

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**I/M/O the Verified Petition of
Rockland Electric Company for Approval of Deferred
Accounting Treatment for Storm Preparation Costs Related to
Anticipated Major Storm Events from December 2023 through August
2024; And for Other Relief**

VERIFIED PETITION

November 22, 2024

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

I/M/O THE VERIFIED PETITION OF)	
ROCKLAND ELECTRIC COMPANY FOR)	
APPROVAL OF DEFERRED ACCOUNTING)	VERIFIED PETITION
TREATMENT FOR STORM PREPARATION)	
COSTS FOR ANTICIPATED MAJOR STORM)	
EVENTS FROM DECEMBER 2023)	
THROUGH AUGUST 2024;)	
AND FOR OTHER RELIEF)	

Rockland Electric Company (“Petitioner”, “RECO”, or the “Company”), a public utility corporation of the State of New Jersey, having its principal offices at One Lethbridge Place, Suite 32 – Second Floor, Route 17 North, Mahwah, New Jersey 07430, respectfully petitions the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.S.A. 48:2-16, N.J.S.A. 48:2-21.1, N.J.S.A. 48:2-23, and any other provision deemed applicable by the Board, for an Order authorizing RECO to defer on its books for accounting purposes, the incremental preparation costs incurred by RECO (“costs” or “storm costs”), associated with the, December 18, 2023 Nor’easter, Winter Storm Finn, Winter Storm Lorraine, March 11, 2024 Wind Event, June 30, 2024 Thunderstorm, and Tropical Storm Debby, and to address in the Company’s next base rate case the rate recovery of such costs, including the time period, carrying charge and manner for recovery.

BACKGROUND

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service for residential, commercial, and industrial purposes within the State of New Jersey. Petitioner provides electric service to

approximately 73,000 electric customers in an area having a population in excess of 200,000 persons, which extends from eastern Bergen County at the Hudson River to western Passaic County and small communities in Sussex County, New Jersey. Petitioner is a wholly owned subsidiary of Orange and Rockland Utilities, Inc. (“O&R”).

2. Petitioner is subject to regulation by the Board for the purposes of setting its retail electric distribution rates and assuring safe, adequate, and reliable electric distribution service pursuant to N.J.S.A. 48:2-1 *et seq.*

WEATHER FORECASTS

3. Storm preparation begins with weather forecasts. The meteorologists of the Company’s affiliate, Consolidated Edison Company of New York, Inc., (“Con Edison”) review both long-range and short-term weather systems to produce daily weather forecasts tailored to the O&R and RECO service territories. The forecasts rely on data from radar, satellite, and weather station sources; weather prediction models and the Company’s own internal impact model; the National Weather Services (“NWS”); the National Hurricane Center (“NHC”); and a paid weather service that provides forecast data to utilities and companies.

DECEMBER 18, 2023 NOR’EASTER

4. On Thursday, December 14, 2023, Con Edison’s meteorologists first issued a warning of potential impactful weather to the O&R and RECO service territories from a major coastal storm, set to occur on Monday, December 18, 2023. The forecasted combination of 1.5” – 3.5” of heavy rain saturating the soil and strong wind gusts up to 45 mph had the potential to cause overhead electric system impacts. The weather and impact forecast remained unchanged on Friday, December 15, 2023. By Saturday, December 16,

2023, Con Edison’s meteorologists noted a higher magnitude of forecasted wind gusts up to 50 mph for the O&R and RECO service territories. Rainfall forecasts of 1.5” – 3.5” remain unchanged. However, the combination of slightly stronger winds led to an increase in the level of predicted overhead electric distribution system impact for the O&R and RECO service territories. On Sunday, December 17, 2023, Con Edison’s meteorologists continued to predict strong wind gusts up to 50 mph and heavy rain totaling 2” – 4” for the O&R and RECO service territories, mainly occurring between 0000 – 1200 hours Monday, December 18, 2023. There was also an isolated threat for severe thunderstorms during the aforementioned timeframe. Ultimately, 3” – 5” of rain fell across a large portion of the O&R and RECO service territories, along with wind gusts of 35-45 mph during the morning hours of Monday, December 18, 2023. Wind gusts exceeding 45 mph were noted immediately outside the O&R and RECO service territories.

5. The Company’s storm response for the December 18, 2023 Nor’easter began on Sunday, December 17, 2023 at 2200 hours with a Class 1 mobilization. This classification was increased to a Class 2A at 0600 hours on December 18, 2023 due to increased system impact in accordance with the procedure described below. There were 69 “no power incidents” affecting 5,137 customers in the RECO service territory. The total number of customers affected was 6.93% of RECO service territory customers and there were zero “no power incidents” lasting over 24 hours. The 69 “no power incidents” accounted for a total of 2,089,888 customer minutes.

