



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

July 28, 2023

Honorable Sherri L. Golden
Secretary of the Board
State of New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: Rockland Electric Company's Annual Conservation
Incentive Program Filing – Reconciliation for the
Period July 1, 2022 – June 30, 2023
BPU Docket No. _____

Dear Secretary Golden:

Rockland Electric Company (“the Company”) hereby submits the following tariff leaves in draft format proposing revisions to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the “Electric Tariff”).

Leaf No.
65A
65C

This filing is submitted in accordance with General Information Section No. 40 of the Electric Tariff which requires the submission of an annual filing to implement the reconciliation of the Conservation Incentive Program (“CIP”) Adjustment and to establish the CIP Adjustment in effect the following October 1.

For the twelve-month period ended June 2023, the Company has compared monthly actual distribution revenue to the monthly target distribution revenue for three established customer groups:

- Group A – Service Classification (“SC”) Nos. 1 and 3
- Group B – SC No. 2 – Secondary
- Group C – SC No. 2 – Primary

The resultant amount has been calculated using the methodology set forth in General Information Section No. 40 of the Electric Tariff.

The net distribution revenue shortfall for the twelve-month period ended June 2023 is \$2,237,636, including interest. Since the net distribution revenue shortfall is larger than the baseline amount determined by the BGS Savings Test, the Company will defer collection of \$319,921 of the total net distribution revenue shortfall for inclusion in its next CIP Adjustment

July 28, 2023

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filing.¹ The net of these two amounts is \$1,917,715. Adding to this the prior period net under-collection balance of \$293,029, including interest, results in a net shortfall of \$2,210,745. Customer group-specific CIP Adjustments as calculated in Appendix A have been determined to collect this shortfall over the twelve-month period commencing October 1, 2023 and are shown in the draft Electric Tariff leaves.

The Company has also made a change in the draft Electric Tariff leaves to remove references to SC No. 5 in General Information Section No. 40 since this SC was closed effective January 1, 2022, and all SC No. 5 customers were moved to SC No. 1.

Since the Company is proposing an increase to the Group A CIP Adjustment charge, a draft public hearing notice has been included with this filing as Appendix B.

Please note that the Company is making this filing solely in electronic form pursuant to the Board's directive in its Emergency Order dated March 19, 2020 in BPU Docket No. EO20030254.²

Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

¹ Such amounts will not accrue interest.

² *I/M/O The New Jersey Board of Public Utilities Response to the Covid-19 Pandemic for a Temporary Waiver of Requirements for Non-essential Obligations.*

GENERAL INFORMATION

No. 40 CONSERVATION INCENTIVE PROGRAM (“CIP”) ADJUSTMENT

Subject to an earnings test, the non-bypassable CIP Adjustment shall be applied to the kWh delivered under Service Classification (“SC”) Nos. 1, 2, ~~and 3, and 5~~. For CIP Adjustment purposes, the following customer groups have been established:

Group A – SC Nos. 1, ~~and 3, and 5~~
Group B – SC No. 2 – Secondary
Group C – SC No. 2 – Primary

The earnings test will compare the Company’s actual return on equity (“ROE”) to its allowed ROE from the most recently approved base rate filing. Should the actual ROE exceed the approved base rate filing ROE by 50 basis points or more, the CIP Adjustment surcharge or sur-credit shall not be allowed for the applicable program year.

The CIP Adjustment shall be based on the difference between actual revenue and allowed revenue based upon group specific Revenue Per Customer (“RPC”) targets for the twelve-month period ended June 30 of each year.

Actual Revenue shall be equal to the sum of billed distribution charge revenue (*i.e.*, customer charge revenue, distribution usage revenue, and distribution demand revenue). Actual Revenue will not include revenues derived from the CIP Adjustment.

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 65C
Superseding Revised Leaf No. 65C

GENERAL INFORMATION

No. 40 CONSERVATION INCENTIVE PROGRAM (“CIP”) ADJUSTMENT (Continued)

Each month, the Company will compare the monthly actual distribution revenue to the monthly target distribution revenue for each customer group. A carrying charge will be calculated on the deferred balance for any over-collection or under-collection. The carrying charge will be calculated in accordance with the Board’s Order dated October 21, 2008 in BPU Docket No. ER08060455.

Commencing July 31, 2022 and every July 31 thereafter, the Company will file to determine each customer group specific CIP Adjustment applicable for the 12-month period commencing October 1.

