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JUN 05 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ



Rockland Electric Company

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JUN 05 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Margaret Comes
Associate Counsel
Law Department

May 28, 2019

VIA EMAIL AND OVERNIGHT

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

FORWARD
CASE MANAGEMENT
2019 JUN -5 P 1:57
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 – 2017 Annual True-Up**

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2017 Annual True-Up

In the Matter of the Recovery of Rockland Electric Company’s SREC Programs Costs 2018

Docket Nos. ER18020109 and ER18020131

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of Rockland Electric Company (“RECO”) (“Rockland” or “the Company”) please find an original and ten copies of Stipulation of Settlement in the above matter.

EMS
A. Hard, Esq.
A. Mariani, Esq.
R. Boylan, Esq.
P. Van Buren, Esq.
J. Ford-Williams
S. Peterson
B. Hunter
A. Hard, Esq.
A. Reis

Respectfully submitted,

Margaret Comes
Margaret Comes

Enc.

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

**In the Matter of the Verified Petition of
Rockland Electric Company for
Approval of an Energy Efficiency Stimulus
Program and Associated
Rate Recovery – 2017 Annual True-Up**

**In the Matter of the Verified Petition of
Rockland Electric Company for Approval of
an Energy Efficiency Stimulus Program and
Associated Rate Recovery – Low Income
Audit II Program 2017 Annual True-Up**

**In the Matter of the Recovery of Rockland
Electric Company's SREC Programs Costs
2018**

STIPULATION OF SETTLEMENT

BPU Docket No. ER18020109

BPU Docket No. ER18020131

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

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

**Peter Van Brunt, Deputy Attorney 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 May 21, 2019, by and among Rockland Electric Company ("RECO" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Board Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (referred to collectively as the "Signatory Parties") to execute this Stipulation of Settlement ("Stipulation") and join in recommending that the New Jersey Board of Public Utilities ("Board" or "BPU") issue a Final

Decision and Order approving this Stipulation, including the attachments and proposed sheets of the Company's electric service tariff as set forth herein.

BACKGROUND

By this Stipulation, the Signatory Parties recommend a revised rate for the Company's Regional Greenhouse Gas Initiative ("RGGI") Surcharge, which currently has four components: (1) the Energy Efficiency Stimulus Program ("EES Program") component; (2) the Low Income Audit and Direct Install Energy Efficiency Program II ("Low Income Audit II Program") component; (3) the Low Income Audit and Direct Install Energy Efficiency Program III ("Low Income Audit III Program") component; and (4) the SREC Program component. This Stipulation does not include: the Low Income III Program component, which was approved on March 26, 2018¹, after the February 1st filings of the true-ups to the EES Program; the Low Income Audit II Program; and the SREC Program that are the subject of this Stipulation.

EES and Low Income II Filings

1. The EES Program was established by the Board in its Decision and Order Approving Stipulation dated November 23, 2009 ("November 2009 Order") in BPU Docket Nos. EO09010056 and EO09010061. The 2009 EES Program 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 so that customers could 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

¹ Decision and Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery*, BPU Docket No. ER17080869 (March 26, 2018).

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.

2. On June 21, 2013, the Company filed a Verified Petition in BPU Docket No. ER13060535 seeking Board approval to administer a new energy efficiency program called the Low Income Audit and Direct Install Program Energy Efficiency II Program (“Low Income Audit II”), which was similar in most respects to the Low Income Audit I program. The Low Income Audit II Program was approved by the Board.²

3. On May 18, 2016 in BPU Docket Nos. EO14090972, ER15090996, and ER15040424, the Signatory Parties entered into a stipulation (“May 2016 Stipulation”) agreeing that going forward, the Company would make one annual filing to review both the EES Program and the Low Income Audit II Program true-ups (“Combined Filing”), and the Combined Filing would be filed by February 1st of each year, commencing February 1, 2017. The May 2016 Stipulation was approved by the Board.³

4. On February 1, 2017, the Company filed a petition in BPU Docket No. ER17020083 seeking Board approval of its 2016 Combined Filing annual true-up. The Signatory Parties entered into a stipulation on November 20, 2017 (“November 2017 Stipulation”). The November 2017 Stipulation was approved by the Board.⁴ The December 2017 Order approved a

² See Decision and Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery*, BPU Docket No. ER13060535 (April 23, 2014).

³ See Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery-2014 Annual True-Up, et al*, BPU Docket Nos. EO14090972, ER15090996, and ER15040424 (June 29, 2016).

⁴ See Order Approving Stipulation, *I/M/O Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up*, BPU Docket No. ER17020083 (December 19, 2017) (“December 2017 Order”).

RGGI Surcharge credit of 0.0106 cents per kWh, including Sales and Use Tax (“SUT”) (0.0098 cents per kWh, excluding SUT), consisting of (1) an EES Program credit of 0.0034 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT), and (2) a Low Income Audit II Program credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT).

5. On February 1, 2018, the Company filed a petition in BPU Docket No. ER18020109 seeking Board approval of its Combined Filing annual true-up of costs and revenues for calendar year 2017 (“2017 RGGI True Up”). The 2017 RGGI True Up proposed a RGGI Surcharge credit of 0.0281 cents per kWh, including Sales and Use Tax (“SUT”) (0.0263 cents per kWh, excluding SUT), which included an EES Program credit of 0.0255 cents per kWh, including SUT (0.0239 cents per kWh excluding SUT), and a Low Income Audit II Program credit of 0.0026 cents per kWh, including SUT (0.0024 cents per kWh excluding SUT).⁵ As shown in Exhibits B and C, the Company updated its actual expenses and revenues through September 30, 2018 and its projected expenses and revenues through December 2018. As a result of the updates⁶, and as shown in Exhibit B, the proposed EES Program credit component of the RGGI Surcharge rate increased from the current credit of 0.0033 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT) to a credit of 0.0252 cents per kWh, including SUT (0.0236 cents per kWh, excluding SUT). As shown in Exhibit C, the proposed Low Income Audit II Program credit component of the RGGI Surcharge decreased from the current credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT) to a credit of 0.0027

⁵ On August 9, 2017, the Company filed a Verified Petition in BPU Docket No. ER17080869 to establish a Low Income Audit and Direct Install Program Energy Efficiency III Program (“Low Income III Program”). Board Staff and Rate Counsel signed a Stipulation of Settlement approving the Low Income III Program, and the Board approved the Stipulation of Settlement in BPU Docket No. ER17080869 on March 26, 2018. The 2018 true-up filing in BPU Docket No. ER18020109, and this Stipulation of Settlement do not include costs or revenues from the Low Income III Program.

⁶ The Sales and Use Tax rate decreased from 6.875% to 6.625% effective January 1, 2018.

cents per kWh, including SUT (0.0025 cents per kWh, excluding SUT). Therefore, as a result of the updates to the EES Program and the Low Income Audit II Program, the Company's RGGI Surcharge decreased from a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT), to a credit of 0.0279 cents per kWh, including SUT (0.0261 cents per kWh, excluding SUT).

