



Agenda Date: 7/24/24
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF ROCKLAND ELECTRIC)
COMPANY’S ANNUAL CONSERVATION INCENTIVE)
PROGRAM FILING - RECONCILIATION FOR THE)
PERIOD JULY 1, 2022- JUNE 30, 2023)
DECISION AND ORDER
ADOPTING STIPULATION
DOCKET NO. ER23070471

Parties of Record:

Margaret Comes, Esq., Associate Counsel, for Rockland Electric Company
Brian Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 28, 2023, Rockland Electric Company (“RECO” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval of adjustments to the Company’s electric Conservation Incentive Program (“CIP”) customer class rates to account for lost sales revenue resulting from the potential decrease in customer energy usage (“July 2023 CIP Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by RECO, the New Jersey Division of Rate Counsel and Board Staff (collectively, “Parties”) recommending revision of the Company’s CIP rates, subject to refund with interest.

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 (“RGGI Act”) was signed into law. The RGGI Act includes findings that energy efficiency (“EE”) and conservation measures are essential elements of the state’s energy future, and that greater reliance on EE and conservation will provide significant benefits to the citizens of New Jersey.¹

Pursuant to Section 13 of the RGGI Act, an electric or gas public utility may provide and invest in EE and conservation programs in its service territory.² Upon Board approval, EE and conservation programs may be eligible for rate treatment, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas.³ Ratemaking treatment may include placing appropriate technology and program cost investments

¹ N.J.S.A. 26:2C-45.

² The RGGI Act is codified at N.J.S.A. 48:3-98.1(a)(1).

³ N.J.S.A. 48:3-98.1(b).

in the utility's rate base or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board including, but not limited to, the Societal Benefits Charge established pursuant to Section 12 of L. 1999, c. 23.⁴ An electric or gas utility seeking cost recovery for any EE and conservation programs must file a petition with the Board.⁵

On May 23, 2018, Governor Murphy signed L. 2018, c. 17, codified at N.J.S.A. 48:3-87.8 et al., into law ("Clean Energy Act" or "CEA"). The CEA calls for aggressive energy reduction, greater emphasis on the importance of EE and peak demand reduction ("PDR"), and requires the Board to adopt an EE program, "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities."⁶ The CEA calls upon New Jersey's electric and gas public utilities to increase the delivery of EE and PDR programs to customers via the reduction of electricity and natural gas usage.⁷

On the same day, Governor Murphy issued Executive Order 28 ("EO 28"), directing the Board to create a new Energy Master Plan ("EMP"). The EMP's goal was to "provide a comprehensive blueprint for the total conversion of the State's energy production profile to 100% clean energy sources on or before January 1, 2050" as well as "provide specific proposals to be implemented over the next ten (10) years in order to achieve the January 1, 2050 goal."⁸

By Order dated June 9, 2021, the Board authorized RECO to implement initiatives to further customer conservation efforts, as well as implement a modified CIP to account for lost sales revenue resulting from the potential decrease in customer energy usage.⁹

July 2023 CIP Petition

Pursuant to the June 2021 Order, in the July 2023 CIP Petition, RECO sought Board approval to modify its CIP customer class rates for the reconciliation period of July 1, 2022 through June 30, 2023. In the July 2023 Petition, RECO indicated that the Company passed the Earnings Test allowing for the class-specific CIP Adjustments.

In the July 2023 CIP Petition, the Company claimed that its net distribution revenue shortfall for the twelve (12)-month period ending June 30, 2023 was \$2,237,636, including interest. However, since the net distribution revenue shortfall was larger than the baseline amount determined by the Basic Generation Service Savings Test, the Company indicated that it would defer collection of \$319,921 of the total net distribution revenue shortfall for inclusion in its next CIP filing. The net of these two (2) 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.

⁴ N.J.S.A. 48:3-60.

⁵ N.J.S.A. 48:3-98.1(b).

⁶ N.J.S.A. 48:3-87(g).

⁷ N.J.S.A. 48:3-87.9(a).

⁸ Exec. Order No. 28 (May 23, 2018).

⁹ In re the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. EO20090623, Order dated June 9, 2021 ("June 2021 Order").

The July 2023 CIP Petition stated that the Company determined the following customer group specific CIP adjustments:

Customer Group	SCs	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	\$1,773,690	0.243	0.259
B	2 – Secondary	\$401,790	0.081	0.086
C	2 -Primary	\$35,265	0.062	0.066

Following publication of notice in newspapers of general circulation within RECO's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on June 13, 2024. No members of the public attended the public hearings. Additionally, no written comments have been filed with the Board.

