



Rockland Electric Company
4 Irving Place
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July 31, 2024

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

Re: Rockland Electric Company's Annual Conservation Incentive Program Filing –
Reconciliation for the Period July 1, 2023 – June 30, 2024
BPU Docket No. _____

Dear Secretary Golden:

Rockland Electric Company (“the Company”) hereby submits the revised tariff leaf No. 65C in draft format proposing revisions to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the “Electric Tariff”).

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 effective October 1.

For the twelve-month period ended June 2024, 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.

Customer group-specific CIP Adjustments as calculated in Appendix A and as shown on the draft Electric Tariff leaf have been determined to collect a net revenue shortfall of \$3,560,536 over the twelve-month period commencing October 1, 2024. The net revenue shortfall is made up of the following: (1) a net distribution revenue shortfall for the twelve-month period ended June 2024 of \$2,702,093, including interest; decreased by \$937,618 that will be deferred for collection in the next CIP adjustment filing;¹ (2) the collection of \$319,921 from a

deferral from the prior program year ended Jun 30, 2023; and (3) a prior period net under-collection balance of \$1,476,140, including interest.

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.

Sincerely,

/s/ William A. Atzl, Jr.

Director – Rate Engineering

¹ Such deferral was made since the net distribution revenue shortfall is larger than the baseline amount determined by the BGS Savings Test. Such amount will be included in the Company's next CIP Adjustment filing and 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 (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 calculate 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	0.5790 0.2430	0.6170 0.2590
Group B	(0.1390) 0.0840	(0.1480) 0.0860
Group C	(0.1030) 0.0620	(0.1100) 0.0660

ISSUED:

EFFECTIVE:

ISSUED BY: Michele O’Connell, President
Mahwah, New Jersey 07430

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 calculate 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	0.5790	0.6170
Group B	(0.1390)	(0.1480)
Group C	(0.1030)	(0.1100)

ISSUED:

EFFECTIVE:

ISSUED BY: Michele O’Connell, President
Mahwah, New Jersey 07430

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024**

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)	\$2,839,594	(\$131,879)	(\$5,622)
Prior Period (Over) / Under-Collection	(2)	2,041,257	(513,693)	(51,424)
Deferral from program year ended Jun 30, 2023 ¹	(3)	287,059	23,560	9,302
Amount to be Deferred for Future Disposition	(4)	<u>905,977</u>	<u>30,347</u>	<u>1,294</u>
	(5) =			
	(1) + (2) +			
Total Period (Over)/Under Collection Target	(3)-(4)	\$4,261,933	(\$652,359)	(\$49,038)
Forecasted Sales	(6)	736,489,536	467,836,581	47,807,031
	(7) =			
Rate (\$/kWh), excluding SUT	(5) / (6)	0.00579	(0.00139)	(0.00103)
SUT	(8)	1.06625	1.06625	1.06625
	(9) =			
Rate (\$/kWh), including SUT	(7) * (8)	0.00617	(0.00148)	(0.00110)

Notes:

¹ Per BPU order QO19010040 and EO20090623 Order Adopting Stipulation dated on Jun 9, 2021, deferral balances are not subject to interest.

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024

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 2024**

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 2024**

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 2024**

Actual Annual Distribution Revenue (\$) Excluding SUT

	Revenue for 12 ME June 30, 2024
SC Nos. 1 and 3	\$47,671,011
SC No. 2 Secondary	26,606,636
SC No. 2 Primary	<u>2,669,965</u>
Total	\$76,947,612