	CIP Adjustment (¢ per kWh)	
	Excluding SUT	Including SUT
Group A	<u>0.2430</u> (0.0270)	<u>0.2590</u> (0.0290)
Group B	<u>0.0810</u> 0.1870	<u>0.0860</u> 0.1990
Group C	<u>0.0620</u> 0.1200	<u>0.0660</u> 0.1280

ISSUED:

EFFECTIVE:

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Mahwah, New Jersey 07430

GENERAL INFORMATION

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	Excluding SUT	Including SUT
Group A	0.2430	0.2590
Group B	0.0810	0.0860
Group C	0.0620	0.0660

ISSUED:

EFFECTIVE:

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

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Determination of Surcharge/Credit

		<u>SC Nos. 1 and 3</u>	<u>SC No. 2 Secondary</u>	<u>SC No. 2 Primary</u>
Earnings Test - Pass or Fail			Pass	
Current Period (Over)/Under-Collection	(1)	\$2,132,397	\$75,450	\$29,789
Prior Period (Over) / Under-Collection	(2)	(71,648)	349,900	14,778
Amount to be Deferred for Future Disposition	(3)	<u>287,059</u>	<u>23,560</u>	<u>9,302</u>
	(4) =			
Total Period (Over)/Under Collection Target	(1) + (2) - (3)	\$1,773,689	\$401,790	\$35,265
Forecasted Sales	(5)	729,854,000	499,007,000	56,942,000
	(6) =			
Rate (\$/kWh), excluding SUT	(4) / (5)	0.00243	0.00081	0.00062
SUT	(7)	1.06625	1.06625	1.06625
	(8) =			
Rate (\$/kWh), including SUT	(6) * (7)	0.00259	0.00086	0.00066

Notes:

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023

Revenue Per Customer Factor - SC Nos. 1 and 3, Excluding SUT

<u>Month</u>	<u>Distribution Revenue (1)</u>	<u># of Customers</u>	<u>RPC Factor \$ / Customer</u>
July	\$6,130,125	64,503	95.04
August	6,338,514	64,601	98.12
September	5,220,163	64,599	80.81
October	3,619,124	64,996	55.68
November	3,094,730	64,911	47.68
December	3,662,361	64,872	56.46
January	3,904,149	64,903	60.15
February	3,542,915	64,769	54.70
March	3,052,896	61,803	49.40
April	3,032,073	64,643	46.90
May	3,130,113	64,550	48.49
June	4,611,800	64,548	71.45

Notes:

(1) Distribution Revenue is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER21058023.

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Revenue Per Customer Factor - SC No. 2 (Secondary) Excluding SUT

<u>Month</u>	<u>Distribution Revenue (1)</u>	<u># of Customers</u>	<u>RPC Factor \$ / Customer</u>
July	\$2,510,771	8,620	291.27
August	2,615,709	8,790	297.58
September	2,501,881	8,764	285.47
October	2,108,697	8,724	241.71
November	1,914,338	8,653	221.23
December	2,088,713	8,823	236.73
January	2,372,733	8,709	272.45
February	2,029,588	8,705	233.15
March	1,611,877	8,240	195.62
April	2,138,182	9,221	231.88
May	1,963,006	8,729	224.88
June	2,338,145	8,628	271.00

Notes:

- (1) Distribution Revenue is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER21058023.

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Revenue Per Customer Factor - SC No. 2 (Primary) Excluding SUT

<u>Month</u>	<u>Distribution Revenue (1)</u>	<u># of Customers</u>	<u>RPC Factor \$/ Customer</u>
July	\$284,738	77	3,697.89
August	256,961	78	3,294.38
September	274,420	77	3,563.90
October	244,868	87	2,814.58
November	229,777	83	2,768.40
December	219,960	77	2,856.63
January	218,891	80	2,736.14
February	209,591	80	2,619.89
March	213,018	78	2,731.00
April	216,573	94	2,303.97
May	217,328	81	2,683.06
June	258,124	80	3,226.55

Notes:

- (1) Distribution Revenue is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER21058023.

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Actual Annual Distribution Revenue (\$) Excluding SUT

Revenue for 12 ME June 30, 2023

SC Nos. 1 and 3	\$48,007,655
SC No. 2 Secondary	26,191,609
SC No. 2 Primary	<u>2,643,439</u>
Total	\$76,842,703

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Revenue Per Customer - SC Nos. 1 and 3 (Residential), Excluding SUT

