Order in Dkt. No. EO08030164. In response to Board Staff's Deficiency Letter, the Company filed supplemental information on September 26, 2017, and on October 6, 2017, Board Staff advised RECO that the Petition was administratively complete as of September 26, 2017. Accordingly, the 180-day review period would end March 25, 2018.

11. By Order dated September 22, 2017, the Board determined that this matter should be retained by the Board for review and hearing and designated Commissioner Upendra J. Chivukula as the presiding officer with the authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Moreover, to enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of a complete record, the Board authorized Commissioner Chivukula to render a decision on a stipulation pursuant to N.J.S.A. 48:2-21.3 extending the 180-day review period provided that the

extension stipulation is executed by all parties to the proceeding and the authority so delegated is limited to a single extension of the 180-day period, with any further requests for extension to be directed to the Board. On November 8, 2017, Commissioner Chivukula issued a Prehearing Order in this matter which, among other things, established the issues to be determined by the Board and a procedural schedule.

12. On December 14, 2017, the Company filed a letter motion with Commissioner Chivukula seeking to amend the Prehearing Order in this matter. RECO hereby withdraws that motion.

13. Extensive interrogatories, document requests, and informal discovery questions in this matter were propounded by Staff and Rate Counsel and the Company responded timely thereto.

14. Public notice was provided and public hearings on the Company's Petition were held on November 29, 2017 at 4:30 p.m. and 5:30 p.m. at the Mahwah Township Hall in Mahwah, New Jersey. No members of the public appeared at the public hearings.

15. Since the filing of the Company's Petition until the execution of this Stipulation, the Signatory Parties participated in settlement conferences. The Signatory Parties agreed to submit this Stipulation to the Board for its review and approval, the terms of which are set forth herein. Specifically, the Signatory Parties hereby STIPULATE AND AGREE as follows:

STIPULATED MATTERS

A. Energy Efficiency Program

16. As proposed by the Company in its Petition, the audits and the installation of energy efficiency measures will be performed by the contractor chosen by the Company in the Low Income II Program. A description of the program is set out in Exhibit 1.

17. As set out in Exhibit 2, the total projected cost of the Low Income III Program is \$225,800 in Year 1 and \$229,600 in Year 2 or \$455,400 over the two years of the Program. RECO will offer at no charge a residential energy efficiency audit of the customer's home and will install, based on the audit results, on average \$1,600 in energy efficiency measures (capped at \$2,500) in Year One. Measures include, but are not limited to, weather stripping, insulation, LEDs, programmable thermostats, and the replacement of certain appliances (collectively "EE Measures"). The maximum per household value per year will be increased in the second year of the Program by 2.1% to account for the annual cost of inflation. Specifically, the maximum values will increase to \$1,634 per household in the second year of the Program (capped up to \$2,553). Where there are appropriate case-specific opportunities for additional or enhanced energy efficiency measures, the Company's contractor can exceed the spending cap amounts for EE measures on any individual household upon the approval of the Company's Program Administrator.

18. The Low Income III Program will be a two-year program, and the two years will commence upon the execution of an agreement extending the Company's contract with its current vendor. The Company will advise Staff and Rate Counsel of the commencement date in writing.

B. Program Evaluation, Outreach, and Reports

19. Under the proposed evaluation budget of \$22,800, RECO will do the following: (1) perform customer surveys to determine customer satisfaction, awareness of the program, ease of participation, and identify any barriers to participation; (2) calculate the estimated kWh and kW savings impact by measure based on the engineering algorithms found in the New Jersey Clean Energy Program Protocols; (3) at the end of the Program, RECO will use the achieved kWh and

kW savings, along with the actual program spending, and perform a Cost Benefit Analysis (CBA) to assess the full lifecycle of benefits and costs to determine the cost-effectiveness of the Program; (4) RECO will utilize its consultant to perform the CBA is and will provide to Staff and Rate Counsel the data inputs, workpapers, and resulting analysis to demonstrate the cost effectiveness of the Program; (5) appropriate measures will be taken to protect the confidentiality of customer names and pricing information from the Honeywell contract; (6) for energy-efficiency measures not included in the protocols, the Company will use the New York Technical Resource Manual or work with its contractor to identify and apply an industry accepted savings calculations to determine customer energy and demand savings.

20. RECO will compile an annual report that includes the number of participants, kWh and kW savings, program expenditures, survey results, and outreach activities by 90 days after the close of each 12 month period, which will be provided to Staff and Rate Counsel.