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024**

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

										Margin Var.
<u>Month</u>	<u>Actual Dist Revenue</u>	<u>Actual Customer Count</u>	<u>Actual Avg Revenue / Customer</u>	<u>RPC Factor \$ / Customer (1)</u>	<u>Difference (e) = (d) - (c)</u>	<u>Margin Variance (Over)/Under (f) = (e)*(b)</u>	<u>Cumulative Margin Variance (Over)/Under</u>	<u>Interest Rate</u>	<u>Interest 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-23	\$5,664,600	65,719	\$86.19	\$95.04	\$8.85	\$581,613	\$581,613	5.54%	\$1,930	\$583,543
Aug-23	6,007,554	65,764	91.35	98.12	6.77	445,222	1,026,835	5.52%	2,660	447,882
Sep-23	5,367,877	65,819	81.56	80.81	(0.75)	(49,364)	977,471	5.47%	3,284	(46,080)
Oct-23	3,855,214	65,807	58.58	55.68	(2.90)	(190,840)	786,631	5.72%	3,023	(187,818)
Nov-23	2,978,223	65,873	45.21	47.68	2.47	162,706	949,337	5.55%	2,886	165,592
Dec-23	3,346,171	66,003	50.70	56.46	5.76	380,177	1,329,514	5.16%	3,522	383,700
Jan-24	3,667,487	66,036	55.54	60.15	4.61	304,426	1,633,940	4.93%	4,376	308,802
Feb-24	3,247,417	66,021	49.19	54.70	5.51	363,776	1,997,716	4.80%	5,222	368,997
Mar-24	2,924,750	66,067	44.27	49.40	5.13	338,924	2,336,640	5.14%	6,673	345,597
Apr-24	2,842,243	66,061	43.02	46.90	3.88	256,317	2,592,957	5.32%	7,856	264,172
May-24	3,016,779	66,372	45.45	48.49	3.04	201,771	2,794,727	5.56%	8,973	210,744
Jun-24	<u>4,752,695</u>	66,313	71.67	71.45	(0.22)	(14,589)	2,780,139	5.42%	<u>9,051</u>	<u>(5,538)</u>
	\$47,671,011								\$59,455	\$2,839,594

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 2024**

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-23	\$2,449,253	8,786	\$278.77	\$291.27	\$12.50	\$109,825	\$109,825	5.54%	\$365	\$110,190
Aug-23	2,538,420	8,797	288.56	297.58	9.02	79,349	189,174	5.52%	494	79,843
Sep-23	2,478,614	8,800	281.66	285.47	3.81	33,528	222,702	5.47%	675	34,203
Oct-23	2,752,722	8,797	312.92	241.71	(71.21)	(626,434)	(403,732)	5.72%	(310)	(626,745)
Nov-23	1,963,046	8,816	222.67	221.23	(1.44)	(12,695)	(416,427)	5.55%	(1,363)	(14,059)
Dec-23	1,992,640	8,828	225.72	236.73	11.01	97,196	(319,231)	5.16%	(1,137)	96,059
Jan-24	2,131,450	8,836	241.22	272.45	31.23	275,948	(43,283)	4.93%	(535)	275,413
Feb-24	2,071,741	8,842	234.31	233.15	(1.16)	(10,257)	(53,540)	4.80%	(139)	(10,396)
Mar-24	1,936,913	8,844	219.01	195.62	(23.39)	(206,861)	(260,401)	5.14%	(483)	(207,345)
Apr-24	1,934,017	8,834	218.93	231.88	12.95	114,400	(146,000)	5.32%	(648)	113,753
May-24	2,010,112	8,833	227.57	224.88	(2.69)	(23,761)	(169,761)	5.56%	(526)	(24,287)
Jun-24	<u>2,347,708</u>	8,818	266.24	271.00	4.76	41,974	(127,788)	5.42%	<u>(483)</u>	<u>41,491</u>
	\$26,606,636					(\$127,788)			(\$4,091)	(\$131,879)