STIPULATION

Following a review of the July 2023 CIP Petition, the Parties executed the Stipulation, which provides for the following:¹⁰

1. The Parties agree that on or before July 31, 2024, the Company will file its next CIP Adjustment for the twelve (12)-month period commencing October 1, 2024, based on an initial deferral period of July 1, 2023 through June 30, 2024.
2. The Parties further agree that, as set out in Appendix A to the Stipulation, the customer group specific CIP Adjustment is as follows:

Customer Group	SCs	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	\$1,773,690	0.243	0.259
B	2 – Secondary	\$401,790	0.081	0.086
C	2 -Primary	\$35,265	0.062	0.066

3. Attached to the Stipulation is Appendix A, which includes the supporting schedules.
4. Also attached to the Stipulation is Appendix B, which contains the proposed tariff pages for the CIP Adjustment.
7. The monthly impact of the CIP Adjustment on an average residential customer using 808 kWh per summer month, and 7,800 kWh annually, is an increase of \$1.87 from \$151.83 to \$153.70, or approximately 1.23%.

¹⁰ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

DISCUSSION AND FINDING

Having reviewed this matter to date, including the July 2023 CIP Petition, and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as through fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY AUTHORIZES** RECO to implement the CIP rates as reflected in the Stipulation for rates effective August 1, 2024. Based upon the Stipulation, an average residential customer will experience an increase of \$1.87 on their monthly bill.

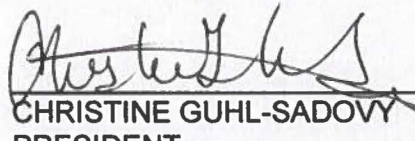
Accordingly, the Board **HEREBY ORDERS** RECO to file revised tariff sheets conforming to the terms of the Stipulation by August 1, 2024.


The Company's costs, including those related to the CIP, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on July 31, 2024.

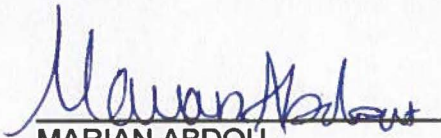
DATED: July 24, 2024

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT



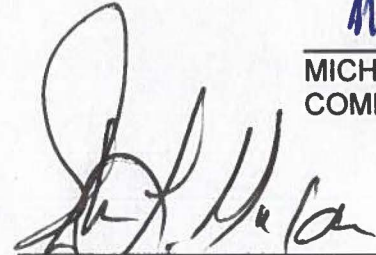
DR. ZENON CHRISTODOLOU
COMMISSIONER



MARIAN ABDOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST: 

SHERRI L. GOLDEN
SECRETARY

IN THE MATTER OF ROCKLAND ELECTRIC COMPANY'S ANNUAL CONSERVATION
INCENTIVE PROGRAM FILING - RECONCILIATION FOR THE PERIOD JULY 1, 2022- JUNE
30, 2023 (2023 RECO ELECTRIC CIP RATE FILING)

DOCKET NO. ER23070471

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Rockland Electric Company

Margaret Comes
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July 11, 2024

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th 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. ER23070471
FILING OF CORRECTED STIPULATION of SETTLEMENT

Dear Secretary Golden:

On behalf of Rockland Electric Company (“RECO” or “the Company”), I submit for filing this corrected Stipulation of Settlement in the above matter.

On July 10, 2024, I filed a Stipulation of Settlement in the above matter, which was signed by the parties on July 10, 2024.

Today, July 11, 2024, the parties noted an error in the Stipulation, which has been corrected, and the parties have re-executed the corrected Stipulation of Settlement.

Therefore, I am now filing the corrected Stipulation of Settlement signed by the parties today, July 11, 2024.

Respectfully submitted,


Margaret Comes

c: email service list

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

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

**STIPULATION OF
SETTLEMENT**

BPU Docket No. ER23070471

Margaret Comes, Esq., Associate Counsel, for Rockland Electric Company

Maura Caroselli, Esq., Deputy Rate Counsel, **Megan Lupo, Esq.**, and **Mamie W. Purnell, Esq.**, Assistant Deputies Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Director**)

Meliha Arnautovic, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin, Attorney General of New Jersey**)

TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED 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”) (collectively, “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.

PROCEDURAL HISTORY

On September 25, 2020, RECO filed a verified petition proposing a portfolio of Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs targeted at the Company’s residential, commercial and industrial (“C&I”), and multi-family customer sectors at a cost of approximately \$18,009,216 over a three-year implementation period beginning July 1, 2021 through June 30, 2024 (“EE Program”) (“September 2020 Petition”).