WINTER STORM FINN

5. On Thursday, January 4, 2024, Con Edison’s meteorologists began tracking the increasing threat of a major storm that would impact the O&R and RECO service

territories starting Tuesday, January 9 into Wednesday, January 10, 2024. At this time, the primary threats of this storm were forecast to be heavy rainfall and strong gusty winds. The combination of saturated soil and gusty winds was expected to deliver potentially significant impacts to the overhead electric distribution system, though confidence was low in the outage forecast, due to low confidence in the wind gust forecast. From Thursday, January 4, through the morning of Monday, January 8, the forecast remained unchanged for the O&R and RECO service territories. During the evening hours of Monday, January 8, Con Edison's meteorologists issued an update to the forecast. The latest model guidance showed the possibility of stronger wind gusts and severe thunderstorms. This updated forecast on January 8, showed the potential for even more significant impacts to the overhead electric distribution system. Ultimately, the forecast for a strong line of storms to cross the area late Tuesday, January 9, was verified. However, ultimately these thunderstorms turned out to not be severe in nature and the area coverage of strongest winds was isolated. This line of storms was also quick moving and exited the O&R and RECO service territories much quicker than forecast.

6. The Company's storm response to Winter Storm Finn began on Tuesday, January 9, 2024, at 1900 hours and concluded on Wednesday, January 10, 2024, at 0500 hours. The mobilization level was categorized as Serious 2A, in accordance with the procedure described below. There were 18 "no power incidents" affecting 1,113 customers in the RECO service territory. The total number of customers affected was 1.49% of RECO service territory customers and there were zero "no power incidents" lasting over 24 hours. Most of the outages were related to tree conditions and accounted for a total of 129,087 customer minutes.

WINTER STORM LORRAINE

7. On Friday February 9, 2024, Con Edison's meteorologists began forecasting the likelihood of accumulating snowfall across the O&R and RECO service territories on Tuesday, February 13, 2024. The first forecast issued did not include a snowfall range, but simply stated that greater than 6" of snow was becoming likely, and that a period of wet snow was possible. Wet snow is impactful to the overhead electric distribution system because of its heavy nature. On Saturday, February 10, 2024, an update was issued to the forecast that showed increasing confidence in higher snowfall amounts, as well as the likelihood of wet snow across O&R and RECO service territories. This change in the forecast led to a slight uptick in the expected impact to the overhead electric distribution system. The forecast issued on Sunday, February 11, 2024, remained unchanged. However, the forecast issued on Monday, February 12, showed an increase in snowfall amounts across the O&R and RECO service territories. Once again, this change in snowfall amounts led to another uptick in forecasted impact to the overhead electric distribution system. Winter Storm Lorraine did end up producing significant snowfall amounts across the O&R and RECO service territories, with several locations reporting over 12" of snowfall. However, temperatures with this system were slightly colder than what model guidance was showing, leading to a more powdery and light snow as opposed to the heavy wet snow that was originally forecast.

8. The Company's storm response to Winter Storm Lorraine began on Tuesday, February 13, 2024, at 0500 hours and concluded on Tuesday, February 13, 2024, at 1600 hours. The mobilization level was categorized as a Class 2C mobilization, in accordance with the procedure described below. There were 15 "no power incidents"

affecting 1,367 customers in the RECO service territory accounting for 180,032 customer minutes. The total number of customers affected was 1.83% of RECO service territory customers and there were zero “no power incidents” lasting over 24 hours.

MARCH 11, 2024 WIND EVENT

9. On Tuesday, March 5, 2024, Con Edison’s meteorologists began tracking an increasing threat of a storm that would impact the O&R and RECO service territories beginning Sunday, March 10, 2024, and continuing into Monday, March 11, 2024. At this time, the primary threats were heavy rainfall followed by strong gusty winds. The combination of saturated soil and strong winds was expected to deliver impacts to the overhead electric distribution system, though confidence was low given the long-range nature of the forecast. From the morning of Tuesday, March 5, 2024, through the morning of Friday, March 8, 2024, the forecast remained unchanged for the O&R and RECO service territories. By Saturday, March 9, 2024, Con Edison’s meteorologists noted the potential of stronger wind gusts than previously forecast, possibly reaching up to 55 mph, and updated their impact forecast accordingly. On Sunday March 10, 2024, Con Edison’s meteorologists continued to note that weather forecast models were indicating stronger wind gusts than previously forecast, possibly reaching up to 60 mph, and again updated their forecast. Ultimately, the forecast rainfall amounts of 1-2” was largely verified, but with some isolated reports of higher amounts of 2-3”. The wind gust forecast of 50-60 mph also was verified with widespread reports across the O&R and RECO service territories of gusts in this range.