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 2024**

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-23	\$243,307	76	\$3,201.41	\$3,697.89	\$496.48	\$37,732	\$37,732	5.54%	\$125	\$37,858
Aug-23	262,063	75	3,494.18	3,294.38	(199.80)	(14,985)	22,747	5.52%	100	(14,885)
Sep-23	256,964	74	3,472.49	3,563.90	91.41	6,764	29,512	5.47%	86	6,850
Oct-23	277,959	74	3,756.21	2,814.58	(941.63)	(69,681)	(40,169)	5.72%	(18)	(69,699)
Nov-23	200,977	74	2,715.91	2,768.40	52.49	3,884	(36,285)	5.55%	(127)	3,757
Dec-23	192,023	75	2,560.30	2,856.63	296.33	22,225	(14,060)	5.16%	(78)	22,147
Jan-24	206,759	75	2,756.78	2,736.14	(20.64)	(1,548)	(15,608)	4.93%	(44)	(1,592)
Feb-24	194,829	77	2,530.24	2,619.89	89.65	6,903	(8,705)	4.80%	(35)	6,868
Mar-24	908,306	77	11,796.18	2,731.00	(9,065.18)	(698,019)	(706,724)	5.14%	(1,102)	(699,120)
Apr-24	(523,787)	76	(6,891.94)	2,303.97	9,195.91	698,889	(7,834)	5.32%	(1,139)	697,750
May-24	202,572	77	2,630.80	2,683.06	52.26	4,024	(3,810)	5.56%	(19)	4,005
Jun-24	<u>247,993</u>	<u>77</u>	<u>3,220.69</u>	<u>3,226.55</u>	<u>5.86</u>	<u>451</u>	<u>(3,359)</u>	<u>5.42%</u>	<u>(12)</u>	<u>440</u>
	\$2,669,965	\$907				(\$3,359)			(\$2,262)	(\$5,622)

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 (1)	Average Balance	Interest Rate (Annual)	Interest Rate (Monthly)	Interest (2) (Net of Tax)	YTD Interest	YTD Balance including Interest
Starting Balance		\$1,773,689						
Jul-23	(22,125)	1,795,814	1,784,751	5.54%	0.46%	5,923	5,923	
Aug-23	(23,468)	1,819,282	1,807,548	5.52%	0.46%	5,977	11,901	
Sep-23	(20,992)	1,840,275	1,829,778	5.47%	0.46%	5,996	17,897	
Oct-23	(15,682)	1,855,957	1,848,116	5.72%	0.48%	6,333	24,230	
Nov-23	(12,563)	1,868,520	1,862,238	5.55%	0.46%	6,192	30,422	
Dec-23	(14,324)	1,882,843	1,875,681	5.16%	0.43%	5,798	36,220	
Jan-24	(15,856)	1,898,699	1,890,771	4.93%	0.41%	5,584	41,804	
Feb-24	(13,851)	1,912,550	1,905,625	4.80%	0.40%	5,480	47,284	
Mar-24	(12,306)	1,924,856	1,918,703	5.14%	0.43%	5,908	53,193	
Apr-24	(11,910)	1,936,766	1,930,811	5.32%	0.44%	6,154	59,346	
May-24	(12,742)	1,949,508	1,943,137	5.56%	0.46%	6,472	65,819	
Jun-24	(19,569)	1,969,077	1,959,292	5.42%	0.45%	6,362	72,181	<u>\$2,041,257</u>

Group B - SC No. 2 (Secondary)