6. No public hearing was held since the overall RGGI rate was a decrease.

SREC Program

7. By Order dated August 7, 2008, the Board directed RECO to file, a solar financing program based on Solar Renewable Energy Certificates ("SRECs"), utilizing and incorporating certain mandatory design and filing requirements by January 31, 2009. By Order dated July 31, 2009 ("July 2009 Order") in BPU Docket No. EO09020097, the Board authorized the Company to implement an SREC Financing Program ("SREC Program"). Pursuant to the July 2009 Order, the costs for the SREC Program ("SREC Program Costs") were to be charged through a component of the Company's existing RGGI Surcharge. Such component of the RGGI Surcharge would recover the following: (1) costs for the Company's purchase of SRECs offset by revenues received by the Company from the auction of SRECs; (2) program administrative costs; (3) an SREC transaction fee of \$39.11 per SREC; and (4) interest on over- or under-recoveries. Pursuant to the July 2009 Order, as net Program Costs for the first year were uncertain and may vary, the RGGI Surcharge rate for the initial year was set to recover the estimated annual costs and would be reconciled on an annual basis. RECO was to revisit the RGGI Surcharge rate within 12 months of the awards from the first solicitation.

8. On April 26, 2017, the Company filed its first petition (“Initial SREC True Up Filing”) to recover its SREC Program Costs.⁷ In the Initial SREC True Up Filing, the Company proposed a charge of 0.0984 cents per kWh, including SUT (0.0921 cents per kWh, excluding SUT) to recover SREC Program Costs. The SREC Program component of the RGGI Surcharge would 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 would 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 would be deferred, with interest, for future recovery.

9. In 2009, RECO began purchasing and selling SRECs. However, the Initial SREC True Up Filing was the first petition filed by RECO for recovery of SREC Program Costs. Accordingly, the Company proposed to recover the costs accumulated from 2009 through December 31, 2016 over a three-year period. The Initial SREC True Up Filing further proposed that on February 1st of each year, the Company would file with the Board the SREC Program component of the RGGI Surcharge to be effective for the 12-month period commencing the following June 1st. The SREC Program component of the RGGI Surcharge would be set to recover any prior period over- or under-recovered balance, including interest, and to provide current recovery of the forecasted SREC Program costs over the 12-month period commencing the following June 1st. Pursuant to the Initial SREC True Up Filing, the Company proposed that filings be made on February 1st of the accumulated SREC Program Costs through December 31,

⁷ These SREC Program Costs do not include costs associated with RECO’s SREC II Program, which was approved in Docket No. EO13020118. The SREC II Program costs will be addressed in a separate filing.

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 12-month period and interest on the over- or under-recovered balances related to the reconciliation of program costs beginning January 1, 2017. Interest would be included in the deferred balance for both an over-collection and for an under-collection of the program costs beginning January 1, 2017, and would be calculated as determined by the Board in the July 2009 Order. In the Initial SREC True Up Filing, the total increase in revenue requested by the Company was \$4.3 million, including interest.

10. On January 16, 2018, the Signatory Parties entered into a Stipulation of Settlement ("Initial SREC True Up Stipulation") of the Initial SREC True Up Filing, which was approved by the Board on January 31, 2018.⁸

11. Pursuant to the Initial SREC True Up Stipulation, the Company agreed that there would be no interest applicable to the accumulated SREC Program Costs through December 31, 2016, nor would there be any interest on the unamortized accumulated SREC Program Costs through December 31, 2016 of \$4,205,585 and during the subsequent three-year amortization period. Pursuant to the Initial SREC True Up Stipulation, the SREC Program Rate was set at 0.0964 cents per kWh, including SUT (0.0904 cents per kWh, excluding SUT), and was based on program costs through December 31, 2016 totaling \$4,205,585. The SREC Program Costs will be recovered through the Company's RGGI Surcharge.

12. On February 1, 2018, the Company filed its 2018 SREC Program True-Up filing in BPU Docket No. ER18020131 ("2018 SREC True Up Filing"). In the 2017 SREC True Up Filing, the Company proposed an increase in the SREC component rate to 0.3223 cents per kWh, including SUT (0.3023 cents per kWh, excluding SUT), to recover 2017 SREC Program Costs.

⁸ Order Approving Stipulation, *IMO the Recovery of Rockland Electric Company's SREC Program Costs*, BPU Docket No. ER17040429 (January 31, 2018).

As shown in Exhibit D, the Company has updated program costs with actual data through December 2018. As a result of the updates, the SREC Program component of the RGGI Surcharge rate increased from 0.0964 cents per kWh, including SUT (0.0904 cents per kWh, excluding SUT) to 0.2285 cents per kWh, including SUT (0.2143 cents per kWh, excluding SUT).

13. A public hearing was held in Mahwah, New Jersey on May 9, 2018. No members of the public attended or submitted comments on this filing.

RGGI Surcharge

14. Exhibits B through D show the updates and updated rates for the EES program, the Low Income II program, and the SREC Program. Exhibit A shows the updated rates of these components of the RGGI Surcharge and the resulting RGGI Surcharge. Exhibit A also includes the current rate of the Low Income III program, which is not a part of this Stipulation, and as noted above, was approved by the Board on March 26, 2018 in Docket No. ER17080869. As shown in Exhibit A, the proposed RGGI Surcharge, including the Low Income III program, is 0.2068 cents per kWh, including SUT (0.1940 cents per kWh excluding SUT).

15. The Signatory Parties hereby STIPULATE AND AGREE as follows:

STIPULATED MATTERS

A. RGGI Surcharge

16. The Signatory Parties agree that the Company will implement a RGGI Surcharge of 0.2068 cents per kWh, including SUT (0.1940 cents per kWh, excluding SUT). As set forth in Exhibits A through E attached to this Stipulation, the RGGI Surcharge, excluding the Low Income III program, includes the following components: (1) EES Program credit component of the RGGI a credit of 0.0252 cents per kWh, including SUT (0.0236 cents per kWh, excluding

SUT); (2) a Low Income Audit II Program credit of 0.0027 cents per kWh, including SUT (0.0025 cents per kWh, excluding SUT); and (3) an SREC program rate of 0.2285 cents per kWh, including SUT (0.2143 cents per kWh, excluding SUT). The Signatory Parties agree that the proposed rates, as set forth in Exhibits A through E, are just and reasonable and the Company is authorized to implement the proposed rate on the first day of the month following the date upon which the Board Order approving this Stipulation is served on the parties of record. For the EES and Low Income Audit II Programs, the updated rates are based on the actual program costs and recoveries from January 2017 to September 2018 and estimated program costs and recoveries from October 2018 to December 2018, as set forth in the attached Exhibits B through C. For the SREC Program the updated rates are based on the actual program costs and recoveries from January 2017 to December 2018, as set forth in the attached Exhibit D. The Signatory Parties agree that the costs through December 31, 2017 for both the 2017 RGGI True Up Petition and the 2017 SREC True Up Petition are deemed reasonable and prudent. All costs and recoveries after December 31, 2017 will be reviewed in subsequent true up filings.