10. The Company’s storm response to the March 11, 2024 Wind Event began on Monday, March 11, 2024, at 0600 hours and concluded on Wednesday, March 13, 2024,

at 0100 hours. The mobilization level was a Class 2B, in accordance with the procedure described below. There were 60 “no power incidents” affecting 2,460 customers in the RECO service territory. This represented 3.29% of the RECO service territory customers and there were zero “no power incidents” lasting over 24 hours. Tree conditions were the leading cause of “no power incidents,” with a total of 47 incidents and 2,204 customers affected. There were 10 “no power incidents” due to equipment failure affecting 216 customers. The total customer minutes was 462,670 minutes.

JUNE 30, 2024 THUNDERSTORMS

11. On Friday, June 28, 2024, Con Edison’s meteorologists began warning of a cold front that would impact the O&R and RECO service territories in the form of severe thunderstorms. Confidence was low that these thunderstorms would turn severe in isolated areas at the time of the initial forecast. On Saturday, June 29, 2024, confidence increased in the threat for severe thunderstorms, leading to an uptick in the impact forecast. At the time the final forecast was issued on Sunday, June 30, 2024, confidence became high that thunderstorms would turn severe in isolated areas, and it was becoming apparent that there was a threat for these storms to form a line as they crossed through the O&R and RECO service territories. Given the combination of high confidence severe thunderstorms would form, the threat of a line to develop, full summer tree foliage, and heavy rain to saturate the soil, overhead electric distribution system impact was very likely. This led to another increase in the outage forecast. On Sunday, June 30, 2024, severe thunderstorms did develop, but largely south and east of the O&R and RECO service territories. The storms were also broken apart and not in a line as they crossed through, only forming a line

segment once they cleared the O&R and RECO service territories, leading to lower impact being realized.

12. The Company's storm response to the June 30, 2024 Thunderstorms began on Sunday, June 30, 2024, at 1400 hours and concluded on Sunday, June 30, 2024, at 2000 hours. The mobilization level was a Class 2A, in accordance with procedure described below. There were three "no power incidents" affecting 310 customers in the RECO service territory. This accounted for 0.41% of RECO service customers, with no power outages lasting more than 24 hours. Equipment failures were the cause of two "no power incidents," with a total of 306 customers affected. There was one "no power incident" due to a tree condition affecting four customers. The total customer minutes for "no power incidents" was 14,653 minutes.

TROPICAL STORM DEBBY

13. On Monday, August 5, 2024, Con Edison's meteorologists began predicting the threat of Tropical Storm Debby to impact the O&R and RECO service territories beginning Friday, August 9, 2024, and continuing into Saturday, August 10, 2024. At this time, the primary threats were heavy rainfall and strong gusty winds up to 35 mph. The combination of summer foliage, saturated soil and strong winds was expected to deliver impacts to the overhead electric distribution system, though confidence was low given the long-range nature of the forecast. By Wednesday, August 7, 2024 Con Edison's meteorologists noted the potential of stronger wind gusts than previously forecast, possibly reaching up to 40 mph, and updated their impact forecast accordingly. Ultimately, the forecast rainfall amounts of 1-3" was largely verified, and the wind gust forecast of 30-40 mph also verified.

14. The Company’s storm response to Tropical Storm Debby began on 14. Friday, August 9, 2024, at 1200 hours. The mobilization level was a Class 2C, in accordance with procedure described below. There were 25 “no power incidents” affecting 1,270 customers in the RECO service territory. The total number of affected customers was 1.70% of RECO service territory customers and there were zero “no power incidents” lasting over 24 hours. Tree conditions were the leading cause of “no power incidents,” with a total of 19 incidents and 920 customers affected. There were three “no power incidents” due to equipment failure affecting 312 customers. The total minutes for “no power incidents” was 256,132 minutes.

EVENT CLASSIFICATION

15. In accordance with Section 3 of the Company’s Emergency Response Plan (“ERP”) (which the Company has provided to the Board), the Company commences pre-event preparations at the first indication of a potential impact to the O&R and RECO service territories. The Company further evaluates event classification (*e.g.*, Class 1, Class 2) in accordance with Section 3 of the ERP and the Storm Classification and Staffing Matrix, included as Attachment 11 of the ERP. The Company uses this matrix for both pre-mobilization and recovery efforts. The matrix relates forecasted weather conditions with other parameters such as:

- Projected outage jobs;
- Number of customers projected out of service;
- Proposed restoration range; and
- Other variables such as wind, foliage condition, or ground saturation.

16. The Company uses its weather and impact forecasts as an input in its decision making for a storm. Among other things, the Company uses them to initiate planning, assign a category to the storm, mobilize Company and external resources to a range of pre-determined minimum staffing levels and as a trigger to initiate certain communications with customers, government officials, the media, and emergency response personnel.