21. Attached as Exhibit 3 is an outline of RECO's initial outreach to government and social service agencies. Exhibit 3 is an outline, and outreach will continue as opportunities arise. RECO will develop a flyer that it will leave with government, social services agencies, and weatherization assistance agencies that will describe the program and provide RECO contacts for more information. RECO will review internally the possibility of posting information about the program at payment centers.

22. The Company will survey all of its participating customers to ascertain customer satisfaction with the Program. Attached as Exhibit 4 is a working document for the survey, which the Company will expand and add detail as appropriate. RECO agrees to work with Staff and Rate Counsel in finalizing the survey. RECO reserves the right to seek the Board's

permission to modify the Low Income III Program depending on the results of such surveys, with notice and opportunity for comment by Rate Counsel.

C. Cost Recovery

23. RECO will recover the net revenue requirements associated with the Low Income III Program as a component to the Company's RGGI Surcharge. The Low Income III Program component of the RGGI Surcharge will be applicable to all rate schedules on an equal cents per kilowatt-hour basis for recovery of costs associated with the Low Income III Program. The Low Income III Program component of the RGGI Surcharge will be subject to deferred accounting, with interest, and reconciled annually, as described herein. The Low Income III Program component of the RGGI Surcharge will be based on estimated revenue requirements from the first day of the month following the service of a Board Order approving the Program and a forecast of the Company's kWh deliveries to customers during the following twelve month period. Thereafter, the Low Income III Program component of the RGGI Surcharge will be adjusted on an annual basis incorporating a true-up for any prior period over-or under-recoveries, an estimate of the revenue requirements for the upcoming year, and the forecasted kWh deliveries to customers during the upcoming year in which the revised Low Income III Program component of the RGGI Surcharge will be in effect.

24. The Signatory Parties stipulate that the Low Income III Program revenue requirements recovered through the Low Income III Program component of the RGGI Surcharge will be calculated to include a return of investment through amortization of the associated regulatory asset over sixty (60) months or five (5) years. The investment is subject to deferral and recovery over the 60-month period and a return thereon and includes all incremental program costs, e.g., inspections and contracted processes. The Signatory Parties further stipulate that the return

component will be calculated using the Company's pre-tax overall weighted cost of capital ("WACC") as ordered by the Board in the Company's last base rate case (Docket No. ER16050428), which equals 7.47% on an after-tax basis and 10.77% on a before tax-basis, and is based on a common equity ratio of 49.70% and an after-tax cost of equity of 9.6%.

25. The Signatory Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement and interest calculations.

26. The Signatory Parties further agree that 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. A sample calculation of the revenue requirement for the purpose of setting the initial Low Income III Program component of the RGGI Surcharge for a twelve month period ending December 31, 2017 is set forth in Exhibit 5.

27. In calculating the monthly interest on net over- and under-recoveries, the interest rate shall be based upon the rate as determined by the Board in its Order dated October 21, 2008 in Docket No. ER08060455. As set forth in that Order, the interest rate shall be the interest rate based on two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus 60 basis points, but shall not exceed RECO's pre-tax WACC as identified in Paragraph 22 above. The interest rate shall be reset each month. The interest amount charged to the RGGI Surcharge balances will be computed using the following methodology set forth in Exhibit 6 attached hereto and made a part of this Stipulation. The calculation of monthly interest shall be based on the net of tax beginning and ending average monthly balance. The monthly

over-and under-recovery calculation will be based on actual revenues and the actual revenue requirement in each month. The Company shall accrue simple interest on any over- or under-recovered balances with an annual roll-in at the end of each 12-month reconciliation period. The true-up calculation of over- and under-recoveries, including interest, shall be included in the Company's annual petition ("Annual Filing") to adjust the Low Income III Program component of the RGGI Surcharge.

28. The Signatory Parties request that the Board set the effective date of the revised Low Income III Program component of the RGGI Surcharge to incorporate the revenue requirement provided for herein as of the first of the month following the date of service of the Board Order approving the Program.

29. The work associated with starting up the EE Program will commence upon the receipt of a written Board Order in this proceeding and the costs of such work shall be subject to deferral and recovery in accordance with this Stipulation. Recovery of the Low Income III Program revenue requirement will continue through the Low Income III Program component of the RGGI Surcharge following the conclusion of the Low Income III Program until all Low Income III Program revenue requirements are fully recovered.