B. Rate Impact

17. The Signatory Parties agree that the RGGI Surcharge will be set at 0.2068 cents per kWh, including SUT (0.1940 cents per kWh, excluding SUT), which would be in effect until further changed by the Board. For a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annualized basis, the current monthly average bill will increase \$0.74 from \$125.86 to \$126.60, or 0.59%. RECO shall file the revised tariff leaf with the new rates in the form set forth in Exhibit E hereto, approved by Signatory Parties in this Stipulation.

CONCLUSION


18. 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, any Signatory 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.

19. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Signatory 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 and, in total or by specific item.

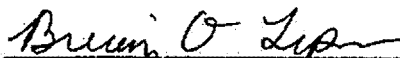
20. The Signatory Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

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

By: 
Margaret Comes
Attorney for Rockland Electric Company

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

By: 
Kurt S. Lewandowski, Esq. *Brian O. Lipman*
Asst. Deputy Rate Counsel

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY**
Attorney for the Staff of the Board of
Public Utilities

By: 
Peter Van Brunt
Deputy Attorney General

ROCKLAND ELECTRIC COMPANY

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

<u>RGGI Rate Components</u>	Rate Excl. SUT (¢/kWh)	Rate Incl. SUT (¢/kWh)
EES Program	(0.0236)	(0.0252)
Low Income Audit II Program	(0.0025)	(0.0027)
Low Income Audit III Program	0.0058	0.0062
<u>SREC Program</u>	<u>0.2143</u>	<u>0.2285</u>
Total RGGI Surcharge	0.1940	0.2068

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - EES Program

Determination of EES Program Reconciliation Adjustment Component of RGGI Surcharge

EES Program Recoveries (January 1, 2017 - December 31, 2017)	\$259,226
EES Program Revenue Requirement	22,416
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(104,609)</u>
EES Program (Over)/Under Recovery Balance	(341,419)
Interest (Over)/Under Recovery Balance	<u>(2,614)</u>
Total EES Program (Over)/Under Recovery Balance for 12 ME 12/31/2017	(344,032)
Projected Sales (kWh) 12 months ending December 31, 2018	1,541,318,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000223)
Sales and Use Tax ("SUT")	1.06625
EES Program Reconciliation Adjustment	(\$0.000238)

Determination of Forecast EES Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2018	(\$20,314)
Projected Sales (kWh) 12 months ending December 31, 2018	1,541,318,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	(\$0.000013)
Sales and Use Tax ("SUT")	1.06625
EES Program Charge	(\$0.000014)

RGGI Surcharge

Proposed EES Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000236)
Proposed EES Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000252)

ROCKLAND ELECTRIC COMPANY

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

	Jan-17 Actual	Feb-17 Actual	Mar-17 Actual	Apr-17 Actual	May-17 Actual	Jun-17 Actual	Jul-17 Actual	Aug-17 Actual	Sep-17 Actual	Oct-17 Actual	Nov-17 Actual	Dec-17 Actual	Total
1. Determination of (Over)/Under Recovered Balance													
Revenue Requirement ¹	\$3,507	\$3,249	\$2,439	\$1,874	\$1,885	\$1,863	\$1,640	\$1,617	\$1,594	\$1,572	\$1,543	\$33	\$22,416
Prior Period Reconciliation Adj. ²	(104,609)												(\$104,609)
Monthly Recoveries	22,910	19,549	18,784	18,549	18,292	21,080	27,269	27,217	23,602	22,458	18,767	20,748	\$259,226
(Over)/Under Recovery	(\$124,011)	(\$16,300)	(\$16,345)	(\$16,675)	(\$16,607)	(\$19,418)	(\$25,629)	(\$25,800)	(\$22,008)	(\$20,887)	(\$17,224)	(\$20,715)	(\$341,419)
2. Determination of Interest													
Revenue Requirement @ WACC = 7.83%	\$3,507	\$3,249	\$2,384	\$1,818	\$1,829	\$1,806	\$1,583	\$1,560	\$1,536	\$1,513	\$1,484	-\$26	\$21,843
Prior Period Reconciliation Adj. ²	(104,609)												
Monthly Recoveries	22,910	19,549	18,784	18,549	18,292	21,080	27,269	27,217	23,602	22,458	18,767	20,748	259,226
(Over)/Under Recovery	(\$124,011)	(\$16,300)	(\$16,400)	(\$16,731)	(\$16,663)	(\$18,475)	(\$25,686)	(\$25,657)	(\$22,066)	(\$20,945)	(\$17,285)	(\$20,774)	(\$341,892)
Beginning Balance - (Over)/Under Recovery	(\$104,609)	(\$124,011)	(\$140,311)	(\$156,712)	(\$173,443)	(\$190,105)	(\$208,580)	(\$226,266)	(\$244,024)	(\$261,924)	(\$280,990)	(\$300,935)	(\$321,216)
Ending Balance - (Over)/Under Recovery	(\$124,011)	(\$140,311)	(\$156,712)	(\$173,443)	(\$190,105)	(\$208,580)	(\$226,266)	(\$244,024)	(\$261,924)	(\$280,990)	(\$300,935)	(\$321,216)	(\$341,892)
Average Balance (Over)/Under	(\$114,310)	(\$132,161)	(\$148,512)	(\$165,077)	(\$181,774)	(\$198,843)	(\$216,423)	(\$234,095)	(\$251,957)	(\$270,462)	(\$289,576)	(\$309,144)	(\$328,695)
Average Balance (Over)/Under - Net of Tax	(\$67,614)	(\$78,173)	(\$87,845)	(\$97,843)	(\$107,519)	(\$116,807)	(\$125,763)	(\$134,348)	(\$142,602)	(\$150,582)	(\$158,269)	(\$165,689)	(\$172,844)
Interest Rate (Annual) ³	1.82%	1.82%	1.80%	1.84%	1.88%	1.88%	2.01%	1.94%	1.85%	2.09%	2.21%	2.38%	2.38%
Interest Rate (Monthly)	0.15%	0.15%	0.16%	0.15%	0.16%	0.16%	0.17%	0.16%	0.16%	0.17%	0.18%	0.20%	0.20%
Interest (To Customer) / To Company	(\$103)	(\$119)	(\$138)	(\$150)	(\$168)	(\$185)	(\$220)	(\$237)	(\$281)	(\$302)	(\$341)	(\$389)	(\$2,614)
Total (Over)/Under Collection Including Interest													(\$344,032)

Notes: ¹ Based on WACC of 7.83% through February 28, 2017 and a WACC of 7.47% effective March 1, 2017

² Over recovery for the period January 1, 2018 through December 31, 2016.