17. The Company makes its final staffing decisions based on the weather and impact forecasts and other factors. The most important factor in staffing is the Company's goal to restore customers expeditiously following storms in order to meet increasing customer expectations for shorter outage periods.

18. In preparing for the six storms discussed above, the Company was guided by Board Staff's critical observation that during Tropical Storm Isaias, the Company's "daily restoration progress and outage reduction was out of sync with New Jersey's other three electric distribution companies ("EDCs") resulting in a noticeably slower pace of restoration."¹ In the Isaias Report (p. 12), Board Staff also concluded the following regarding the Company's performance:

Given the forecast from both the utilities and the NWS, it appears the **pre-storm measures implemented by the EDCs** were consistent with one another, with the exception of RECO, and appropriate for the type of forecast being predicted. RECO was not proactive in acquiring pre-storm mutual assistance prior to the arrival of the storm on August 4, 2020. ORU, who operates RECO as a contiguous system serving approximately 300,000 customers combined, waited until August 4, 2020 to acquire tree trimming mutual assistance resources. **Given the likelihood that Isaias would cause significant tree-related damage to the ORU and RECO service territory, ORU should have been more proactive in obtaining mutual assistance earlier in the pre-storm preparation.** (emphasis added)

¹ *Review and Assessment of Electric Utility Performance August 4, 2020 Tropical Storm Isaias Weather Event*, Prepared by Board Staff Division of Reliability and Security, dated November 18, 2020 (p. 31) ("Isaias Report").

As Board Staff also noted in the Isaias Report (p. 3):

While all utility ratepayer costs are scrutinized routinely, the Board has made it clear that **legitimate expenditures for weather preparedness and response, including mutual assistance efforts, are acceptable expenditures. *We need the EDCs to lean forward on acquisition of resources in response to these disasters...*** (emphasis added).

19. Further, Board Staff's emphasis on storm preparedness is consistent with the Board's rules relating to interruptions of service that provide "Each utility shall exercise reasonable diligence to avoid interruptions, curtailments, or deficiencies (hereafter referred to as 'interruptions' of service and, when such interruptions occur, service shall be restored as promptly as possible consistent with safe practices." N.J.A.C. 14:3-3.7(a) and (b) (noting that the rule applies specifically to weather conditions).

MOBILIZATION ACTIVITIES

20. In the days leading up to each of the six storms described above, the Company began preparatory communication and mobilization measures for the storm in accordance with Section 3 of the ERP. As the storms approached the O&R and RECO service territories, the Company advised customers to brace for possible outages as the Company mobilized crews, contractors, and storm emergency staff.

21. In advance of each of the six storms described above, the Company initiated calls to begin planning for the arrival of impactful weather. The Company mobilized its Incident Command System ("ICS") Organization, along with key storm response and restoration teams. The ICS Organization remained mobilized through the end of the restoration period for each of these storms. Once the ICS was activated, the Company transitioned to storm mode with non-essential operational day-to-day activities suspended in lieu of storm response activities.

22. With each storm approaching the O&R and RECO service territories, the Company began the process to secure mutual aid resources. The Company requested assistance from various contractors with which it has arrangements. These included “blue sky” contractors, *i.e.*, contractors who regularly work on site regardless of the weather, along with contractors covered by our emergency contracts. The table below sets forth the resources (*i.e.*, full-time equivalents (“FTEs”)) that the Company requested and was able to secure in preparation for the arrival of each storm.

O&R Mutual Assistance Summary - Line, Tree, Service Restoration, Damage Assessment and Site Safety					
Date Secured	Requested Arrival Date	FTEs Secured	Vendor	Resource Type	Release Date
December 18, 2023 Nor’easter					
12/16/2023	12/17/2023	50	Sparks	Line	12/20/2023
12/18/2023	12/18/2023	36	Welsbach	Service	12/20/2023
12/19/2023	12/19/2023	50	Tempest	Line	12/20/2023
Winter Storm Finn					
1/7/2024	1/9/2024	50	Sparks	Line	1/10/2024
1/5/2024	1/9/2024	80	Sparks	Line	1/10/2024
1/8/2024	1/9/2024	20	Osrose	Damage Assessment	1/10/2024
1/8/2024	1/9/2024	50	Tempest	Tree	1/10/2024
1/8/2024	1/9/2024	30	Welsbach	Service	1/10/2024
1/8/2024	1/9/2024	10	Verde	Service	1/10/2024
Winter Storm Lorraine					
2/12/2024	2/12/2024	24	Welsbach	Service	2/13/2024
2/12/2024	2/12/2024	26	Verde	Service	2/13/2024
2/12/2024	2/12/2024	100	Tempest	Line	2/14/2024
2/12/2024	2/12/2024	57	Atkins	Line	2/14/2024
March 11, 2024 Wind Event					
3/9/2024	3/10/2024	75	Atkins	Line	3/13/2024
3/9/2024	3/10/2024	25	Riggs Distler	Line	3/13/2024
3/10/2024	3/10/2024	100	Bird	Line	3/13/2024
3/12/2024	3/12/2024	50	Haugland	Line	3/13/2024
3/10/2024	3/10/2024	30	Welsbach	Service	3/13/2024
3/10/2024	3/10/2024	20	Utility Power	Service	3/12/2024
June 30, 2024 Thunderstorm					
6/25/2024	6/25/2024	50	Bird	Line	7/1/2024