	Actual	Actual Customer	Actual Avg	RPC Factor		Margin Variance	Cumulative	Interest	Interest	Margin Var.
Month	Dist Revenue	Count	Revenue / Customer	\$ / Customer (1)	Difference	(Over)/Under	Margin Variance	Rate	Net of Tax (2)	(Over)/Under
	(a)	(b)	(c) = (a)/(b)	(d)	(e) = (d) - (c)	(f) = (e)*(b)	(Over)/Under			with Interest
Beg. Balance										
Jul-22	\$6,013,291	65,067	\$92.42	\$95.04	\$2.62	170,476	170,476	3.44%	351	\$170,827
Aug-22	6,972,062	65,237	106.87	98.12	(8.75)	(570,824)	(400,348)	3.50%	(241)	(571,065)
Sep-22	5,967,701	66,116	90.26	80.81	(9.45)	(624,796)	(1,025,144)	4.11%	(1,755)	(626,551)
Oct-22	3,457,168	65,384	52.87	55.68	2.81	183,729	(841,415)	4.72%	(2,639)	181,090
Nov-22	2,831,105	65,404	43.29	47.68	4.39	287,124	(554,292)	5.14%	(2,149)	284,975
Dec-22	3,356,223	65,548	51.20	56.46	5.26	344,782	(209,509)	4.85%	(1,110)	343,673
Jan-23	3,586,334	65,612	54.66	60.15	5.49	360,210	150,701	5.00%	(88)	360,122
Feb-23	3,134,063	65,643	47.74	54.70	6.96	456,875	607,576	4.69%	1,065	457,941
Mar-23	3,148,777	65,692	47.93	49.40	1.47	96,567	704,143	5.49%	2,157	98,724
Apr-23	2,867,699	65,728	43.63	46.90	3.27	214,931	919,074	4.57%	2,222	217,153
May-23	2,888,569	65,718	43.95	48.49	4.54	298,360	1,217,433	4.74%	3,033	301,393
Jun-23	3,784,662	65,692	57.61	71.45	13.84	909,177	2,126,611	4.93%	4,938	914,116
	\$48,007,655								\$5,786	\$2,132,397

Notes:

(1) Details on Appendix A, Page 2

(2) Fed & State Income Tax Rate

Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = $1 / [(1 - 0.21) * (1 - 0.0900)]$	28.11%
Net of Tax	71.89%

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Revenue Per Customer - SC No. 2 (Secondary) Excluding SUT

Month	Actual Revenue (a)	Actual Customer Count (b)	Actual Avg Revenue / Customer (c) = (a)/(b)	RPC Factor \$ / Customer (1) (d)	Difference (e) = (d) - (c)	Margin Variance (Over)/Under (f) = (e) *(b)	Cumulative Margin Variance (Over)/Under	Interest Rate	Interest Net of Tax (2)	Margin Var. (Over)/Under with Interest
Beg. Balance										
Jul-22	\$2,479,219	8,702	\$284.90	\$291.27	\$6.37	\$55,432	55,432	3.44%	\$114	\$55,546
Aug-22	2,663,085	8,714	305.61	297.58	(8.03)	(69,973)	(14,542)	3.50%	43	(69,931)
Sep-22	2,643,074	8,715	303.28	285.47	(17.81)	(155,214)	(169,756)	4.11%	(227)	(155,441)
Oct-22	2,212,919	8,737	253.28	241.71	(11.57)	(101,087)	(270,843)	4.72%	(623)	(101,710)
Nov-22	1,973,658	8,739	225.84	221.23	(4.61)	(40,287)	(311,130)	5.14%	(896)	(41,183)
Dec-22	2,075,343	8,762	236.86	236.73	(0.13)	(1,139)	(312,269)	4.85%	(906)	(2,045)
Jan-23	2,079,890	8,759	237.46	272.45	34.99	306,477	(5,791)	5.00%	(476)	306,001
Feb-23	2,044,395	8,764	233.27	233.15	(0.12)	(1,052)	(6,843)	4.69%	(18)	(1,069)
Mar-23	2,045,964	8,776	233.13	195.62	(37.51)	(329,188)	(336,031)	5.49%	(564)	(329,752)
Apr-23	1,977,170	8,777	225.27	231.88	6.61	58,016	(278,015)	4.57%	(841)	57,175
May-23	1,910,352	8,787	217.41	224.88	7.47	65,639	(212,376)	4.74%	(696)	64,943
Jun-23	2,086,540	8,781	237.62	271.00	33.38	293,110	80,734	4.93%	(194)	292,915
	\$26,191,609								(\$5,284)	\$75,450

Notes:

(1) Details on Appendix A, Page 3

(2) Fed & State Income Tax Rate

Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = 1 / [(1 - 0.21) * (1 - 0.0900)]	28.11%
Net of Tax	71.89%