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

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the EES Program Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
1	\$10,128	\$8,146	\$7,751	\$7,375	\$7,332	\$9,698	\$14,094	\$13,677	\$11,065	\$9,991	\$7,690	\$8,989	\$115,925
2	9,118	8,116	7,900	7,985	7,573	8,020	9,448	9,611	8,874	8,766	7,756	8,361	101,548
3	5	5	3	4	3	3	5	4	3	4	4	5	47
4	105	94	94	79	73	65	70	78	86	100	107	116	1,067
5	294	246	221	188	150	163	225	222	184	180	177	220	2,458
6	90	76	66	76	70	65	62	64	73	91	96	90	919
7	<u>3,179</u>	<u>2,897</u>	<u>2,750</u>	<u>2,841</u>	<u>3,091</u>	<u>3,076</u>	<u>3,365</u>	<u>3,561</u>	<u>3,318</u>	<u>3,306</u>	<u>2,938</u>	<u>2,868</u>	<u>37,262</u>
Total Excluding SUT	\$22,910	\$19,549	\$18,784	\$18,549	\$18,292	\$21,080	\$27,269	\$27,217	\$23,602	\$22,458	\$18,767	\$20,748	\$259,226

ROCKLAND ELECTRIC COMPANY

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

	<u>Effective August 1, 2014</u>	<u>Effective March 1, 2017*</u>	<u>Effective Jan 1, 2018**</u>
Amortization Period	60 Months	60 Months	60 Months
Equity Ratio	50.35%	49.70%	49.70%
Return on Equity	9.75%	9.60%	9.60%
Equity Component	4.91%	4.77%	4.77%
After-Tax WACC	7.83%	7.47%	7.47%
Effective Tax Rate	40.85%	40.85%	28.11%
Interest Expense	2.92%	2.70%	2.70%

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 1, 2017.

** Reflects Tax Cuts and Job Reform Act enacted in Dec. 2017

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

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

Case ER16050428*
Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending December 31, 2016
(000's)

	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio	Weighted ** Average Ratio
Long Term Debt	50.30%	5.37%	2.70%	2.70%	2.70%
Common Equity	49.70%	9.60%	4.77%	8.07%	6.64%
Total	100%		7.47%	10.77%	9.34%

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 2017.

** Reflects Tax Cuts and Job Reform Act enacted in Dec. 2017

ROCKLAND ELECTRIC COMPANY

Determination of Regional Greenhouse Gas Initiative ("RGGI") Surcharge - Low Income Audit II Program

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

Low Income Audit II Program Recoveries (January 1, 2017 - December 31, 2017)	(\$22,813)
Low Income Audit II Program Revenue Requirement	56,096
Prior Period Reconciliation (Over)/Under Recovery - See Page 2	<u>(161,485)</u>
Low Income Audit II Program (Over)/Under Recovery Balance	(82,576)
Interest (Over)/Under Recovery Balance	<u>(1,387)</u>
Total Low Income Audit II Program (Over)/Under Recovery Balance for 12 ME 12/31/2017	(83,963)
Projected Sales (kWh) 12 months ending December 31, 2018	1,541,318,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged	(\$0.000054)
Sales and Use Tax ("SUT")	1.06625
Low Income Audit II Program Reconciliation Adjustment	(\$0.000058)

Determination of Forecast Low Income Audit II Program Component of RGGI Surcharge

Revenue Requirement for 12 Months Ending December 31, 2018	\$44,495
Projected Sales (kWh) 12 months ending December 31, 2018	1,541,318,000
\$ per kWh Projected Spending to be (Refunded)/Surcharged	\$0.000029
Sales and Use Tax ("SUT")	1.06625
Low Income Audit II Program Charge	\$0.000031

RGGI Surcharge

Proposed Low Income Audit II Program Component of RGGI Surcharge Excluding SUT (\$ per kWh)	(\$0.000025)
Proposed Low Income Audit II Program Component of RGGI Surcharge Including SUT (\$ per kWh)	(\$0.000027)

ROCKLAND ELECTRIC COMPANY

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

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge	Jan-17 Actual	Feb-17 Actual	Mar-17 Actual	Apr-17 Actual	May-17 Actual	Jun-17 Actual	Jul-17 Actual	Aug-17 Actual	Sep-17 Actual	Oct-17 Actual	Nov-17 Actual	Dec-17 Actual	Total
1. Determination of Over/Under Recovered Balance													
Revenue Requirement ¹	\$3,944	\$6,677	\$9,574	\$4,057	\$4,040	\$4,023	\$4,006	\$3,989	\$3,972	\$3,955	\$3,938	\$3,921	\$56,096
Prior Period Reconciliation Adj. ²	(161,485)												(161,485)
Monthly Recoveries	(307)	(1,862)	(1,789)	(1,767)	(1,742)	(2,008)	(2,597)	(2,592)	(2,248)	(2,139)	(1,787)	(1,876)	(22,813)
(Over)/Under Recovery	<u>(\$157,234)</u>	<u>\$8,539</u>	<u>\$11,363</u>	<u>\$5,823</u>	<u>\$5,782</u>	<u>\$8,031</u>	<u>\$8,603</u>	<u>\$6,581</u>	<u>\$6,220</u>	<u>\$6,094</u>	<u>\$5,726</u>	<u>\$5,897</u>	<u>(\$82,576)</u>
2. Determination of Interest													
Revenue Requirement @ WACC = 7.83%	3,944	6,677	9,593	4,076	4,058	4,041	4,024	4,006	3,989	3,972	3,955	3,937	
Prior Period Reconciliation Adj. ²	(161,485)												
Monthly Recoveries	(307)	(1,862)	(1,789)	(1,767)	(1,742)	(2,008)	(2,597)	(2,592)	(2,248)	(2,139)	(1,787)	(1,876)	(22,813)
(Over)/Under Recovery	<u>(\$157,234)</u>	<u>\$8,539</u>	<u>\$11,382</u>	<u>\$5,842</u>	<u>\$5,800</u>	<u>\$6,049</u>	<u>\$6,621</u>	<u>\$6,599</u>	<u>\$8,237</u>	<u>\$6,111</u>	<u>\$5,742</u>	<u>\$5,913</u>	<u>(\$82,400)</u>
Beginning Balance - (Over)/Under Recovery	(\$181,485)	(\$157,234)	(\$148,695)	(\$137,313)	(\$131,471)	(\$125,671)	(\$119,622)	(\$113,002)	(\$106,403)	(\$100,166)	(\$94,055)	(\$88,313)	(\$88,313)
Ending Balance (Over)/Under Recovery	(\$157,234)	(\$148,695)	(\$137,313)	(\$131,471)	(\$125,671)	(\$119,622)	(\$113,002)	(\$106,403)	(\$100,166)	(\$94,055)	(\$88,313)	(\$82,400)	(\$82,400)
Average Balance (Over)/Under	(\$159,360)	(\$152,965)	(\$143,004)	(\$134,392)	(\$128,571)	(\$122,647)	(\$116,312)	(\$109,702)	(\$103,285)	(\$97,111)	(\$91,184)	(\$85,357)	(\$85,357)
Average Balance (Over)/Under - Not of Tax	(\$94,281)	(\$90,479)	(\$84,587)	(\$79,493)	(\$76,050)	(\$72,546)	(\$68,799)	(\$64,899)	(\$61,093)	(\$57,441)	(\$53,936)	(\$50,489)	(\$50,489)
Interest Rate (Annual) ³	1.82%	1.82%	1.89%	1.84%	1.88%	1.88%	2.01%	1.94%	1.95%	2.09%	2.21%	2.38%	
Interest Rate (Monthly)	0.15%	0.15%	0.16%	0.15%	0.16%	0.16%	0.17%	0.16%	0.16%	0.17%	0.18%	0.20%	
Interest (To Customer) /To Company	(\$143)	(\$137)	(\$133)	(\$122)	(\$118)	(\$114)	(\$115)	(\$105)	(\$99)	(\$100)	(\$99)	(\$100)	(\$1,387)
													Total (Over)/Under Collection Including Interest
													(\$83,963)

Notes: ¹ Based on WACC of 7.83% through February 28, 2017 and a WACC of 7.47% effective March 1, 2017

² Over recovery for the period January 1, 2016 through December 31, 2016.