30. The Low Income III Program component of the RGGI Surcharge will be subject to adjustment and true-up through the deferral process and any required adjustment will be included in the over/under-recovered balance to be recovered from or returned to ratepayers over the following year. Any Board-ordered cost recovery adjustments resulting from the review of the actual Low Income III Program costs will be made to the over/under-recovered deferred balance and reflected in the charges established for the following year pursuant to a Final Board Order.

31. The Signatory Parties stipulate that the Company will submit the Annual Filing, commencing with the 2019 annual period on a calendar basis, with copies provided to the Signatory Parties on February 1 and annually thereafter. Each Annual Filing will contain a reconciliation of the Company's Low Income III Program component of the RGGI Surcharge recoveries and actual revenue requirements for the prior period and a forecast of revenue requirements associated with the Low Income III Program for the upcoming 12-month period. The Annual Filing also will present actual costs to the extent incurred since the previous annual review and such costs will then be reviewed for reasonableness and prudence. The Annual filing will provide information set forth in the Minimum Filing Requirements ("MFR") attached hereto as Exhibit 7 and made a part of this Stipulation. The Annual Filing will be subject to review by the Signatory Parties with opportunity for discovery and filed comments prior to the issuance of a Board Order establishing the Company's revised Low Income III Program component of the RGGI Surcharge. The issuance of a written Board Order will be preceded by adequate public notice and public hearings if required by law. The Signatory Parties further agree that going forward, RECO will file one annual petition to review both the EES Program and the Low Income Audit II Program true-ups.

32. The Annual Filing noted above will be combined with RECO's combined EES Program and Low Income Audit II Program true-up so that RECO will file one annual petition to review the EES Program, the Low Income Audit II, and the Low Income Audit III Program true-ups. RECO will provide electronic files supporting its petition with all formulas intact via email to Board Staff and Rate Counsel.

33. The Signatory Parties agree that the proposed rates, as set forth in the tariff sheets in Exhibit 8 attached hereto, are just and reasonable and RECO is authorized to implement the

proposed rates on the first of the month following the service of a Board Order approving the Program.

D. RATE IMPACT

34. As currently projected, the Low Income III Program component of the RGGI Surcharge would initially be set at \$0.000062/kWh, including Sales and Use Tax ("SUT") (\$0.000058/kWh without SUT), as set forth in Exhibit 8, which would be in effect for the initial twelve-month period, to recover an estimated revenue requirement of approximately \$91,243. As a result of the RGGI Surcharge rate of (0.0921) cents per kWh, including SUT, and (0.0864) cents per kWh, excluding SUT, a typical residential customer with an average usage of 808 kWh per summer month and 7,800 kWh on an annual basis, will see their current monthly average bill increase \$0.04 from \$116.02 to \$116.06, or 0.04 %.

CONCLUSION

35. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.

36. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed. It is the intent of the Signatory Parties that the provisions hereof be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein. It is specifically understood and

agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein in total or by specific item.

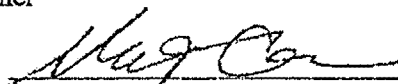
37. The Signatory Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue an appropriate Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

Petitioner

By:



Margaret Comes
Attorney for Rockland Electric Company

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

By:



Kurt S. Lewandowski, Esq.
Asst. Deputy Rate Counsel

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
GURBIR S. GREWAL, ATTORNEY GENERAL OF NEW JERSEY**

By:



Alex Moreau
Deputy Attorney General

Low Income Audit and Direct Install III Program

Program Type: Energy Audit/ Direct Install/ Conservation

Eligible Customers: Low Income

Eligible Measures: CFLs, Refrigerators, Room A/C, Weatherization Measures

The Low Income Audit and Direct Install III Program (“Program”) is designed to provide eligible Rockland Electric Company (“Company”) customers with energy efficiency measures free of charge based on results of an energy audit. Complimentary home energy audits which include health and safety testing will be conducted and cost effective energy savings measures will be installed based on the audit results. The Company will provide on average \$1,600 in energy efficiency measures (capped at \$2,500) per household in Year One to install the recommended audit measures that may include: air sealing measures and thermal barriers, LED lightbulbs, programmable thermostats, insulation, and refrigerator and room air conditioner replacement. The average per household value per year will be increased in the second year of the Program by 2.1% to account for annual costs of inflation. Specifically, the average values will increase to \$1,634 per household, in the second year of the Program (capped at \$2,553). In addition, the Company will coordinate with the Office of Clean Energy Comfort Partners Program, Weatherization Assistance Programs (“WAP”) or any other program currently offered for additional assistance with energy savings measures.