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023**

Revenue Per Customer - SC No. 2 (Primary) Excluding SUT

<u>Month</u>	<u>Actual Revenue</u> (a)	<u>Actual Customer Count</u> (b)	<u>Actual Avg Revenue / Customer</u> (c) = (a)/(b)	<u>RPC Factor \$ / Customer (1)</u> (d)	<u>Difference</u> (e) = (d) - (c)	<u>Margin Variance (Over)/Under</u> (f) = (e) *(b)	<u>Cumulative Margin Variance (Over)/Under</u>	<u>Interest Rate</u>	<u>Interest Net of Tax (2)</u>	<u>Margin Var. (Over)/Under with Interest</u>
Beg. Balance										
Jul-22	\$243,668	76	\$3,206.16	\$3,697.89	\$491.73	\$37,371	37,371	3.44%	\$77	\$37,448
Aug-22	263,102	76	3,461.87	3,294.38	(167.49)	(12,729)	24,642	3.50%	65	(12,664)
Sep-22	252,707	76	3,325.09	3,563.90	238.81	18,150	42,792	4.11%	83	18,233
Oct-22	220,043	76	2,895.30	2,814.58	(80.72)	(6,135)	36,657	4.72%	112	(6,022)
Nov-22	208,237	76	2,739.96	2,768.40	28.44	2,161	38,819	5.14%	116	2,278
Dec-22	220,376	76	2,899.68	2,856.63	(43.05)	(3,272)	35,547	4.85%	108	(3,164)
Jan-23	202,994	76	2,670.98	2,736.14	65.16	4,952	40,499	5.00%	114	5,066
Feb-23	202,436	75	2,699.15	2,619.89	(79.26)	(5,945)	34,554	4.69%	105	(5,839)
Mar-23	196,390	75	2,618.54	2,731.00	112.46	8,435	42,989	5.49%	128	8,562
Apr-23	213,697	75	2,849.29	2,303.97	(545.32)	(40,899)	2,090	4.57%	62	(40,837)
May-23	194,499	75	2,593.32	2,683.06	89.74	6,730	8,820	4.74%	15	6,746
Jun-23	225,290	76	2,964.34	3,226.55	262.21	19,928	28,748	4.93%	55	19,983
	\$2,643,439								\$1,041	\$29,789

Notes:

(1) Details on Appendix A, Page 4

(2) Fed & State Income Tax Rate

Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = 1 / [(1 - 0.21) * (1 - 0.0900)]	28.11%
Net of Tax	71.89%

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023

Prior Period Reconciliation

Group A - SC Nos. 1 and 3 (Residential)

	CIP Recoveries	Net Balance	Average Balance	Interest Rate (Annual)	Interest Rate (Monthly)	Interest (Net of Tax)	YTD Interest	YTD Balance including Interest
Starting Balance		(\$182,604)						
Oct-22	(\$6,303)	(176,301)	(\$179,452)	4.72%	0.39%	(\$507)	(\$507)	
Nov-22	(11,856)	(164,445)	(170,373)	5.14%	0.43%	(525)	(1,032)	
Dec-22	(14,371)	(150,074)	(157,259)	4.85%	0.40%	(457)	(1,489)	
Jan-23	(15,480)	(134,594)	(142,334)	5.00%	0.42%	(426)	(1,915)	
Feb-23	(13,320)	(121,274)	(127,934)	4.69%	0.39%	(359)	(2,275)	
Mar-23	(13,369)	(107,905)	(114,589)	5.49%	0.46%	(377)	(2,652)	
Apr-23	(12,029)	(95,876)	(101,890)	4.57%	0.38%	(279)	(2,931)	
May-23	(12,132)	(83,743)	(89,810)	4.74%	0.40%	(255)	(3,186)	
Jun-23	(15,505)	(68,238)	(75,991)	4.93%	0.41%	(224)	(3,410)	<u>(\$71,648)</u>

Group B - SC No. 2 (Secondary)

	CIP Recoveries	Net Balance	Average Balance	Interest Rate (Annual)	Interest Rate (Monthly)	Interest (Net of Tax)	YTD Interest	
Starting Balance		\$918,630						
Oct-22	23,445	895,185	\$906,907	4.72%	0.39%	\$2,564	\$2,564	
Nov-22	64,853	830,332	\$862,759	5.14%	0.43%	2,657	5,221	
Dec-22	74,464	755,868	\$793,100	4.85%	0.40%	2,304	7,526	
Jan-23	74,911	680,957	\$718,413	5.00%	0.42%	2,152	9,677	
Feb-23	72,529	608,428	\$644,693	4.69%	0.39%	1,811	11,489	
Mar-23	72,789	535,638	\$572,033	5.49%	0.46%	1,881	13,370	
Apr-23	67,947	467,691	\$501,665	4.57%	0.38%	1,373	14,744	
May-23	64,191	403,500	\$435,596	4.74%	0.40%	1,237	15,981	
Jun-23	70,668	332,832	\$368,166	4.93%	0.41%	1,087	17,068	<u>\$349,900</u>

Group C - SC No. 2 (Primary)