ROCKLAND ELECTRIC COMPANY

Monthly Actual Revenue Summary by Service Classification ("SC") of the Low Income Audit II Component of the RGGI Surcharge

<u>SC No.</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
1	-5126	-5776	-5738	-5702	-5698	-5923	-51,342	-51,303	-51,054	-5952	-5732	-5856	-510,212
2	-122	-773	-752	-761	-721	-764	-900	-915	-845	-837	-739	-796	-8,925
3	0	0	0	0	0	0	0	0	0	0	0	0	-4
4	-1	-9	-9	-8	-7	-6	-7	-7	-8	-10	-10	-11	-93
5	-4	-23	-21	-18	-14	-15	-21	-21	-18	-17	-17	-21	-211
6	-1	-7	-6	-7	-7	-6	-6	-6	-7	-9	-9	-9	-80
7	-43	-273	-262	-271	-284	-293	-320	-339	-316	-315	-280	-283	-3,289
Total Excluding SUT	-5307	-51,862	-51,769	-51,767	-51,742	-52,008	-52,597	-52,592	-52,248	-52,139	-51,787	-51,976	-522,813

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of RGGI Surcharge
Basic Assumptions**

Determination of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

	<u>Effective August 1, 2014</u>	<u>Effective March 1, 2017*</u>	<u>Effective Jan 1, 2018**</u>
Amortization Period	60 Months	60 Months	60 Months
Equity Ratio	50.35%	49.70%	49.70%
Return on Equity	9.75%	9.60%	9.60%
Equity Component	4.91%	4.77%	4.77%
After-Tax WACC	7.83%	7.47%	7.47%
Effective Tax Rate	40.85%	40.85%	28.11%
Interest Expense	2.92%	2.70%	2.70%

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 1, 2017.

** Reflects Tax Cuts and Job Reform Act enacted in Dec. 2017

Case ER13111135
Rockland Electric Company
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	Amount (\$000's)	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio
Long Term Debt	\$ 603.6	49.65%	5.89%	2.92%	2.92%
Common Equity	612	50.35%	9.75%	4.91%	8.31%
Total	<u>\$ 1,215.8</u>	<u>100%</u>		<u>7.83%</u>	<u>11.24%</u>

Case ER16050428*
Rockland Electric Company
Electric Service
Settlement Agreement
Consolidated Capital Structure
For Twelve Months Ending December 31, 2016
(000's)

	Ratio	Cost Rate	Weighted Average Ratio	Weighted Average Ratio	Weighted ** Average Ratio
Long Term Debt	50.30%	5.37%	2.70%	2.70%	2.70%
Common Equity	49.70%	9.60%	4.77%	8.07%	6.64%
Total	<u>100%</u>		<u>7.47%</u>	<u>10.77%</u>	<u>9.34%</u>

* Capital Structure approved in RECO Base Rate Case ER16050428, effective March 2017.

** Reflects Tax Cuts and Job Reform Act enacted in Dec. 2017

ROCKLAND ELECTRIC COMPANY

Low Income Audit II Program Component of RGGI Surcharge
2017 Revenue Requirement
Revenue Requirement For Use In Calculation of (Over)/Under Collection

Delimitation of Low Income Audit II Program Reconciliation Adjustment Component of RGGI Surcharge

	Jan-17 Actual	Feb-17 Actual	Mar-17 Actual	Apr-17 Actual	May-17 Actual	Jun-17 Actual	Jul-17 Actual	Aug-17 Actual	Sep-17 Actual	Oct-17 Actual	Nov-17 Actual	Dec-17 Actual
1. Program Spending	15,450	0	9,084	0	0	0	0	0	0	0	0	0
2. Cumulative Spending	182,082	182,082	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165
3.												
4.												
5. Gross Expenditures	182,082	182,082	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165
6. Accumulated Amortization	17,727	20,761	23,948	27,134	30,320	33,506	36,692	39,878	43,064	46,250	49,436	52,622
7. Net Expenditures	164,355	161,320	167,218	164,032	160,845	157,660	154,474	151,287	148,101	144,915	141,729	138,543
8. Accumulated Deferred Tax	57,139	65,899	68,308	67,007	65,705	64,404	63,102	61,801	60,499	59,198	57,896	56,595
9. Under/(Over) Recovery Balance	97,216	95,421	98,909	97,025	95,140	93,256	91,371	89,487	87,602	85,717	83,833	81,948
10.												
11. Return Requirement	635	623	616	604	592	581	569	557	545	534	522	510
12. Equity Portion	398	390	393	386	378	371	363	356	348	341	333	326
13.												
14.												
15. Revenue	3,944	3,927	4,074	4,057	4,040	4,023	4,006	3,989	3,972	3,955	3,938	3,921
16.												
17. Expenses:												
18. Amortization	3,035	3,035	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186
19. Administrative Costs												
20. Interest Expense	237	233	223	218	214	210	206	201	197	193	189	184
21. Deferred Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22. Taxable Income	672	660	665	652	640	627	614	602	589	576	564	551
23. Federal and State Taxes	275	270	272	266	261	256	251	246	241	235	230	225
24. Net Income	398	390	393	386	378	371	363	356	348	341	333	326
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	3,944	3,927	4,074	4,057	4,040	4,023	4,006	3,989	3,972	3,955	3,938	3,921
28. O&M	0	2,750	5,500	0	0	0	0	0	0	0	0	0
29. Total Revenue Requirement	3,944	6,677	9,574	4,057	4,040	4,023	4,006	3,989	3,972	3,955	3,938	3,921
										12 Month Total		56,098

ROCKLAND ELECTRIC COMPANY

**Low Income Audit II Program Component of RGGI Surcharge
2018 Projection of Revenue Requirement
Revenue Requirement For Use In Calculation of (Over)/Under Collection**