This Program supports the 2015 Energy Master Plan goals to drive down the cost of electricity for all customers and to reward electricity efficiency and conservation and reduce peak demand. More specifically, the Program supports the implementation strategy to establish an integrated energy efficiency program.

Program Objective

The Program will assist low-income customers by installing recommended cost effective energy measures and educating the customers about energy efficient behaviors that can be adopted to lower consumption and energy costs. The Program participants include all customers currently meeting the Program’s income eligibility requirements, who own or rent their home and have received landlord permission. By installing these measures free of charge, the Company will remove an apparent market barrier of the high, initial cost of the energy efficient measures for low income customers. Additional market barriers related to inadequate information, misunderstanding and the lack of acceptance of efficiency measures will be addressed through Program marketing materials and information provided by the home auditors. The proposed Low Income Audit III Direct Install Program will assist low income customers that either own or rent their home by installing recommended cost effective energy measures and educating customers about energy conservation. The Program is designed to meet specific objectives, all emphasizing the need to:

1. Implement a low income program that will assist customers with reducing their energy usage;
2. Inform customers through outreach and education programs to provide low income customers with the tools needed to make informed energy decisions; and
3. Continue to explore cost effective methods to further assist low income customers in reducing energy consumption.

Implementation Plan

Marketing content will be developed along with tips and messaging to focus on the low income customer segment. Informational letters will be sent introducing the Program to new low income participants along with brochures highlighting the benefits, energy and cost saving opportunities. The Company will have primary responsibility to develop content for marketing and advertising materials for the Program, and as such, will have final sign-off on all marketing materials used by any of its contractors. Outreach efforts will be targeted at 100 of the eligible customer base per year on a first-come, first-served basis. The customer identification and application process will be administered by RECO staff (i.e., a RECO Program Administrator).

The educational component of this program is a first step in informing low income customers in the importance of home energy management. Coupled with the implementation of energy efficient measures, an additional energy savings of one to two percent can be achieved throughout the low income customer base, further reducing the amount of household income spent on energy costs. Driving awareness of efficiency programs for this customer segment is difficult. Some market barriers include insufficient information, misunderstanding and the lack of acceptance of efficiency measures. Employing the direct installation program with an educational component provides the opportunity to incorporate a useful forum to engage with low income customers to increase customer awareness and education of energy consumption issues and increase distribution and adoption of distributed energy resources.

The Company will provide a quarterly newsletter to Program participants informing them of health and safety issues, electrical safety and seasonal energy saving tips. The newsletter is intended to provide customers with additional information on how to control their energy consumption and save money. In addition, the newsletter will include the latest rebates and offers from other RECO energy efficiency programs.

RECO must target and segment outreach initiatives to foster maximum engagement for efficiency opportunities. Through community-based organizations, a concerted effort will be made to increase consumer energy efficiency awareness and action. RECO is investigating a number of strategies to optimize the data received from Office of Information Technology through the weekly file match procedure used to identify Universal Service Fund ("USF") customers. Based on income criterion, customers in this database are prequalified by the Division of Family Development ("DFD"), a segment of the Department of Human Services ("DHS"), for various low income programs. Further analysis of this data presents the opportunity to stratify low income customers beyond the 175% federal poverty level stipulated for USF customers and to match them to RECO's customer database. If successful, the opportunity arises for additional customers to be introduced to the Low Income Audit III Program. Federal WAPs administered by the Department of Energy supplement their weatherization allocations with a portion of their annual federal Low Income HEAP block grants. RECO will work with these federal agencies to maximize energy savings potential and to reach as many eligible participants as possible.

A low income customer help page will be included on the RECO website that allows the customer to learn about the Program. Access to resources will be available to assist with information related to bill

payment, download income eligibility applications from DHS, informational brochures and frequently asked budget billing questions. Customers will have the ability to sign up for the direct installation Program.