O&R Mutual Assistance Summary - Line, Tree, Service Restoration, Damage Assessment and Site Safety					
Date Secured	Requested Arrival Date	FTEs Secured	Vendor	Resource Type	Release Date
6/29/2024	6/30/2024	35	Bird	Line	7/1/2024
6/29/2024	6/30/2024	65	Utility Power	Line	7/1/2024
6/29/2024	6/30/2024	50	Tempest	Line	7/1/2024
6/29/2024	6/30/2024	50	Atkins	Line	6/30/2024
6/29/2024	6/30/2024	50	Mid-Con	Line	6/30/2024
Tropical Storm Debby					
8/6/2024	8/9/2024	150	Utility Power	Line	8/11/2024
8/7/2024	8/10/2024	50	Welsbach	Service	8/9/2024

O&R “Blue Sky” Contractor Summary		
December 18, 2023 Nor’easter		
FTE	Vendor	Type
2	Hydrovac	Line Support
12	Hawkeye	Line
18	Northline	Line
55	Nelson	Tree
Winter Storm Finn		
FTE	Vendor	Type
12	Hawkeye	Line
18	Northline	Line
84	Nelson	Tree
2	Hydrovac	Line Support
Winter Storm Lorraine		
FTE	Vendor	Type
12	Hawkeye	Line
18	Northline	Line
75	Nelson	Tree
2	Hydrovac	Line Support
March 11, 2024 Wind Event		
FTE	Vendor	Type
11	Hawkeye	Line
18	Northline	Line

30	Nelson	Tree
2	Hydrovac	Line Support
June 30, 2024 Thunderstorm		
<u>FTE</u>	<u>Vendor</u>	<u>Type</u>
8	Hawkeye	Line
14	Northline	Line
60	Nelson	Tree
2	Hydrovac	Line Support
Tropical Storm Debby		
<u>FTE</u>	<u>Vendor</u>	<u>Type</u>
11	Hawkeye	Line
15	Northline	Line
60	Nelson	Tree
17	CAVS	Tree
2	Hydrovac	Line Support

23. Prior to each of the six storms described above, the Company informed the Board’s Division of Reliability and Security of the Company’s mobilization plans, the classification of the storm, and the status of the Company’s requested mutual assistance resources.

STORM PREPARATION COSTS

24. As set forth in Exhibit A to this Verified Petition, the Company incurred unreimbursed, uninsured and incremental storm preparation operation and maintenance (“O&M”) costs as a result of preparation for and response to the six storms described above. Exhibit A provides the total Company labor (both management and union), total accounts payable (e.g., contractor and mutual aid expenses) and other expenses (e.g., lodging, meals and incidental expenses) incurred. As the Company received and processed invoices, the Company reviewed the expenses incurred and when appropriate or

identifiable, direct bills were charged to RECO. The Company will update and revise the costs included in Exhibit A as necessary and appropriate.

25. Given the minimal number of customer outages associated with these events, if the type of expense incurred benefited both the O&R and RECO service territories, allocation of the expenses was based on the EO split used to split electric costs between O&R and RECO, which is updated on an annual basis. The EO split was 74.70% O&R, and 25.30% RECO in 2023 and is currently 75.54.% O&R, and 24.46% RECO for 2024.

COST RECOVERY FROM INSURANCE, GOVERNMENTAL PROGRAMS OR THIRD PARTIES

26. The Company does not have any insurance available that would offset the costs it incurred related to storm response as described above.

27. The Company's corporate insurance program is managed by the corporate insurance department of RECO's corporate affiliate, Con Edison. The corporate insurance program has historically covered all Company structural facilities, power plants, office buildings, substations, large transformers and warehouses. The corporate insurance program does not cover the sort of preparation costs that the Company incurs in anticipation of impact from inclement weather.

28. RECO is not eligible for reimbursement from the Federal Emergency Management Agency or other federal agency for any of the preparation costs that the Company incurred in anticipation of the four storms described above.