Determination of Low Income Audit II Program Rec

	<u>Jan-18</u> <u>Actual</u>	<u>Feb-18</u> <u>Actual</u>	<u>Mar-18</u> <u>Actual</u>	<u>Apr-18</u> <u>Actual</u>	<u>May-18</u> <u>Actual</u>	<u>Jun-18</u> <u>Actual</u>	<u>Jul-18</u> <u>Actual</u>	<u>Aug-18</u> <u>Actual</u>	<u>Sep-18</u> <u>Actual</u>	<u>Oct-18</u> <u>Estimate</u>	<u>Nov-18</u> <u>Estimate</u>	<u>Dec-18</u> <u>Estimate</u>
1. Program Spending	0	0	0	0	0	0	0	0	0	0	0	0
2. Cumulative Spending	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165
3.												
4.												
5. Gross Expenditures	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165	191,165
6. Accumulated Amortization	55,808	58,895	62,181	65,367	68,553	71,739	74,925	78,111	81,297	84,483	87,669	90,855
7. Net Expenditures	135,357	132,171	128,985	125,799	122,613	119,427	116,240	113,054	109,868	106,682	103,496	100,310
8. Accumulated Deferred Tax	55,699	54,804	53,908	53,012	52,117	51,221	50,326	49,430	48,534	47,639	46,743	45,848
9. Under/(Over) Recovery Balance	79,658	77,367	75,077	72,786	70,496	68,205	65,915	63,624	61,334	59,043	56,753	54,462
10.												
11. Return Requirement	496	482	467	453	439	425	410	396	382	368	353	339
12. Equity Portion	317	305	299	289	280	271	262	253	244	235	226	217
13.												
14.												
15. Revenue	3,806	3,788	3,770	3,752	3,735	3,717	3,699	3,681	3,663	3,646	3,628	3,610
16.												
17. Expenses:												
18. Amortization	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186	3,186
19. Administrative Costs												
20. Interest Expense	179	174	169	164	159	154	148	143	138	133	128	123
21. Deferred Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22. Taxable Income	441	425	415	403	390	377	365	352	339	327	314	301
23. Federal and State Taxes	124	120	117	113	110	106	102	99	95	92	88	85
24. Net Income	317	305	299	289	280	271	262	253	244	235	226	217
25.												
26.												
27. Deferred Cost Recovery (from 15 above)	3,806	3,788	3,770	3,752	3,735	3,717	3,699	3,681	3,663	3,646	3,628	3,610
28. O&M	0	0	0	0	0	0	0	0	0	0	0	0
29. Total Revenue Requirement	3,806	3,788	3,770	3,752	3,735	3,717	3,699	3,681	3,663	3,646	3,628	3,610
										12 Month Total		44,495

ROCKLAND ELECTRIC COMPANY

SREC Program Component of RGGI Surcharge

Determination of SREC Program Adjustment for 2017

SREC Program Costs (a)	\$903,071
SREC Program Recoveries (b)	<u>0</u>
SREC Program (Over)/Under Recovery Balance (c) = (a) - (b)	903,071
Interest (Over)/Under Recovery Balance (d)	<u>5,429</u>
SREC Program (Over)/Under Recovery Balance including interest (e) = (c) + (d)	\$908,500

SREC Program Costs 2009 - 2016

One-third of SREC Costs 2009 -2016 (f) *	\$1,401,862
SREC Program Recoveries (g)	<u>1,241,132</u>
SREC Program (Over)/Under Recovery Balance (h) = (f) - (g)	\$160,729

Projected 2018 SREC Program Costs

SREC Program Costs (i)	\$793,398
One-third of SREC Costs 2009 -2016 (j) *	\$1,401,862

SREC Rate Development

SREC Program Component of RGGI Surcharge (k) = (e) + (h) + (i) + (j)	\$3,264,490
Projected Sales (kWh) for 12-months (l)	1,523,021,000
\$ per kWh Reconciliation to be (Refunded)/Surcharged (m) = (k)/(l)	\$0.002143
Sales and Use Tax ("SUT") (n)	1.06625
SREC Program Surcharge including SUT (o) = (m) x (n)	\$0.002285

* One-third of program costs pending BPU approval in the Stipulation of Settlement signed 1/16/18 in Docket No. ER17040429: \$4,205,585 ÷ 3 = \$1,401,862

ROCKLAND ELECTRIC COMPANY

**Calculation of Over/Under Recovery Associated with SREC Program Component of RGGI Surcharge
Calendar Year 2017**

	Jan-17 Actual	Feb-17 Actual	Mar-17 Actual	Apr-17 Actual	May-17 Actual	Jun-17 Actual	Jul-17 Actual	Aug-17 Actual	Sep-17 Actual	Oct-17 Actual	Nov-17 Actual	Dec-17 Actual	Total
Total Net Cost of SRECs ¹	\$0	\$0	\$435,413	\$0	\$0	\$0	\$0	\$0	\$0	\$461,304	\$0	\$0	\$896,717
Admin & Program Development	0	0	4,217	0	0	0	0	0	0	0	1,787	350	6,354
Marketing & Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracted Processes, Insp & Other QC	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	4,217	0	0	0	0	0	0	0	1,787	350	6,354
Total Required Costs	\$0	\$0	\$439,630	\$0	\$0	\$0	\$0	\$0	\$0	\$461,304	\$1,787	\$350	\$903,071
Actual Recoveries (excl SUT)	0	0	0	0	0	0	0	0	0	0	0	0	0
(Over)/Under Recovery	0	0	439,630	0	0	0	0	0	0	461,304	1,787	350	903,071
Beginning Balance - (Over)/Under Recovery	0	0	0	439,630	439,630	439,630	439,630	439,630	439,630	439,630	900,934	902,721	
Ending Balance (Over)/Under Recovery	0	0	439,630	439,630	439,630	439,630	439,630	439,630	439,630	900,934	902,721	903,071	
Average Balance (Over)/Under	0	0	219,815	439,630	439,630	439,630	439,630	439,630	439,630	670,282	901,828	902,896	
Average Balance (Over)/Under - Net of Tax	0	0	130,021	260,041	260,041	260,041	260,041	260,041	260,041	396,472	533,431	534,063	
Interest Rate (Annual)	1.82%	1.82%	1.89%	1.84%	1.88%	1.86%	2.01%	1.94%	1.95%	2.09%	2.21%	2.38%	
Interest Rate (Monthly)	0.15%	0.15%	0.16%	0.15%	0.16%	0.16%	0.17%	0.16%	0.16%	0.17%	0.18%	0.20%	
Interest to (Customer) Company	\$0	\$0	\$205	\$399	\$407	\$407	\$436	\$420	\$423	\$691	\$982	\$1,059	\$5,429
Net of Tax Calculation													
Revenue			100.00										
NJ CBT @ 9.0%			9.00										
			91.00										
FIT @ 35.0%			31.85										
Retention Factor			59.15										

Notes:

1. See Exhibit B for calculation of net cost of SRECs.

ROCKLAND ELECTRIC COMPANY

**Calculation of Over/Under Recovery Associated with SREC Program Component of RGGI Surcharge
Calendar Year 2018**

	<u>Jan-18</u> Actual	<u>Feb-18</u> Actual	<u>Mar-18</u> Actual	<u>Apr-18</u> Actual	<u>May-18</u> Actual	<u>Jun-18</u> Actual	<u>Jul-18</u> Actual	<u>Aug-18</u> Actual	<u>Sep-18</u> Actual	<u>Oct-18</u> Actual	<u>Nov-18</u> Actual	<u>Dec-18</u> Actual	<u>Total</u>
Total Net Cost of SRECs ¹	\$0	\$0	\$385,272	\$0	\$0	\$0	\$0	\$0	\$0	\$392,490	\$0	\$0	\$777,762
Admin & Program Development	0	1,813	0	2,767	0	0	0	3,958	0	0	6,798	500	15,636
Marketing & Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracted Processes, Insp & Other QC	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	1,813	0	2,767	0	0	0	3,958	0	0	6,798	500	15,636
Total Required Costs	\$0	\$1,613	\$385,272	\$2,767	\$0	\$0	\$0	\$3,958	\$0	\$392,490	\$6,798	\$500	\$793,398

Notes:

1. See Exhibit C for calculation of net cost of SRECs.
2. Calendar year 2018 costs were forecasted in original filing made February 1, 2018.