As part of the September 2020 Petition, RECO also sought Board approval of a modified electric Conservation Incentive Program (“CIP”) calculation methodology to recover a portion of the Company’s revenues that may be lost as a result of the implementation of the EE Program and the related decrease in energy sales. On May 28, 2021, the Parties entered into a stipulation of settlement (“May 2021 Stipulation”) that was approved by the Board on June 9, 2021.¹ In the May 2021 Stipulation, the parties agreed that RECO may implement a modified CIP to account for lost sales revenue resulting from the potential decrease in customer energy usage. The Company agreed to submit its first CIP cost recovery filing on or before July 31, 2022, with rates proposed to be effective October 1, 2022, based on an initial deferral period of July 1, 2021 through June 30, 2022.

Pursuant to the May 2021 Stipulation, on July 29, 2022, RECO filed a petition to establish the Company’s CIP Adjustments applicable for the 12-month period commencing October 1, 2022 (“2022 Filing”). The 2022 Filing also included revised revenue per customer (“RPC”) targets based on the Company’s most recent base rate filing which was approved pursuant to an Order dated December 15, 2021 in Docket No. ER21050823. According to the 2022 Filing, the revised CIP RPC targets were applicable commencing January 1, 2022.²

The Parties entered into a Stipulation of Settlement for a Provisional CIP rate (“Provisional Rate Stipulation”), which was approved by the Board on September 28, 2022 for rates effective

¹ In re the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. EO20090623, June 9, 2021.

² The class-specific monthly targets used in the calculation of the (over)/under recovery for the period July 1, 2021 through December 31, 2021 were the targets approved in the May 2021 Stipulation.

October 1, 2022.³ The Board subsequently issued an order on June 29, 2023 approving the Provisional CIP rates on a final basis.⁴

Pursuant to the May 2021 Stipulation, on July 28, 2023, RECO filed a petition to establish the Company's CIP Adjustments applicable for the 12-month period commencing October 1, 2023 ("2023 Filing"). The 2023 Filing included an Appendix A, a copy of which is attached to this Stipulation, setting forth the Company's calculation of the CIP Adjustment for the reconciliation period of July 1, 2022 through June 30, 2023. In the 2023 Filing, RECO stated that the Company passed the Earnings Test allowing for the class-specific CIP Adjustments. The 2023 Filing also states that the Company's net distribution revenue shortfall for the 12-month period was \$2,237,636, including interest (\$2,132,397 from Customer Group A, \$75,450 from Customer Group B, and \$29,789 from Customer Group C);⁵ however, since the net distribution revenue shortfall was larger than the baseline amount determined by the Basic Generation Service Savings Test, the Company would defer collection of \$319,921 (\$287,059 from Customer Group A, \$23,560 from Customer Group B, and \$9,302 from Customer Group C) of the total net distribution revenue shortfall for inclusion in its next CIP Adjustment filing. The net of these two amounts is \$1,917,715. Adding to this net dollar amount the prior period net under-collection balance of \$293,030 ((\$71,648) from Customer Group A, \$349,900 from Customer Group B, and \$14,778 from Customer Group C), including interest, results in a net shortfall of \$2,210,745 (a total of \$1,773,689 from Customer Group A, \$401,790 from Customer Group B, and \$35,265 from

³ In re the Petition of Rockland Electric Company's Annual Conservation Incentive Program Filing – Reconciliation for the Period July 1, 2021 – June 30, 2022, Docket No. EO22070469, September 28, 2022 (October 2022 Order).

⁴ In re the Petition of Rockland Electric Company's Annual Conservation Incentive Program Filing – Reconciliation for the Period July 1, 2021 – June 30, 2022, Docket No. EO22070469, Decision and Order Approving Stipulation for Final Rates dated June 29, 2023.

⁵ Customer Group A is Service Class No. 1 (Residential Service) and Service Class No. 3 (Residential Time-of-Day Service). Customer Group B is Service Class No. 2 (General Service - Primary). Customer Group C is Service Class 2 – Secondary).

Customer Group C). The 2023 Filing further stated that the Company determined the following customer group specific CIP Adjustments that would be effective for the period October 1, 2023 through September 30, 2024:

Customer Group ⁶	Service Class	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	\$1,773,690	0.243	0.259
B	2 – Secondary	\$401,790	0.081	0.086
C	2 -Primary	\$35,265	0.062	0.066

On June 13, 2024, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. No members of the public attended the virtual public hearings, and no members of the public submitted written comments to the Board.