	CIP Recoveries	Net Balance (1)	Average Balance	Interest Rate (Annual)	Interest Rate (Monthly)	Interest (2) (Net of Tax)	YTD Interest	
Starting Balance		\$401,790						
Jul-23	81,586	320,204	\$360,997	5.54%	0.46%	1,198	1,198	
Aug-23	85,754	234,450	\$277,327	5.52%	0.46%	917	2,115	
Sep-23	82,489	151,961	\$193,205	5.47%	0.46%	633	2,748	
Oct-23	91,954	60,007	\$105,984	5.72%	0.48%	363	3,112	
Nov-23	67,647	(7,640)	\$26,183	5.55%	0.46%	87	3,199	
Dec-23	70,684	(78,324)	(\$42,982)	5.16%	0.43%	(133)	3,066	
Jan-24	77,999	(156,323)	(\$117,324)	4.93%	0.41%	(347)	2,719	
Feb-24	73,769	(230,092)	(\$193,207)	4.80%	0.40%	(556)	2,164	
Mar-24	66,727	(296,818)	(\$263,455)	5.14%	0.43%	(811)	1,352	
Apr-24	65,938	(362,756)	(\$329,787)	5.32%	0.44%	(1,051)	301	
May-24	68,631	(431,387)	(\$397,071)	5.56%	0.46%	(1,323)	(1,021)	
Jun-24	79,755	(511,142)	(\$471,264)	5.42%	0.45%	(1,530)	(2,552)	<u>(\$513,693)</u>

Group C - SC No. 2 (Primary)

	CIP Recoveries	Net Balance (1)	Average Balance	Interest Rate (Annual)	Interest Rate (Monthly)	Interest (2) (Net of Tax)	YTD Interest	
Starting Balance		\$35,265						
Jul-23	7,625	27,640	\$31,453	5.54%	0.46%	\$104	104	
Aug-23	8,271	19,369	\$23,505	5.52%	0.46%	\$78	182	
Sep-23	7,990	11,379	\$15,374	5.47%	0.46%	\$50	232	
Oct-23	8,902	2,477	\$6,928	5.72%	0.48%	\$24	256	
Nov-23	6,642	(4,165)	(\$844)	5.55%	0.46%	(\$3)	253	
Dec-23	6,443	(10,608)	(\$7,387)	5.16%	0.43%	(\$23)	231	
Jan-24	6,999	(17,607)	(\$14,107)	4.93%	0.41%	(\$42)	189	
Feb-24	6,443	(24,050)	(\$20,828)	4.80%	0.40%	(\$60)	129	
Mar-24	27,308	(51,358)	(\$37,704)	5.14%	0.43%	(\$116)	13	
Apr-24	(14,839)	(36,519)	(\$43,939)	5.32%	0.44%	(\$140)	(127)	
May-24	6,659	(43,178)	(\$39,849)	5.56%	0.46%	(\$133)	(260)	
Jun-24	7,833	(51,011)	(\$47,095)	5.42%	0.45%	(\$153)	(413)	<u>(\$51,424)</u>

(1) Starting Net Balance as Shown on Appendix A, Page 1 of 16 of the Stipulation of Settlement contained in the Board's Decision and Order Adopting Stipulation dated July 24, 2024 in Docket No. ER23070471

(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 - 0.09)]	28.11%
Net of Tax	71.89%

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024
Recovery Tests**

Determine Weather and Non-Weather CIP Impacts

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
SC Nos. 1 and 3	(\$693,470)	\$3,533,064	\$2,839,594
SC No. 2 Secondary	(250,224)	118,344	(131,879)
SC No. 2 Primary	<u>(10,666)</u>	<u>5,045</u>	<u>(5,622)</u>
Total Deficiency/(Credit)	(\$954,359)	\$3,656,453	\$2,702,093

Step 2: Apply Modified BGS Savings Test

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

Non-Weather Impact	\$3,656,453
75% Factor	<u>75%</u>
Subtotal	\$2,742,339
Prior Year Carry-Forward (Modified BGS Savings Test)	\$0
Non-weather Impact Subject to Test	\$2,742,339

B. BGS Savings

Permanent Capacity Savings	\$1,869,881
Additional Capacity BGS Savings	0
Avoided Cost BGS Savings	<u>169,245</u>
Total BGS Savings	\$2,039,126

C. Results

Non-Weather Impacts Passing Test (current accrual)	\$2,718,835
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 2024
Recovery Tests**