REQUEST FOR RELIEF: DEFERRAL FOR ACCOUNTING PURPOSES

29. The Company's financial statements reflect the application of accounting policies which conform to generally accepted accounting principles ("GAAP"). The Company's critical accounting policies include industry-specific accounting applicable to regulated public utilities. By this Verified Petition, the Company is seeking authority to defer on its books for accounting purposes the actual incremental, unreimbursed preparation and restoration costs incurred by the Company relating to these storms within the guidelines established by GAAP. The Company does not seek any determinations as to rate recovery at this time; that will be addressed in a future base rate case.

30. The Board's Decision and Order Adopting Initial Decision and Stipulation of Settlement dated December 15, 2021 ("2021 Rate Order"), in the Company's last electric base rate case (*i.e.*, Docket No. ER21050823), provides that the Company's storm costs for an individual storm shall automatically qualify for deferred accounting if RECO incurs incremental costs of \$300,000 and the storm caused 10% or more of the customers located in either (i) RECO's Bergen County service territory or (ii) RECO's combined Passaic County and Sussex County service territories to be without electric service. The 2021 Rate Order also expressly authorizes RECO to petition the Board for approval of deferred accounting treatment for storm costs related to individual storms that are not subject to deferred accounting under the foregoing sentence. (2021 Rate Order, pp. 6-7, approving Stipulation paragraph 18).

31. Although as set forth in Exhibit A and shown in the table below, in preparing for each of these storms, the Company incurred incremental costs in excess of \$300,000, none of the six storms caused 10% or more of the customers located in either (i)

RECO’s Bergen County service territory or (ii) RECO’s combined Passaic County and Sussex County service territories, to be without electric service. Therefore, the costs of the storm incurred by the Company are not subject to automatic deferral under the 2021 Rate Order, but the Company is authorized in the 2021 Rate Order to seek deferral via a separate petition to the Board.

STORM PREPARATION COSTS FOR DEFERRAL	
Storm	Expenses
December 18, 2023 Nor’easter	\$ 736,971.34
Winter Storm Finn	\$ 851,978.35
Winter Storm Lorraine	\$ 776,428.33
March 11, 2024 Wind Event	\$ 943,423.38
June 30, 2024 Thunderstorm	\$ 906,731.90
Tropical Storm Debby	\$ 761,858.94
Total	\$ 4,977,392.23

32. Deferral accounting treatment is appropriate because the costs: reflect actual incremental costs, were incurred for an out-of-the-ordinary occurrence, were incurred consistent with Board Staff’s guidance on storm preparation (and would have been automatically deferred but for the lack of electric service outages) and have a significant financial impact on the Company, both individually and collectively. Although the costs were prudently incurred as explained in this Verified Petition, the purpose of this Verified Petition is to request deferred accounting treatment, so that the parties can address all issues associated with rate recovery in the Company’s next base rate case.

FUTURE RATEMAKING TREATMENT

33. The Company now seeks authority to defer on its books all of the storm costs described in this Verified Petition and attachments, and in the Company’s next base rate case, to seek recovery of them through prospective adjustments to rates charged to ratepayers. The Company currently is operating under electric distribution base rates

approved by the Board in the 2021 Rate Order. As discussed above, the Company's storm preparation costs associated with the six storms discussed above do not qualify for automatic deferred accounting treatment. By this Verified Petition, the Company seeks the Board's authorization to defer the Company's storm preparation costs associated with the six storms included in this Verified Petition. As noted in Exhibit A, the Company's current estimate of total incremental O&M storm related costs incurred is approximately \$5.0 million. The Company will update this estimate as any remaining invoices are received and verified.

TAX TREATMENT

34. For State and Federal income tax purposes, storm related costs are deducted as incurred. To the extent any regulatory asset is created by the deferral of these costs, a corresponding deferred tax liability is established in accordance with Financial Accounting Standards Board, Accounting Standards Codification, Topic 740 – *Income Taxes* (ASC 740).

TESTIMONY

35. The Company is presenting the testimony of the Storm Costs Panel, attached as Exhibit B to this Verified Petition, in support of this Verified Petition.

ATTACHMENTS

36. Attached hereto and made a part of this Verified Petition is the following attachment:

Exhibit A – Summary of O&M Costs Incurred During the Major Storm Events

Exhibit B - Testimony of the Storm Costs Panel

PUBLIC NOTICE AND SERVICE

37. In addition to filing this Verified Petition with the Board, copies of this Verified Petition will be duly served in accordance with Board requirements upon the Director, Division of Rate Counsel and upon the Department of Law and Public Safety. A copy of this Verified Petition also will be posted on the Company's website.

38. Inasmuch as the Company is not seeking any rate increase at this time in connection with this Verified Petition, RECO does not believe that any Public Notices need be published or served pursuant to N.J.A.C. 14:1-5.12(b)1 and 3, (c) and (d), nor is there any requirement for public hearings in the Company's service territory. Should the Attorney General's office advise otherwise, the Company will endeavor to make arrangements for the required notice and public hearing(s).