RECO has selected a single contractor through a competitive bid process to perform the customer audits and associated measure installations. RECO will extend the contract with the vendor of this program to avoid delay in implementing the program. RECO's Program Administrator will oversee the contractor's activities and will establish annual program goals and performance metrics for the contractor. The Program Contractor will be responsible for:

- Development of a customer participation agreement;
- Verification of customer eligibility;
- Conduct energy audits including health and safety testing;
- Obtain landlord consent when necessary;
- Installation of energy efficiency measures;
- Complete program reporting as necessary; and
- Development and implementation of a quality assurance plan.

Evaluation Plan

IMPACT EVALUATION

Energy savings will be determined based on the savings protocols from "New Jersey's Clean Energy Program Protocols to Measure Resource Savings," most recently revised March 2014. For energy measures that are not included in these protocols, the Company will use the New York Technical Resource Manual or work with its contractor to identify and apply an industry accepted savings calculations to determine customer energy and demand savings. However, the benefits of this Program extend beyond the quantification of energy savings as customers are receiving energy efficiency measures that they otherwise could not afford.

PROCESS EVALUATION

Follow up surveys will be conducted with participating customers to determine customer satisfaction with Program features. Results may be used to modify Program delivery and implementation for the upcoming Program period.

QUALITY ASSURANCE VERIFICATION

A minimum of 10% of randomly selected participants will be subject to verification and inspection by a contractor selected by the Company or by a Company employee.

MEASUREMENT & VERIFICATION

A percentage of program measures will be reviewed on an annual basis to determine the program's cost-effectiveness and to evaluate any changes that may be necessary.

EXHIBIT 2

E3

ROCKLAND ELECTRIC COMPANY LOW INCOME AUDIT III PROGRAM PROJECTED COSTS

Operating Costs			
Line #	Incremental O&M Expenses & Capital Investment (RGGI cost categories)	notes:	2018
1	Administrative & Program Development*	Vendor monthly administration	\$1
	Utility Administrative & Program Development	RECO internal administration	\$1
2	Marketing & Sales (includes Call Center, Bill Inserts & Website)	Direct mail, other outreach, neighborhood events	\$1
3	Training		
4	Customer Rebates, Grants & Other Direct Incentives **	assumes 100 homes per year, \$1600/home	\$1
5	Contracted Processes, Inspections and Other Quality Control	Field inspections	
6	Evaluation	Program evaluation - 5%	\$1
7	Total Estimated O&M Expenses (Line 1-6)		\$2

- *Administration include a 2.1% annual salary increase
- **Customer Rebates and Direct Incentives include a 2.1% annual increase
- ***<https://fred.stlouisfed.org/series/T10YIE>
- ***https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths

Exhibit 3

RECO will continue to participate in the NJ Utility Energy Outreach Group:

- Objective of the group is to increase awareness of energy assistance programs across the state
- Members meet monthly and coordinate with state agencies and local constituency based organizations to identify ways to best reach low to moderate income households that can qualify for free energy assistance
- First Statewide Energy Assistance Summit was held in January 2018
 - o 200 participants, mostly social service providers

March-August 2018

Develop low income help page on RECO's website, including FAQs and links to related agencies.

Work with RECO Corporate Affairs to explore social media options such as Facebook and Twitter to improve low income customer outreach.

Reach out to the Affordable Housing Alliance (AHA) to explore options for a 2018 direct mailing campaign (using funds from their marketing budget to reimburse utility companies for their efforts to advertise the TRUE and PAGE programs to targeted customers). RECO will explore opportunities for direct mail synergies with AHA programs and RECO's program.

Contact the Office of Information Technology (OIT) regarding stratification of RECO's low income customers beyond the 175% federal poverty level to identify additional possible participants for the Low Income Audit III Program.

Attend New Jersey Weatherization & Home Energy Assistance Training (WHEAT) Conference.

September 2018 – November 2018

Work with RECO Corporate Affairs to create an information sheet including RECO's low income programs and contact information.

Distribute information about RECO's low income programs and contact information to our customer service center, social service agencies, low income related non-governmental organizations, weatherization assistance agencies and municipalities within RECO's service territories.

Additional distribution locations may include libraries, banks, NJ Department of Labor One Stop locations (workforce development) and food banks.

December 2018

Assess outreach plan effectiveness to date. Continue RECO Low Income Customer Outreach Plan as necessary.