	CIP Recoveries	Net Balance	Average Balance	Interest Rate (Annual)	Interest Rate (Monthly)	Interest (Net of Tax)	YTD Interest	
Starting Balance		\$69,395						
Oct-22	2,043	67,353	\$68,374	4.72%	0.39%	\$193	\$193	
Nov-22	6,168	61,185	\$64,269	5.14%	0.43%	\$198	391	
Dec-22	7,387	53,797	\$57,491	4.85%	0.40%	\$167	558	
Jan-23	6,726	47,071	\$50,434	5.00%	0.42%	\$151	709	
Feb-23	6,677	40,394	\$43,733	4.69%	0.39%	\$123	832	
Mar-23	6,532	33,862	\$37,128	5.49%	0.46%	\$122	954	
Apr-23	6,857	27,006	\$30,434	4.57%	0.38%	\$83	1,038	
May-23	6,134	20,871	\$23,938	4.74%	0.40%	\$68	1,106	
Jun-23	7,250	13,621	\$17,246	4.93%	0.41%	\$51	1,157	<u>\$14,778</u>

(1) Fed & State Income Tax Rate	
Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = 1 / [(1 - 0.21) * 0.91]	28.11%
Net of Tax	71.89%

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023
Recovery Tests**

Determine Weather and Non-Weather CIP Impacts

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
SC Nos. 1, and 3	(\$720,928)	\$2,853,324	\$2,132,397
SC No. 2 Secondary	(158,735)	234,185	75,450
SC No. 2 Primary	(62,672)	<u>92,462</u>	<u>29,789</u>
Total Deficiency/(Credit)	(\$942,335)	\$3,179,971	\$2,237,636

Step 2: Apply Modified BGSS Savings Test

A. Non-weather Impact Subject to Modified BGS Savings Test

Non-Weather Impact	\$3,179,971
75% Factor	<u>75%</u>
Subtotal	\$2,384,978
Prior Year Carry-Forward (Modified BGSS Savings Test)	\$0
Non-weather Impact Subject to Test	\$2,384,978

B. BGS Savings

Permanent Capacity Savings	\$1,869,881
Additional Capacity BGS Savings	76,579
Avoided Cost BGS Savings	<u>198,578</u>
Total BGS Savings	\$2,145,037

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$2,860,050
Non-Weather Impacts Passing Test (prior year carry-forward)	\$0
Non-Weather Impacts Exceeding Test	\$0

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023
Recovery Tests**

Step 3: Apply Variable Margin Revenue Test

A. Non-weather Impact Subject to Variable Margin Revenue Test

Non-Weather Impact	\$3,179,971
Prior Year Carry-Forward (Variable Margin Revenue Test)	0
Non-weather Impact Subject to Test	\$3,179,971

B. Variable Margin Revenues

Variable Margin Revenues	\$76,842,703
Recovery Limitation	6.5%
Total Fixed Recovery Cap	\$4,994,776

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$3,179,971
Non-Weather Impacts Passing Test (prior year carry-forward)	\$0
Non-Weather Impacts Exceeding Test	\$0

Step 4: Determine Recoverable Non-Weather CIP Impacts

A. Current Year Accrual Recoverable Non-Weather Impacts

Amount Passing Modified BGSS Savings Test	\$2,860,050	
Amount Passing Variable Margin Revenue Test	\$3,179,971	
Recoverable Amount		\$2,860,050

B. Previous Carry-Forward Recoverable Amounts

Amount Passing Modified BGSS Savings Test		\$0
Amount Passing Variable Margin Revenue Test	\$0	
Deduction for any amount also included in above	0	
		\$0

Total Non-Weather Recoverable CIP Amount **\$2,860,050**

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023
Recovery Tests

Allocation of Recoverable Non-Weather CIP Amounts	Total Non-Weather Related		\$3,179,971
SC Nos. 1, and 3	\$2,853,324	89.7%	
SC No. 2 Secondary	\$234,185	7.4%	
SC No. 2 Primary	<u>\$92,462</u>	2.9%	
	\$3,179,971		
Allowed Amount to Recover in Current Period	\$2,860,050		
To Be Recovered in a Future Period	\$319,921		
Allocation of Future Recoverable Amount			
SC Nos. 1, and 3	\$287,059		
SC No. 2 Secondary	\$23,560		
SC No. 2 Primary	\$9,302		

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023
Weather Normalization Calculation**