STIPULATION

Based upon a review of the 2023 Filing, and conducting discovery, the Parties to this Stipulation STIPULATE AND AGREE AS FOLLOWS:

1. The Parties agree that on or before July 31, 2024, the Company will file its next CIP Adjustment for the 12-month period commencing October 1, 2024, based on an initial deferral period of July 1, 2023 through June 30, 2024.

2. The Parties further agree that, as set out in Appendix A to this Stipulation, the customer group specific CIP Adjustment is as follows:

Customer Group	Service Class	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	\$1,773,690	0.243	0.259
B	2 – Secondary	\$401,790	0.081	0.086
C	2 -Primary	\$35,265	0.062	0.066

⁶ As explained in footnote 5 above, Customer Group A is Service Class No. 1 (Residential Service) and Service Class No. 3 (Residential Time-of-Day Service). Customer Group B is Service Class No. 2 (General Service - Primary). Customer Group C is Service Class 2 – Secondary).

3. Attached is Appendix A, which includes the supporting schedules.

4. Also attached is Appendix B, which contains the proposed tariff pages for the CIP Adjustment.

5. The Parties acknowledge that, should the Board issue an Order approving this Stipulation, the Stipulation will become effective upon the service of said Board Order or upon such date after the service thereof as the Board may specify in accordance with N.J.S.A. 48:2-40.

6. The Parties acknowledge that, should the Board issue an Order approving this Stipulation, the Company shall, within five (5) business days following receipt of said Board Order, or on such other time frame as shall be set forth in the Board Order, file with the Board's Secretary amended tariff sheets reflecting the revised CIP Adjustment.

7. The monthly impact of the CIP Adjustment on an average residential customer using 808 kWh per summer month and 7,800 kWh annually, is an increase of \$1.87 from \$151.83 to \$153.70, or approximately 1.23%.

8. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. The Parties agree that this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely

provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

9. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation. The contents of this Stipulation shall not be considered, cited, or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

10. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY

Dated: July 11, 2024

By Margaret Comes
Margaret Comes, Esq.

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

Dated: 7/11/2024

By: Meliha Arnautovic DAG
Meliha Arnautovic
Deputy Attorney General

STATE OF NEW JERSEY, DIVISION OF RATE
COUNSEL
BRIAN O. LIPMAN
DIRECTOR, DIVISION OF RATE COUNSEL

Dated: 7/11/2024

By Mamie W. Purnell
Mamie W. Purnell, Esq.
Assistant Deputy Rate Counsel

**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	<u>Dist Revenue</u>	<u>Count</u>	<u>Revenue / Customer</u>	<u>\$ / Customer (1)</u>	<u>Difference</u>	<u>(Over)/Under</u>	<u>(Over)/Under</u>	<u>Rate</u>	<u>Net of Tax (2)</u>	<u>(Over)/Under with Interest</u>
	(a)	(b)	(c) = (a)/(b)	(d)	(e) = (d) - (c)	(f) = (e)*(b)				
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)	92,462	29,789
Total Deficiency/(Credit)	(\$942,335)	\$3,179,971	\$2,237,636

Step 2: Apply Modified BGS 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 BGS 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

<u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u>	
Non-Weather Impact	\$3,179,971
Prior Year Carry-Forward (Variable Margin Revenue Test)	<u>0</u>
Non-weather Impact Subject to Test	\$3,179,971
<u>B. Variable Margin Revenues</u>	
Variable Margin Revenues	\$76,842,703
Recovery Limitation	6.5%
Total Fixed Recovery Cap	\$4,994,776
<u>C. Results</u>	
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

<u>A. Current Year Accrual Recoverable Non-Weather Impacts</u>	
Amount Passing Modified BGS Savings Test	\$2,860,050
Amount Passing Variable Margin Revenue Test	\$3,179,971
Recoverable Amount	\$2,860,050
<u>B. Previous Carry-Forward Recoverable Amounts</u>	
Amount Passing Modified BGS Savings Test	\$0
Amount Passing Variable Margin Revenue Test	\$0
Deduction for any amount also included in above	<u>0</u>
	\$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

CIP Recovery Yr	Permanent Capacity Savings	Additional Capacity BGS Savings	Avoided Cost BGS Savings	Annual \$
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)	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.

DRAFT

Revised Leaf No. 65A
Superseding Revised Leaf No. 65A

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. For CIP Adjustment purposes, the following customer groups have been established:

- Group A – SC Nos. 1, and 3
- 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	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

DRAFT

Revised Leaf No. 65A
Superseding Revised Leaf No. 65A

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:

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