Exhibit 4

RECO LOW INCOME III FILING – WORKING DOCUMENT WITH SURVEY COMPONENTS AND POTENTIAL QUESTIONS

PARTICIPANT SURVEY COMPONENTS:

- Reasons for program participation
- How became aware of program
- Ease of participation
- Barriers to participation
- Satisfaction with program
- Satisfaction with contractor
- Repeat participation or recommendation of the program to others
- Other services you would like to see included in the program
- Suggestions/feedback about any aspects of the program

NON-PARTICIPANT SURVEY COMPONENTS:

- Reasons for not participating in the program
- How became aware of program
- Ease of participation
- Barriers to participation
- Are you aware that the services are provided free of charge to the customer?
- Are you aware that the services can help you reduce your monthly utility bills?
- How likely are you to participate in the program within the next year?
- Suggestions/feedback about any aspects of the program

POTENTIAL QUESTIONS TO ADDRESS PARTICIPANT SURVEY COMPONENTS:

Thank you for your participation in Rockland Electric's Audit and Direct Installation Program. Please take a moment to complete this brief survey. Your input is vital in our efforts to improve our programs. We value your suggestions and feedback about our program.

1. Why did you participate in Rockland Electric's Audit and Direct Installation Program? (please check all that apply)
 - a. It was free
 - b. To lower my bill
 - c. To save energy
 - d. To improve home comfort
 - e. Because it is sponsored by RECO
 - f. Other – please specify _____

2. How did you learn about Rockland Electric's Audit and Direct Installation Program?

- a. RECO website
- b. RECO written materials
- c. RECO representative
- d. RECO - other
- e. Government Agency
- f. Other – please specify _____

3. How satisfied are you with Rockland Electric's Audit and Direct Installation Program?

- a. Extremely satisfied
- b. Satisfied
- c. Not satisfied

Please explain: _____

4. How satisfied are you with the contractor who provided services in your home?

- a. Extremely satisfied
- b. Satisfied
- c. Not satisfied

Please explain: _____

5. Was it easy to participate in Rockland Electric's Audit and Direct Installation Program?

- a. Yes
- b. No
- c. The ease of participation in this program could be improved

Please explain: _____

6. Were there any barriers to participation in Rockland Electric's Audit and Direct Installation Program?

- a. Yes
- b. No
- c. Access to this program could be improved

7. If another similar program was offered I would participate again

- a. Yes
- b. Maybe
- c. No

Additional services I would like to receive: _____

8. I would recommend Rockland Electric's Audit and Direct Installation Program to others.

- a. Yes
- b. Maybe
- c. No

9. Please provide any comments or suggestions relative to your experience with Rockland Electric's Audit and Direct Installation Program.

Rate Counsel suggests 11-19 below

10. Ease of participation in Rockland Electric's Audit and Direct Installation Program - Please circle Yes or No:

11. It was easy to schedule my visit: Yes / No
12. The contractor visit was scheduled around my hours: Yes / No
13. The paperwork was brief, or there was no paperwork required: Yes / No
14. Participation was quick and convenient: Yes / No
15. It was easy to understand the program offerings and benefits: Yes / No
16. It was easy to get the information I needed about the program: Yes / No
17. The ease of participation in this program could be improved: Yes / No
18. I would recommend participating in this program to others: Yes / No
19. Please explain why you would or would not recommend this program to others:

POTENTIAL QUESTIONS TO ADDRESS NON-PARTICIPANT SURVEY COMPONENTS:

Please take a moment to complete this brief survey. Your input is vital in our efforts to improve our programs. We value your suggestions and feedback about our program.

1. Why didn't you participate in Rockland Electric's Audit and Direct Installation Program? (please check all that apply)
- a. Not interested
 - b. Did not understand it
 - c. This is not a good time for this project, I may be interested in the future
 - d. Because it is sponsored by RECO
 - e. Other – please specify_____
2. How did you learn about Rockland Electric's Audit and Direct Installation Program?
- a. RECO
 - b. Government Agency
 - c. Other – please specify_____
3. Were there any barriers to participation in Rockland Electric's Audit and Direct Installation Program?
- a. Yes
 - b. No
 - c. Access to this program could be improved

4. Were you aware that Rockland Electric's Audit and Direct Installation Program services are provided free of charge to customers?
 - a. Yes
 - b. No

5. Were you aware that Rockland Electric's Audit and Direct Installation Program services can help save you money on your monthly utility bills?
 - a. Yes
 - b. No

6. How likely are you to participate in this program if it is available again next year?
 - a. Very Likely
 - b. Somewhat Likely
 - c. Not at all likely

7. Please provide any comments or suggestions relative to your experience with Rockland Electric's Audit and Direct Installation Program.