SC Nos. 1, and 3

	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	CDD CONSUMPTION FACTOR	COOLING kWh	TOTAL kWh	MARGIN FACTOR	MARGIN IMPACT	Jul22-Jun23 ACTUAL BILLED SALES (KWh)	2023 Budget CDD COEFFICIENT	2023 Budget HDD COEFFICIENT
Jul-22	0	0	0	27,987	0	399	367	(32)	144,858	(4,577,519)	(4,577,519)	\$0.0819	(\$375,119)	86,379,374	0.000559	0.000108
Aug-22	0	0	0	32,372	0	467	510	43	167,556	7,280,298	7,280,298	\$0.0819	\$596,607	99,913,998		
Sep-22	0	1	1	27,519	15,686	400	436	36	142,437	5,127,745	5,143,431	\$0.0819	\$421,495	84,935,811		
Oct-22	37	74	37	16,684	614,809	195	132	(63)	86,356	(5,444,723)	(4,829,914)	\$0.0775	(\$374,472)	51,494,117		
Nov-22	229	181	(49)	14,113	(686,478)	36	44	8	73,050	602,664	(83,814)	\$0.0711	(\$5,956)	43,560,040		
Dec-22	544	520	(24)	17,119	(412,400)	0	16	16	88,607	1,423,034	1,010,634	\$0.0711	\$71,812	52,836,805		
Jan-23	741	690	(50)	18,426	(927,728)	0	0	0	95,369	0	(927,728)	\$0.0711	(\$65,921)	56,869,066		
Feb-23	815	604	(211)	15,852	(3,338,293)	0	0	0	82,049	0	(3,338,293)	\$0.0711	(\$237,208)	48,926,221		
Mar-23	724	605	(119)	15,927	(1,888,905)	0	0	0	82,435	0	(1,888,905)	\$0.0711	(\$134,220)	49,156,432		
Apr-23	478	395	(83)	14,328	(1,191,116)	2	15	13	74,162	999,710	(191,406)	\$0.0711	(\$13,601)	44,223,310		
May-23	210	172	(38)	14,445	(550,941)	38	42	4	74,767	280,378	(270,563)	\$0.0711	(\$19,225)	44,584,008		
Jun-23	36	29	(7)	18,470	(130,586)	180	101	(80)	95,602	(7,623,292)	(7,753,878)	\$0.0755	(\$585,119)	57,007,667		
TOTAL	3,814	3,270	-543		-8,495,952	1,717	1,663	(53)		-1,931,705	(10,427,657)		(\$720,928)	719,886,849		

SC No. 2

	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	CDD CONSUMPTION FACTOR	COOLING kWh	TOTAL kWh	MARGIN FACTOR	MARGIN IMPACT	Jul22-Jun23 ACTUAL BILLED SALES (KWh)	2023 Budget CDD COEFFICIENT	2023 Budget HDD COEFFICIENT
Jul-22	0	0	0	9,597	0	399	367	(32)	12,227	(386,379)	(386,379)	\$0.0510	(\$19,701)	45,118,813	0.000271	0.0000709
Aug-22	0	0	0	10,429	0	467	510	43	13,288	577,364	577,364	\$0.0510	\$29,440	49,033,228		
Sep-22	0	1	1	10,330	5,888	400	436	36	13,161	473,814	479,702	\$0.0510	\$24,460	48,566,370		
Oct-22	37	74	37	8,228	303,193	195	132	(63)	10,483	(660,949)	(357,756)	\$0.0488	(\$17,456)	38,682,417		
Nov-22	229	181	(49)	7,727	(375,846)	36	44	8	9,845	81,222	(294,624)	\$0.0456	(\$13,427)	36,328,611		
Dec-22	544	520	(24)	8,537	(205,655)	0	16	16	10,877	174,682	(30,972)	\$0.0456	(\$1,412)	40,136,016		
Jan-23	741	690	(50)	8,540	(430,003)	0	0	0	10,881	0	(430,003)	\$0.0456	(\$19,597)	40,151,793		
Feb-23	815	604	(211)	8,267	(1,740,958)	0	0	0	10,533	0	(1,740,958)	\$0.0456	(\$79,343)	38,867,177		
Mar-23	724	605	(119)	8,290	(983,169)	0	0	0	10,562	0	(983,169)	\$0.0468	(\$46,003)	38,974,087		
Apr-23	478	395	(83)	7,745	(643,874)	2	15	13	9,868	133,025	(510,848)	\$0.0468	(\$23,903)	36,414,592		
May-23	210	172	(38)	7,315	(278,990)	38	42	4	9,320	34,950	(244,041)	\$0.0468	(\$11,419)	34,390,692		
Jun-23	36	29	(7)	8,060	(56,983)	180	101	(80)	10,269	(818,843)	(875,825)	\$0.0491	(\$43,045)	37,892,656		
TOTAL	3,814	3,270	-543		-4,406,397	1,717	1,663	(53)		-391,115	(4,797,512)		(\$221,407)	484,556,452		

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023
CIP BGS Savings**

I. Permanent BGS Savings

Year	WN Summer Peak	Final Zonal UCAP Obligation	Zonal Net Load Price \$/MW-Day	Zonal Net Load Price \$/kW-yr
2011/2012	407	482	\$116.15	\$42.42
2012/2013	409	458	\$143.06	\$52.25
2013/2014	404	459	\$248.30	\$90.69
2014/2015	402	460	\$137.54	\$50.24
2015/2016	400	466	\$166.53	\$60.83
2016/2017	401	441	\$163.27	\$59.63
2017/2018	400	436	\$153.74	\$56.15
2018/2019	408	451	\$218.98	\$79.98
2019/2020	404	456	\$115.58	\$42.22
2020/2021	398	453	\$174.32	\$63.67
		-2.2%	-6.1%	