Step 3: Apply Variable Margin Revenue Test

<u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u>	
Non-Weather Impact	\$3,656,453
Prior Year Carry-Forward (Variable Margin Revenue Test)	<u>0</u>
Non-weather Impact Subject to Test	\$3,656,453
<u>B. Variable Margin Revenues</u>	
Variable Margin Revenues	\$76,947,612
Recovery Limitation	6.5%
Total Fixed Recovery Cap	\$5,001,595
<u>C. Results</u>	
Non-Weather Impacts Passing Test (current accrual)	\$3,656,453
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	\$2,718,835
Amount Passing Variable Margin Revenue Test	\$3,656,453
Recoverable Amount	\$2,718,835
<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	\$2,718,835

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024
Recovery Tests

Allocation of Recoverable Non-Weather CIP Amounts	Total Non-Weather Related		\$3,656,453
SC Nos. 1, and 3	\$3,533,064	96.6%	
SC No. 2 Secondary	\$118,344	3.2%	
SC No. 2 Primary	<u>\$5,045</u>	0.1%	
	\$3,656,453		
Allowed Amount to Recover in Current Period	\$2,718,835		
To Be Recovered in a Future Period	\$937,618		
Allocation of Future Recoverable Amount			
SC Nos. 1, and 3	\$905,977		
SC No. 2 Secondary	\$30,347		
SC No. 2 Primary	\$1,294		

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024
Weather Normalization Calculation**

SC Nos. 1, and 3

	HDD DEGREE	HDD DEGREE	HDD DEGREE	HDD	DEGREE	CDD DEGRE	CDD DEGREE	CDD DEGREE	CDD	COOLING kWh	TOTAL kWh	MARGIN FACTOR	MARGIN IMPACT	Jul23-Jun24	2024 Budget	2024 Budget
	DAYS	DAYS	DAYS	CONSUMPTION	DAYS	DAYS	DAYS	CONSUMPTION	ACTUAL BILLED					CDD	HDD	
	NORMAL	ACTUAL	VARIANCE	FACTOR	kWh	NORMAL	ACTUAL	VARIANCE	FACTOR					SALES (KWh)	COEFFICIENT	COEFFICIENT
Jul-23	0	0	0	26,602	10,375	385	365	(20)	137,404	(2,719,219)	(2,708,844)	\$0.0819	(\$221,893)	81,352,083	0.000563	0.000109
Aug-23	0	0	0	28,217	0	472	459	(13)	145,745	(1,906,340)	(1,906,340)	\$0.0819	(\$156,156)	86,290,480		
Sep-23	1	1	0	25,241	0	403	401	(2)	130,374	(269,874)	(269,874)	\$0.0819	(\$22,107)	77,189,999		
Oct-23	42	49	7	18,849	132,506	190	158	(33)	97,356	(3,166,001)	(3,033,495)	\$0.0773	(\$234,541)	57,640,914		
Nov-23	239	235	(4)	16,551	(65,046)	34	35	2	85,489	143,621	78,575	\$0.0711	\$5,583	50,615,027		
Dec-23	556	527	(29)	18,639	(547,040)	0	1	1	96,271	73,166	(473,875)	\$0.0711	(\$33,672)	56,998,523		
Jan-24	771	656	(115)	20,587	(2,372,824)	0	0	0	106,333	0	(2,372,824)	\$0.0738	(\$175,148)	62,956,288		
Feb-24	828	699	(129)	16,648	(2,141,994)	0	0	0	85,992	0	(2,141,994)	\$0.0738	(\$158,110)	50,912,798		
Mar-24	715	559	(156)	14,786	(2,310,655)	0	0	0	76,373	0	(2,310,655)	\$0.0738	(\$170,559)	45,218,044		
Apr-24	487	396	(90)	14,302	(1,289,625)	2	2	0	73,873	13,297	(1,276,328)	\$0.0738	(\$94,211)	43,737,463		
May-24	209	171	(37)	15,313	(566,742)	38	49	11	79,095	859,761	293,019	\$0.0738	\$21,629	46,829,396		
Jun-24	38	26	(12)	25,291	(301,980)	186	242	56	130,634	7,297,217	6,995,237	\$0.0780	\$545,716	77,344,013		
TOTAL	3,885	3,319	-565		-9,453,026	1,709	1,711	2		325,629	(9,127,397)		(\$693,470)	737,085,028		