ROCKLAND ELECTRIC COMPANY

Calculation of Over/Under Recovery Associated with Low Income Audit II Program Component of RGGI Surcharge

ILLUSTRATIVE EXAMPLE TO SHOW OVER/UNDER RECOVERY

	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>	<u>Month 7</u>	<u>Month 8</u>	<u>Month 9</u>	<u>Month 10</u>
1. Determination of (Over)/Under Recovered Balance										
Revenue Requirement @ WACC = 7.93%	\$7,562	\$7,562	\$7,562	\$7,562	\$7,562	\$7,562	\$7,562	\$7,562	\$7,562	\$7,562
Monthly Recoveries	12,000	11,000	9,000	5,000	11,000	15,000	8,000	9,075	14,956	1
(Over)/Under Recovery	<u>(\$4,438)</u>	<u>(\$3,438)</u>	<u>(\$1,438)</u>	<u>\$2,562</u>	<u>(\$3,438)</u>	<u>(\$7,438)</u>	<u>(\$438)</u>	<u>(\$1,512)</u>	<u>(\$7,394)</u>	<u>(\$</u>
2. Determination of Interest										
(Over)/Under Recovery	<u>(\$4,438)</u>	<u>(\$3,438)</u>	<u>(\$1,438)</u>	<u>\$2,562</u>	<u>(\$3,438)</u>	<u>(\$7,438)</u>	<u>(\$438)</u>	<u>(\$1,512)</u>	<u>(\$7,394)</u>	<u>(\$</u>
Beginning Balance - (Over)/Under Recovery	\$0	(\$4,438)	(\$7,876)	(\$9,313)	(\$6,751)	(\$10,189)	(\$17,627)	(\$18,065)	(\$19,577)	(\$2
Ending Balance (Over)/Under Recovery	<u>(\$4,438)</u>	<u>(\$7,876)</u>	<u>(\$9,313)</u>	<u>(\$6,751)</u>	<u>(\$10,189)</u>	<u>(\$17,627)</u>	<u>(\$18,065)</u>	<u>(\$19,577)</u>	<u>(\$26,971)</u>	<u>(\$</u>
Average Balance (Over)/Under	<u>(\$2,219)</u>	<u>(\$6,157)</u>	<u>(\$8,594)</u>	<u>(\$8,032)</u>	<u>(\$8,470)</u>	<u>(\$13,908)</u>	<u>(\$17,846)</u>	<u>(\$18,821)</u>	<u>(\$23,274)</u>	<u>(\$</u>
Average Balance (Over)/Under - Net of Tax	<u>(\$1,312)</u>	<u>(\$3,642)</u>	<u>(\$5,084)</u>	<u>(\$4,751)</u>	<u>(\$5,010)</u>	<u>(\$8,226)</u>	<u>(\$10,556)</u>	<u>(\$11,132)</u>	<u>(\$13,766)</u>	<u>(\$1</u>
Interest Rate (Annual) ¹	1.82%	1.82%	1.89%	1.84%	1.88%	1.88%	2.01%	1.94%	1.95%	
Interest Rate (Monthly)	0.15%	0.15%	0.16%	0.15%	0.16%	0.16%	0.17%	0.16%	0.16%	
Interest (To Customer) /To Company	(\$2)	(\$6)	(\$8)	(\$7)	(\$8)	(\$13)	(\$18)	(\$18)	(\$22)	

Total (Ove

Notes: ¹ Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.
Interest calculated on a net-of-tax basis.

Exhibit 6

ROCKLAND ELECTRIC COMPANY
LOW INCOME AUDIT III PROGRAM
FINANCIAL SUMMARY

Amortization Period	5 years
Equity Component	49.70%
Equity Return	9.60%
Before -Tax WACC	9.34%
Effective Tax Rate	28.11%
Interest Expense	2.70%