39. Communications and correspondence related to this Verified Petition should be sent as follows:

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CONCLUSION AND REQUESTS FOR APPROVAL

40. For all the foregoing reasons, RECO respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an Order approving this Verified Petition, including but not limited to specifically finding that:

(1) RECO is authorized to defer on its books, for accounting purposes, the actual, unreimbursed incremental preparation costs incurred by RECO associated with the six storms described and quantified in this Verified Petition and attachments hereto, and address rate recovery of them from the Company's customers in rates, including the time period, carrying charges and manner of recovery, in the Company's next base rate case;

and

(2) Authorizing such other or further relief as may be necessary and proper.

Respectfully submitted,

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Company

Dated: November 22, 2024

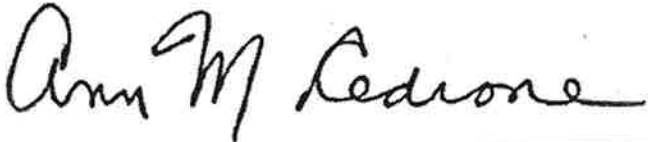
VERIFICATION

STATE OF NEW YORK)
) ss.:
COUNTY OF ROCKLAND)

ANN CEDRONE, being duly sworn, according to law, upon her oath deposes and says:


1. I am the Treasurer of Rockland Electric Company, the Petitioner in the annexed Verified Petition, and in that capacity, I make the within Verification.

2. I have read the attached Verified Petition, and the matters and things contained herein are true to the best of my knowledge, information and belief.



Ann Cedrone

Sworn to and subscribed
before me this 21 day
of November, 2024.



Notary Public

DENISE A. COLLINS
Notary Public, State of New York
Registration #01CO5078588
Qualified in Rockland County
Commission Expires May 27, 2027

EXHIBIT A

ROCKLAND ELECTRIC COMPANY
SUMMARY OF December 18, 2023 Nor'easter
12/17/23

Line Contractors

Elecnor Hawkeye LLC	\$	56,860.83
Northline Utilities LLC	\$	63,456.68
Hydrovac Excavating Inc	\$	-
Atkins Electric Co Inc	\$	-
Tempest Energy LLC	\$	155,212.49
Welsbach Electric Corp	\$	154,506.28
Sparks Energy Inc	\$	545,955.26

Total Line Contractors

\$ 975,991.54

Tree Contractors

Nelson Tree Service LLC	\$	44,073.35
JAFLO INC	\$	-
CN UTILITY CONSULTING INC	\$	-
EOCENE Environmental Group Inc		

Total Tree Contractors

\$ 44,073.35

Other Contractors

Osiose Utilities Services Inc	\$	-
ABE FRAN LLC DBA ALL BRIGHT ELECTRIC	\$	9,388.95
E-J Electric T&D LLC	\$	8,595.99
UtilityPower LLC	\$	-
Haugland Energy Group LLC	\$	-
Southern Power & Lighting LLC	\$	-
Clean Harbors Environmental Services Inc	\$	-
AIR METRO HELICOPTER INC	\$	-

Total Other Contractors

\$ 17,984.95

Labor

Management Overtime	\$	-
Direct Weekly Overtime	\$	88,983.03

Total Tree Contractors

\$ 88,983.03

ROCKLAND ELECTRIC COMPANY
SUMMARY OF December 18, 2023 Nor'easter
12/17/23

Other

Meals for Company Locations	\$ 12,324.92
Hotel Costs for Mutual Assistance	\$ 14,268.11
Guard Service	\$ -
Mileage/Tolls	\$ 450.00
Employee Meals	\$ 182.18
P-Card Purchases	\$ 0.00
Supplies	\$ -
All Other	\$ (417,286.74)

Total Other **\$ (390,061.53)**

TOTAL **\$ 736,971.34**

ROCKLAND ELECTRIC COMPANY
SUMMARY OF Winter Storm Finn
1/9/24

Line Contractors

Elecnor Hawkeye LLC	\$ 9,986.57
Northline Utilities LLC	\$ 16,818.46
Hydrovac Excavating Inc	\$ -
Atkins Electric Co Inc	\$ -
Tempest Energy LLC	\$ 61,118.42
Welsbach Electric Corp	\$ 48,599.51
Sparks Energy Inc	\$ 596,322.35
CONSOLIDATED EDISON COMPANY OF NEW YORK INC	\$ 605.52
VERDE ELECTRIC CORP	\$ 15,390.43