SC No. 2

	HDD DEGREE	HDD DEGREE	HDD DEGREE	HDD	DEGREE	CDD DEGRE	CDD DEGREE	CDD DEGREE	CDD	COOLING kWh	TOTAL kWh	MARGIN FACTOR	MARGIN IMPACT	Jul23-Jun24	2024 Budget	2024 Budget
	DAYS	DAYS	DAYS	CONSUMPTION	DAYS	DAYS	DAYS	CONSUMPTION	ACTUAL BILLED					CDD	HDD	
	NORMAL	ACTUAL	VARIANCE	FACTOR	kWh	NORMAL	ACTUAL	VARIANCE	FACTOR					SALES (KWh)	COEFFICIENT	COEFFICIENT
Jul-23	0	0	0	9,949	3,880	385	365	(20)	12,015	(237,786)	(233,906)	\$0.0526	(\$12,304)	43,692,520	0.000275	0.0000759
Aug-23	0	0	0	10,463	0	472	459	(13)	12,637	(165,288)	(165,288)	\$0.0526	(\$8,695)	45,951,549		
Sep-23	1	1	0	10,064	0	403	401	(2)	12,154	(25,159)	(25,159)	\$0.0526	(\$1,323)	44,196,976		
Oct-23	42	49	7	11,220	78,875	190	158	(33)	13,550	(440,661)	(361,786)	\$0.0501	(\$18,141)	49,274,434		
Nov-23	239	235	(4)	7,245	(28,472)	34	35	2	8,750	14,699	(13,772)	\$0.0468	(\$644)	31,816,915		
Dec-23	556	527	(29)	7,638	(224,164)	0	1	1	9,224	7,010	(217,154)	\$0.0468	(\$10,161)	33,542,515		
Jan-24	771	656	(115)	8,453	(974,317)	0	0	0	10,209	0	(974,317)	\$0.0547	(\$53,269)	37,124,312		
Feb-24	828	699	(129)	8,987	(1,156,212)	0	0	0	10,853	0	(1,156,212)	\$0.0547	(\$63,214)	39,466,703		
Mar-24	715	559	(156)	8,136	(1,271,451)	0	0	0	9,826	0	(1,271,451)	\$0.0547	(\$69,515)	35,732,293		
Apr-24	487	396	(90)	8,033	(724,349)	2	2	0	9,702	1,746	(722,603)	\$0.0547	(\$39,507)	35,279,532		
May-24	209	171	(37)	8,374	(309,937)	38	49	11	10,114	109,939	(199,997)	\$0.0547	(\$10,935)	36,778,243		
Jun-24	38	26	(12)	8,502	(101,511)	186	242	56	10,268	573,560	472,049	\$0.0568	\$26,818	37,337,480		
TOTAL	3,885	3,319	-565		-4,707,657	1,709	1,711	2		-161,939	(4,869,595)		(\$260,890)	470,193,472		

**Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024
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
2023/2024	412	467	\$18.61

Incremental Capacity Savings*	0
RECO Zonal Net Load Capacity Cost per kW-year	\$18.61
Total Additional Capacity Reductions	\$0

*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>
2023/2024	\$169,245

IV. Total of all Savings

CIP Recovery Yr	Permanent Capacity Savings	Additional Capacity BGS Savings	Avoided Cost BGS Savings	Annual \$
2023/2024	\$1,869,881	\$0	\$169,245	\$2,039,126