Permanent Capacity Savings	29
2021 RE Zonal Net Load Capacity Cost per kW-year	\$63.67
Total Permanent Reductions	\$1,869,881

II. Additional Capacity BGS Savings

CIP Recovery

Year	WN Summer Peak	Final Zonal UCAP Obligation	Zonal Net Load Price \$/MW-Day
2020/2021	398	453	\$63.67
2022/2023	411	451	\$35.77

Incremental Capacity Savings*	2
RECO Zonal Net Load Capacity Cost per kW-year	\$35.77
Total Additional Capacity Reductions	\$76,579

*Due to the potential for Peak increase due to Electric Vehicles and Electrification, incremental savings is set as a minimum of the incremental obligation savings or zero.

III. Avoided Capacity

<u>CIP Recovery Yr</u>	<u>Annual \$</u>
2022/2023	\$198,578

IV. Total of all Savings

	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	Annual \$
CIP Recovery Yr 2022/2023	\$1,869,881	\$76,579	\$198,578	\$2,145,037

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023
Avoided Capacity Cost BGS Savings**

Month	Customer Count (Base) (a)	Customer Count (Current) (b)	Net Customer Count (c) = (b) - (a)	UCAP / Customer (kW) (Base) (d)	Cap Rate / Cust. (\$/kW) (Current) (e)	Avoided Capacity (f) = (c) * (d) * (e)
SC Nos. 1 and 3						
July	64,503	65,067	564	5.69	\$2.98	\$9,569
August	64,601	65,237	636	5.69	2.98	10,778
September	64,599	66,116	1,517	5.68	2.98	25,703
October	64,996	65,384	388	5.71	2.98	6,601
November	64,911	65,404	493	5.70	2.98	8,378
December	64,872	65,548	676	5.70	2.98	11,486
January	64,903	65,612	709	5.70	2.98	12,040
February	64,769	65,643	874	5.69	2.98	14,830
March	61,803	65,692	3,889	5.69	2.98	65,954
April	64,643	65,728	1,085	5.69	2.98	18,414
May	64,550	65,718	1,168	5.69	2.98	19,816
June	<u>64,548</u>	<u>65,692</u>	<u>1,144</u>	5.69	2.98	<u>19,410</u>
	64,475	65,570	1,095			\$222,978
SC No. 2 - Secondary						
July	8,620	8,702	82	17.29	\$2.98	\$4,226
August	8,790	8,714	(76)	17.29	2.98	(3,916)
September	8,764	8,715	(49)	17.30	2.98	(2,527)
October	8,724	8,737	13	17.32	2.98	671
November	8,653	8,739	86	17.28	2.98	4,429
December	8,823	8,762	(61)	17.26	2.98	(3,139)
January	8,709	8,759	50	17.26	2.98	2,573
February	8,705	8,764	59	17.27	2.98	3,038
March	8,240	8,776	536	17.28	2.98	27,611
April	9,221	8,777	(444)	17.30	2.98	(22,901)
May	8,729	8,787	58	17.29	2.98	2,989
June	<u>8,628</u>	<u>8,781</u>	<u>153</u>	17.29	2.98	<u>7,884</u>
	8,717	8,751	34			\$20,938
SC No. 2 - Primary						
July	77	76	(1)	230.21	\$2.98	(\$686)
August	78	76	(2)	230.21	2.98	(1,372)
September	77	76	(1)	233.20	2.98	(695)
October	87	76	(11)	236.27	2.98	(7,747)
November	83	76	(7)	236.27	2.98	(4,930)
December	77	76	(1)	236.27	2.98	(704)
January	80	76	(4)	239.42	2.98	(2,854)
February	80	75	(5)	242.66	2.98	(3,616)
March	78	75	(3)	242.66	2.98	(2,170)
April	94	75	(19)	239.42	2.98	(13,559)
May	81	75	(6)	236.27	2.98	(4,225)
June	<u>80</u>	<u>76</u>	<u>(4)</u>	233.20	2.98	<u>(2,780)</u>
	81	76	(5)			(\$45,339)
Total Avoided Capacity Cost BGS Savings						\$198,578

Base Year Unforced capacity is equal to the 2017/2018 Unforced capacity from PJM by rate schedule divided by number of customers

Current Year Capacity rate is the current year RE Zonal Net Load Price \$/kW-yr divided by 12

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2023

Earnings Test
(\$000s)

(1)	Equity Base for Earnings Test **	\$131,621
(2)	Allowed ROE*	9.6%
(3)	ROE Limit buffer	0.5%
(4) = (2) + (3)	Maximum ROE	10.1%
(5)	Actual Net Income **	\$12,812
(6) = (5) / (1)	ROE for Earnings Test	9.73%
(7) = If (4) > (6), Pass else Fail	Earnings Test Pass / Fail	Pass