ROCKLAND ELECTRIC COMPANY

2017 Detail of SRECs Sold

Auction Date	SRECs Sold	Purchase Price	Selling Price	Customer Charge / (Credit)	SREC Transaction Fee @ \$39.11 ea.	Net Charge to Customer
3/8/2017	130	\$295.00	\$236.29	\$7,632.30	\$5,084.30	\$12,716.60
3/8/2017	58	399.00	236.29	9,437.18	2,268.38	11,705.56
3/8/2017	117	399.00	236.29	19,037.07	4,575.87	23,612.94
3/8/2017	51	399.00	236.29	8,298.21	1,994.61	10,292.82
3/8/2017	442	305.00	236.29	30,369.82	17,286.62	47,656.44
3/8/2017	144	325.00	236.29	12,774.24	5,631.84	18,406.08
3/8/2017	49	450.00	236.29	10,471.79	1,916.39	12,388.18
3/8/2017	30	410.00	236.29	5,211.30	1,173.30	6,384.60
3/8/2017	55	450.00	236.29	11,754.05	2,151.05	13,905.10
3/8/2017	130	450.00	236.29	27,782.30	5,084.30	32,866.60
3/8/2017	188	380.00	236.29	27,017.48	7,352.68	34,370.16
3/8/2017	201	460.00	236.29	44,965.71	7,861.11	52,826.82
3/8/2017	8	435.00	236.29	1,589.68	312.88	1,902.56
3/8/2017	228	295.00	236.29	13,385.88	8,917.08	22,302.96
3/8/2017	144	349.90	236.29	16,359.84	5,631.84	21,991.68
3/8/2017	78	470.00	236.29	18,229.38	3,050.58	21,279.96
3/8/2017	15	399.00	236.29	2,440.65	586.65	3,027.30
3/8/2017	58	450.00	236.29	12,395.18	2,268.38	14,663.56
3/8/2017	41	450.00	236.29	8,762.11	1,603.51	10,365.62
3/8/2017	101	450.00	236.29	21,584.71	3,950.11	25,534.82
3/8/2017	70	450.00	236.29	14,959.70	2,737.70	17,697.40
3/8/2017	17	433.00	236.29	3,344.07	664.87	4,008.94
3/8/2017	59	460.00	236.29	13,198.89	2,307.49	15,506.38
10/17/2017	2	435.00	195.60	478.80	78.22	557.02
10/17/2017	49	305.00	195.60	5,360.60	1,916.39	7,276.99
10/17/2017	43	460.00	195.63	11,367.91	1,681.73	13,049.64
10/17/2017	2	435.00	195.63	478.74	78.22	556.96
10/17/2017	62	295.00	195.63	6,160.94	2,424.82	8,585.76
10/17/2017	35	349.90	195.63	5,399.45	1,368.85	6,768.30
10/17/2017	49	470.00	195.63	13,444.13	1,916.39	15,360.52
10/17/2017	29	399.00	195.63	5,897.73	1,134.19	7,031.92
10/17/2017	51	399.00	195.63	10,371.87	1,994.61	12,366.48
10/17/2017	30	399.00	195.63	6,101.10	1,173.30	7,274.40
10/17/2017	170	305.00	195.63	18,592.90	6,648.70	25,241.60
10/17/2017	59	325.00	195.63	7,632.83	2,307.49	9,940.32
10/17/2017	13	450.00	195.63	3,306.81	508.43	3,815.24
10/17/2017	10	450.00	195.63	2,543.70	391.10	2,934.80
10/17/2017	24	450.00	195.63	6,104.88	938.64	7,043.52
10/17/2017	17	450.00	195.63	4,324.29	664.87	4,989.16
10/17/2017	21	450.00	195.63	5,341.77	821.31	6,163.08
10/17/2017	7	410.00	195.63	1,500.59	273.77	1,774.36
10/17/2017	15	450.00	195.63	3,815.55	586.65	4,402.20
10/17/2017	7	433.00	195.63	1,661.59	273.77	1,935.36
10/17/2017	29	450.00	195.63	7,376.73	1,134.19	8,510.92
10/17/2017	25	460.00	195.63	6,609.25	977.75	7,587.00
10/17/2017	121	460.00	195.60	31,992.40	4,732.31	36,724.71
10/17/2017	3	435.00	195.60	718.20	117.33	835.53
10/17/2017	198	295.00	195.60	19,681.20	7,743.78	27,424.98
10/17/2017	92	349.90	195.60	14,195.60	3,598.12	17,793.72
10/17/2017	61	470.00	195.60	16,738.40	2,385.71	19,124.11
10/17/2017	39	399.00	195.60	7,932.60	1,525.29	9,457.89
10/17/2017	75	399.00	195.60	15,255.00	2,933.25	18,188.25
10/17/2017	42	399.00	195.60	8,542.80	1,642.62	10,185.42
10/17/2017	173	305.00	195.60	18,926.20	6,766.03	25,692.23
10/17/2017	71	325.00	195.60	9,187.40	2,776.81	11,964.21
10/17/2017	36	450.00	195.60	9,158.40	1,407.96	10,566.36
10/17/2017	26	450.00	195.60	6,614.40	1,016.86	7,631.26
10/17/2017	63	450.00	195.60	16,027.20	2,463.93	18,491.13
10/17/2017	42	450.00	195.60	10,684.80	1,642.62	12,327.42
10/17/2017	30	450.00	195.60	7,632.00	1,173.30	8,805.30
10/17/2017	20	410.00	195.60	4,288.00	782.20	5,070.20
10/17/2017	31	450.00	195.60	7,886.40	1,212.41	9,098.81
10/17/2017	12	433.00	195.60	2,848.80	469.32	3,318.12
10/17/2017	80	450.00	195.60	20,352.00	3,128.80	23,480.80
10/17/2017	37	460.00	195.60	9,782.80	1,447.07	11,229.87
10/17/2017	48	380.00	195.60	8,851.20	1,877.28	10,728.48
Totals	4,463			\$722,169.50	\$174,547.93	\$896,717.43