Rockland Electric Company
Conservation Incentive Program - 12 Months Ended June 2024
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	65,719	1,216	5.69	\$1.55	\$10,735
August	64,601	65,764	1,163	5.69	1.55	10,256
September	64,599	65,819	1,220	5.68	1.55	10,757
October	64,996	65,807	811	5.71	1.55	7,179
November	64,911	65,873	962	5.70	1.55	8,507
December	64,872	66,003	1,131	5.70	1.55	10,000
January	64,903	66,036	1,133	5.70	1.55	10,012
February	64,769	66,021	1,252	5.69	1.55	11,055
March	61,803	66,067	4,264	5.69	1.55	37,630
April	64,643	66,061	1,418	5.69	1.55	12,523
May	64,550	66,372	1,822	5.69	1.55	16,086
June	<u>64,548</u>	<u>66,313</u>	<u>1,765</u>	5.69	1.55	<u>15,583</u>
	64,475	65,988	1,513			\$160,323
SC No. 2 - Secondary						
July	8,620	8,786	166	17.29	\$1.55	\$4,452
August	8,790	8,797	7	17.29	1.55	188
September	8,764	8,800	36	17.30	1.55	966
October	8,724	8,797	73	17.32	1.55	1,961
November	8,653	8,816	163	17.28	1.55	4,368
December	8,823	8,828	5	17.26	1.55	134
January	8,709	8,836	127	17.26	1.55	3,401
February	8,705	8,842	137	17.27	1.55	3,671
March	8,240	8,844	604	17.28	1.55	16,191
April	9,221	8,834	(387)	17.30	1.55	(10,387)
May	8,729	8,833	104	17.29	1.55	2,789
June	<u>8,628</u>	<u>8,818</u>	<u>190</u>	17.29	1.55	<u>5,095</u>
	8,717	8,819	102			\$32,828
SC No. 2 - Primary						
July	77	76	(1)	230.21	\$1.55	(\$357)
August	78	75	(3)	230.21	1.55	(1,071)
September	77	74	(3)	233.20	1.55	(1,085)
October	87	74	(13)	236.27	1.55	(4,764)
November	83	74	(9)	236.27	1.55	(3,298)
December	77	75	(2)	236.27	1.55	(733)
January	80	75	(5)	239.42	1.55	(1,857)
February	80	77	(3)	242.66	1.55	(1,129)
March	78	77	(1)	242.66	1.55	(376)
April	94	76	(18)	239.42	1.55	(6,684)
May	81	77	(4)	236.27	1.55	(1,466)
June	<u>80</u>	<u>77</u>	<u>(3)</u>	233.20	1.55	<u>(1,085)</u>
	81	76	(5)			(\$23,906)
Total Avoided Capacity Cost BGS Savings						\$169,245

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 2024**

**Earnings Test
(\$000s)**

(1)	Equity Base for Earnings Test	\$142,480
(2)	Allowed ROE*	9.6%
(3)	ROE Limit buffer	0.5%
(4) = (2) + (3)	Maximum ROE	10.1%
(5)	Net Income **	\$ 14,244
(6) = (5) / (1)	ROE for Earnings Test	10.00%
(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 and other 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, 2023 – June 30, 2024**

BPU Docket No. _____

PLEASE TAKE NOTICE that on July 31, 2024, 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, 2024 (“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, 2023 through June 30, 2024, 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, 2024 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, 2024, 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	0.2430	0.2590	\$4,261,933	0.5790	0.6170
2 – Secondary	0.0810	0.0860	(\$652,359)	(0.1390)	(0.1480)
2 – Primary	0.0620	0.0660	(\$49,038)	(0.1030)	(0.1100)

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 an increase of \$31.32 in the annual bill from \$1,844.40 to \$1,872.36, or approximately 1.52%. 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	\$153.70	\$156.03	\$2.33	1.52
925 kWh average monthly use	\$223.64	\$226.96	\$3.32	1.48
1,500 kWh average monthly use	\$369.61	\$374.98	\$5.37	1.45

- (1) Based upon Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect July 1, 2024 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