* ROE as approved in BPU Docket No. ER21050823

** Distribution related net income adjusted for interest synchronization, CIP adjustment.

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**NOTICE TO ROCKLAND ELECTRIC
COMPANY CUSTOMERS**

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

**In the Matter of the Rockland Electric Company’s Annual Conservation Incentive
Program – Reconciliation for the Period July 1, 2022 – June 30, 2023**

BPU Docket No. _____

PLEASE TAKE NOTICE that on July 28, 2023, Rockland Electric Company (“RECO” or “Company”) made its Annual Compliance Filing with the New Jersey Board of Public Utilities (“Board”) to determine the Conservation Incentive Program (“CIP”) adjustment rate (“CIP Adjustment”) to become effective on October 1, 2023 (“Filing”). The CIP Adjustment allows the Company to recover lost revenues resulting from the potential decrease in customer usage resulting from the Company-run energy efficiency programs. A CIP Adjustment is subject to the Company passing an earnings test. The CIP Adjustment is also subject to Basic Generation Service (“BGS”) savings tests that require the Company to achieve offsetting savings in BGS costs as a condition of recovering lost revenues.

For the period July 1, 2022 through June 30, 2023, the Filing states that the Company has passed its earnings test and has determined the following customer groups specific CIP Adjustments; both excluding and including New Jersey Sales and Use Tax (“SUT”). The Filing states that the amount of revenue to be collected through the CIP Adjustment includes a deferral of revenues to be collected for the 12-month period commencing October 1, 2023 due to the application of the savings tests. The following chart summarizes the net amount to be surcharged to customers for the 12-month period commencing October 1, 2023, the current CIP Adjustment rates and the proposed CIP Adjustment rates.

SCs	Current Rate (Excl SUT) ¢/kWh	Current Rate (Inc SUT) ¢/kWh	Amount to be Collected/(Refunded)	Proposed Rate (Excl SUT) ¢/kWh	Proposed Rate (Inc SUT) ¢/kWh
1 and 3	(0.0270)	(0.0290)	\$1,773,689	0.2430	0.2590
2 – Secondary	0.1870	0.1990	\$401,790	0.0810	0.0860
2 – Primary	0.1200	0.1280	\$35,265	0.0620	0.0660

Based upon RECO’s Filing, the statewide average residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, would see a increase of \$22.44 in the annual bill from \$1,551.48 to \$1,573.92, or approximately 1.45%. Commercial customers would see decreases in their bills. The percentage change applicable to specific customers will vary according to the applicable service classification and the level of the customer’s usage.

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The effect of the proposed changes in the CIP Adjustment on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service				
Typical Average Monthly Bill				
(Includes SUT)				
			Decrease	
	Present Charges (1)	Proposed Charges (2)	Amount	Percent
650 kWh average monthly use	\$129.29	\$131.16	\$1.87	1.45
925 kWh average monthly use	\$188.17	\$190.84	\$2.67	1.42
1,500 kWh average monthly use	\$311.09	\$315.40	\$4.31	1.39

- (1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect August 1, 2023 and assumes that the customer receives BGS-RSCP service from RECO.
(2) Same as (1) except includes change in the CIP Adjustment.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the CIP Adjustments at levels it finds just and reasonable. Therefore, the Board may establish the CIP Adjustments at levels other than those proposed by RECO. As a result, the described charges may increase or decrease based upon the Board's decision. The Company's filing is available for review at the RECO's website at: [TBD](#)

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, virtual public hearings have been scheduled on the following date and time(s) so that members of the public may present their views on the Filing.

Date: MM, DD, YYYY

Times: 4:30 PM and 5:30 PM

Join by meeting number via WebEx:

Go To www.webex.com and choose "Join a Meeting" at the top of the web page.

When prompted, use Meeting number TBD to access the meeting

-or-

Join by phone:

Dial (866) 499-4146 (United States Toll Free)

When prompted, use meeting number TBD to access the meeting. If prompted to provide an attendee ID, you may choose the option in the prompts to allow you to skip this step.

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing

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the link or the dial-in information set forth above and may express their views on the Filing. Any comments made will be part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening devices, 48 hours prior to the above hearings to the Board's Acting Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search Tool (<https://publicaccess.bpu.state.nj.us/>). Search for the specific docket listed above, and then post the comment by utilizing the "Post Comments" button. Emailed comments may be filed with the Secretary of the Board, in PDF or Word format, to board.secretary@bpu.nj.gov.

Written comments may be submitted to the Secretary of the Board, Sherri L. Golden, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, NJ 08625-0350. All mailed or emailed comments should include the name of the petition and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

ROCKLAND ELECTRIC COMPANY