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Expenditures										
Energy Efficiency Programs	\$ 180,300	\$ 184,100								
Cumulative Expenditures	\$ 180,300	\$ 364,400								
Amortization - 2017 Expenditures	36,060	36,060	\$ 36,060	\$ 36,060	\$ 36,060					
Amortization - 2018 Expenditures		36,820	36,820	36,820	36,820	36,820				
Cumulative Amortization	\$ 36,060	\$ 108,940	\$ 181,820	\$ 254,700	\$ 327,580	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400
Gross Expenditures	\$ 180,300	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400
Accumulated Amortization	36,060	108,940	181,820	254,700	327,580	364,400	364,400	364,400	364,400	364,400
Net Expenditures	\$ 144,240	\$ 255,460	\$ 182,580	\$ 109,700	\$ 36,820	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Deferred Tax	40,546	71,810	51,323	30,837	10,350	-	-	-	-	-
Under/(Over) Recovery Balance	\$ 103,694	\$ 183,650	\$ 131,257	\$ 78,863	\$ 26,470	\$ -	\$ -	\$ -	\$ -	\$ -
Return Requirement	\$ 9,683	\$ 17,149	\$ 12,257	\$ 7,364	\$ 2,472	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Tax Equity Portion	\$ 6,882	\$ 12,189	\$ 8,711	\$ 5,234	\$ 1,757	\$ -	\$ -	\$ -	\$ -	\$ -
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue Requirement	\$ 91,243	\$ 135,529	\$ 85,137	\$ 80,244	\$ 75,352	\$ 36,820	\$ -	\$ -	\$ -	\$ -
Expenses:										
Amortization	\$ 36,060	\$ 72,880	\$ 72,880	\$ 72,880	\$ 72,880	\$ 36,820	\$ -	\$ -	\$ -	\$ -
Administrative	20,300	20,300	-	-	-	-	-	-	-	-
Marketing & Sales	10,000	10,000	-	-	-	-	-	-	-	-
Evaluation	11,400	11,400	-	-	-	-	-	-	-	-
Inspections	3,800	3,800	-	-	-	-	-	-	-	-
Interest Expense	2,801	4,961	3,545	2,130	715	-	-	-	-	-
Taxable Income	6,882	12,189	8,711	5,234	1,757	-	-	0	0	0
Federal and State Taxes	1,935	3,426	2,449	1,471	494	-	-	-	-	-
Net Income	\$ 4,947	\$ 8,762	\$ 6,263	\$ 3,763	\$ 1,263	\$ -	\$ -	\$ -	\$ -	\$ -

Exhibit 7

Minimum Filing Requirements for the Annual Cost True-up Proceedings

1. Direct Full Time Employee (FTE) employment impacts.
2. A quarterly revenue requirement calculation based on program expenditures, showing the actual quarterly revenue requirement for each of the past twelve months or clause review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.
3. For the review period, actual revenues, by month and by rate class recorded under the programs.
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.
6. The interest expense to be charged or credited to ratepayers each month.
7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs.
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period.
9. Supporting details for all administrative costs included in the revenue requirement.
10. Information supporting the carrying cost used for the unamortized costs.
11. Number of program participants, including a breakdown by sub-program.

DRAFT

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");
- (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"); and
- (ed) Solar Renewable Energy Certificate Program ("SREC Program").

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.08590.0921 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	(0.0031)	(0.0033)
Low Income Audit II Program	(0.0067)	(0.0072)
<u>Low Income Audit III Program</u>	<u>0.0058</u>	<u>0.0062</u>
SREC Program	0.0904	0.0964
Total RGGI Surcharge	<u>0.08060864</u>	<u>0.08590921</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: Robert Sanchez, 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.

(c) 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.

(Continued)

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430

GENERAL INFORMATION

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

(ed) SREC Program

The SREC 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 SREC Program component of the following year's RGGI Surcharge. The difference between the actual monthly costs associated with the SREC Program and actual recoveries through the SREC 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 SREC Program component of the RGGI Surcharge to be effective for the twelve-month period commencing the following June 1. The SREC 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 SREC Program costs over the twelve-month period commencing the following June 1. For the initial period, the SREC Program component of the RGGI Surcharge will collect one-third of the accumulated SREC Program costs through December 31, 2016. The SREC Program filings made on February 1, 2018, and February 1, 2019, will also each include the remaining one-third of the of the accumulated SREC Program costs through December 31, 2016 in addition to the recovery of the prior year's over- or under-recovered balances and the forecasted SREC Program costs for the following twelve-month period.

Interest will be included in the deferred balance for both an over-collection and for an under-collection for the EES Program component, the Low Income Audit II Program component, and the SREC 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.

ISSUED:

EFFECTIVE:

ISSUED BY: Robert Sanchez, President
Mahwah, New Jersey 07430