ROCKLAND ELECTRIC COMPANY

2018 Detail of SRECs Sold

Auction Date	SRECs Sold	Purchase Price	Selling Price	Customer Charge / (Credit)	SREC Transaction Fee @ \$39.11 ea.	Net Charge to Customer
3/27/2018	182	460.00	233.00	41,314.00	7,118.02	48,432.02
3/27/2018	8	435.00	233.00	1,616.00	312.88	1,928.88
3/27/2018	285	295.00	233.00	17,670.00	11,146.35	28,816.35
3/27/2018	139	349.90	233.00	16,249.10	5,436.29	21,685.39
3/27/2018	72	470.00	233.00	17,064.00	2,815.92	19,879.92
3/27/2018	38	399.00	233.00	6,308.00	1,486.18	7,794.18
3/27/2018	81	399.00	233.00	13,446.00	3,167.91	16,613.91
3/27/2018	44	399.00	233.00	7,304.00	1,720.84	9,024.84
3/27/2018	322	305.00	233.00	23,184.00	12,593.42	35,777.42
3/27/2018	104	325.00	233.00	9,568.00	4,067.44	13,635.44
3/27/2018	54	450.00	233.00	11,718.00	2,111.94	13,829.94
3/27/2018	39	450.00	233.00	8,463.00	1,525.29	9,988.29
3/27/2018	94	450.00	233.00	20,398.00	3,676.34	24,074.34
3/27/2018	65	450.00	233.00	14,105.00	2,542.15	16,647.15
3/27/2018	36	450.00	233.00	7,812.00	1,407.96	9,219.96
3/27/2018	29	410.00	233.00	5,133.00	1,134.19	6,267.19
3/27/2018	39	450.00	233.00	8,463.00	1,525.29	9,988.29
3/27/2018	14	433.00	233.00	2,800.00	547.54	3,347.54
3/27/2018	121	450.00	233.00	26,257.00	4,732.31	30,989.31
3/27/2018	42	460.00	233.00	9,534.00	1,642.62	11,176.62
3/27/2018	248	380.00	233.00	36,456.00	9,699.28	46,155.28
10/16/2018	120	460.00	215.10	29,388.00	4,693.20	34,081.20
10/16/2018	6	435.00	215.10	1,319.40	234.66	1,554.06
10/16/2018	204	295.00	215.10	16,299.60	7,978.44	24,278.04
10/16/2018	80	349.90	215.10	10,784.00	3,128.80	13,912.80
10/16/2018	57	470.00	215.10	14,529.30	2,229.27	16,758.57
10/16/2018	37	399.00	215.10	6,804.30	1,447.07	8,251.37
10/16/2018	74	399.00	215.10	13,608.60	2,894.14	16,502.74
10/16/2018	41	399.00	215.10	7,539.90	1,603.51	9,143.41
10/16/2018	221	305.00	215.10	19,867.90	8,643.31	28,511.21
10/16/2018	70	325.00	215.10	7,693.00	2,737.70	10,430.70
10/16/2018	37	450.00	215.10	8,691.30	1,447.07	10,138.37
10/16/2018	26	450.00	215.10	6,107.40	1,016.86	7,124.26
10/16/2018	65	450.00	215.10	15,268.50	2,542.15	17,810.65
10/16/2018	44	450.00	215.10	10,335.60	1,720.84	12,056.44
10/16/2018	30	450.00	215.10	7,047.00	1,173.30	8,220.30
10/16/2018	18	410.00	215.10	3,508.20	703.98	4,212.18
10/16/2018	35	450.00	215.10	8,221.50	1,368.85	9,590.35
10/16/2018	10	433.00	215.10	2,179.00	391.10	2,570.10
10/16/2018	77	450.00	215.10	18,087.30	3,011.47	21,098.77
10/16/2018	38	460.00	215.10	9,306.20	1,486.18	10,792.38
10/16/2018	101	380.00	215.10	16,654.90	3,950.11	20,605.01
10/16/2018	45	460.00	219.92	10,803.60	1,759.95	12,563.55
10/16/2018	1	435.00	219.92	215.08	39.11	254.19
10/16/2018	65	295.00	219.92	4,880.20	2,542.15	7,422.35
10/16/2018	30	349.90	219.92	3,899.40	1,173.30	5,072.70
10/16/2018	27	470.00	219.92	6,752.16	1,055.97	7,808.13
10/16/2018	15	399.00	219.92	2,686.20	586.65	3,272.85
10/16/2018	28	399.00	219.92	5,014.24	1,095.08	6,109.32
10/16/2018	14	399.00	219.92	2,507.12	547.54	3,054.66
10/16/2018	78	305.00	219.92	6,636.24	3,050.58	9,686.82
10/16/2018	26	325.00	219.92	2,732.08	1,016.86	3,748.94
10/16/2018	13	450.00	219.92	2,991.04	508.43	3,499.47
10/16/2018	9	450.00	219.92	2,070.72	351.99	2,422.71
10/16/2018	22	450.00	219.92	5,061.76	860.42	5,922.18
10/16/2018	15	450.00	219.92	3,451.20	586.65	4,037.85
10/16/2018	12	450.00	219.92	2,760.96	469.32	3,230.28
10/16/2018	8	410.00	219.92	1,520.64	312.88	1,833.52
10/16/2018	12	450.00	219.92	2,760.96	469.32	3,230.28
10/16/2018	4	433.00	219.92	852.32	156.44	1,008.76
10/16/2018	30	450.00	219.92	6,902.40	1,173.30	8,075.70
10/16/2018	13	460.00	219.92	3,121.04	508.43	3,629.47
10/16/2018	45	380.00	219.92	7,203.60	1,759.95	8,963.55
Totals	3,959			622,925.96	154,836.49	777,762.45

ROCKLAND ELECTRIC COMPANY

Recoveries Associated with SREC Program Component of RGGI Surcharge

Collection of 2009 - 2016 SREC Program Costs

* One-third of SREC Costs (2009 - 2016)	\$1,401,862.00
January-18	0.00
February-18	28,526.29
March-18	101,563.99
April-18	100,066.09
May-18	100,582.08
June-18	125,033.53
July-18	150,892.71
August-18	154,015.30
September-18	146,328.69
October-18	111,058.07
November-18	109,766.19
December-18	<u>113,299.31</u>
Sub-total	1,241,132.25
(Over)/ Under recovery	160,729.75

* One-third of program costs pending BPU approval in the Stipulation of Settlement signed 1/16/18 in Docket No. ER17040429: $\$4,205,585 \div 3 = \$1,401,862$. Recoveries are net

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");
- (c) Low Income Audit and Direct Install Energy Efficiency Program ("Low Income Audit III Program"); and
- (d) Solar Renewable Energy Certificate Program ("SREC Program").

The RGGI Surcharge to be effective on and after the date indicated below shall be set at 0.0924-2068 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	(0.0034) (0.0236)	(0.0033) (0.0252)
Low Income Audit II Program	(0.0067) (0.0025)	(0.0072) (0.0027)
Low Income Audit III Program	0.0058	0.0062
SREC Program	0.09042143	0.09042285
Total RGGI Surcharge	0.09641940	0.09242068

(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:

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

EFFECTIVE:

Filed pursuant to Order of the Board of Public Utilities, State of New Jersey dated March 26, 2018 in Docket No. ER17080869.