Total Line Contractors **\$ 748,841.26**

Tree Contractors

Nelson Tree Service LLC	\$ 5,652.96
JAFLO INC	\$ -
CN UTILITY CONSULTING INC	\$ -
EOCENE ENVIRONMENTAL GROUP INC	\$ -

Total Tree Contractors **\$ 5,652.96**

ROCKLAND ELECTRIC COMPANY
SUMMARY OF Winter Storm Finn
1/9/24

Other Contractors

Osmose Utilities Services Inc	\$ 5,753.29
ABE FRAN LLC DBA ALL BRIGHT ELECTRIC	\$ 6,451.11
E-J Electric T&D LLC	\$ -
UtilityPower LLC	\$ -
Haugland Energy Group LLC	\$ -
Southern Power & Lighting LLC	\$ -
Clean Harbors Environmental Services Inc	\$ -

Total Other Contractors	\$ 12,204.40
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Labor

Management Overtime	\$ 4,835.50
Direct Weekly Overtime	\$ 66,630.75

Total Tree Contractors	\$ 71,466.25
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Other

Meals for Company Locations	\$ 11,216.27
Hotel Costs for Mutual Assistance	\$ 2,864.62
Guard Service	\$ -
Mileage/Tolls	\$ 24.46
Employee Meals	\$ -
P-Card Purchases	\$ 0.00
Supplies	\$ 203.67
All Other	\$ (495.55)

Total Other	\$ 13,813.48
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TOTAL	\$ 851,978.35
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ROCKLAND ELECTRIC COMPANY
SUMMARY OF Winter Storm Lorraine
2/13/24

Line Contractors

Elecnor Hawkeye LLC	\$ -
Northline Utilities LLC	\$ 12,420.14
Hydrovac Excavating Inc	\$ -

ROCKLAND ELECTRIC COMPANY
SUMMARY OF Winter Storm Lorraine
2/13/24

Atkins Electric Co Inc	\$ 156,013.57
Tempest Energy LLC	\$ 418,100.97
Welsbach Electric Corp	\$ 62,353.75
CONSOLIDATED EDISON COMPANY OF NEW YORK INC	\$ 359.91
VERDE ELECTRIC CORP	\$ 46,249.17
Total Line Contractors	\$ 695,497.52
<u>Tree Contractors</u>	
Nelson Tree Service LLC	\$ 17,513.22
JAFLO INC	\$ -
CN UTILITY CONSULTING INC	\$ -
EOCENE ENVIRONMENTAL GROUP INC	\$ -
Total Tree Contractors	\$ 17,513.22
<u>Other Contractors</u>	
Osmose Utilities Services Inc	\$ -
ABE FRAN LLC DBA ALL BRIGHT ELECTRIC	\$ 4,114.67
E-J Electric T&D LLC	\$ 5,734.00
UtilityPower LLC	\$ -
Haugland Energy Group LLC	\$ -
Southern Power & Lighting LLC	\$ -
Clean Harbors Environmental Services Inc	\$ -
GROUNDS CARE LTD	\$ -
JAL EXCAVATING INC	\$ -
KOWAL BROTHERS PAVING LLC	\$ -
Total Other Contractors	\$ 9,848.67
<u>Labor</u>	
Management Overtime	\$ 5,114.60
Direct Weekly Overtime	\$ 22,823.89
Total Tree Contractors	\$ 27,938.49
<u>Other</u>	
Meals for Company Locations	\$ 10,179.17
Hotel Costs for Mutual Assistance	\$ 13,098.89
Guard Service	\$ -
Mileage/Tolls	\$ 52.23

ROCKLAND ELECTRIC COMPANY
SUMMARY OF Winter Storm Lorraine
2/13/24

Employee Meals	\$ -
P-Card Purchases	\$ 1,476.20
Supplies	\$ -
All Other	\$ 823.94
Total Other	\$ 25,630.43
TOTAL	\$ 776,428.33

ROCKLAND ELECTRIC COMPANY
SUMMARY OF March 11, 2024 Wind Event
3/11/24

<u>Line Contractors</u>	
Elecnor Hawkeye LLC	\$ 23,487.39
Northline Utilities LLC	\$ 34,070.11
Hydrovac Excavating Inc	\$ 1,123.82
Atkins Electric Co Inc	\$ 190,221.96
Tempest Energy LLC	\$ -
Welsbach Electric Corp	\$ 92,214.03
BIRD ELECTRIC ENTERPRISES LLC	\$ 405,635.75
Total Line Contractors	\$ 746,753.07
<u>Tree Contractors</u>	
Nelson Tree Service LLC	\$ 71,830.05
JAFLO INC	\$ -
CN UTILITY CONSULTING INC	\$ -
EOCENE ENVIRONMENTAL GROUP INC	\$ -
CUT ABOVE VEGETATION SERVICES LLC	\$ -
Total Tree Contractors	\$ 71,830.05
<u>Other Contractors</u>	
Osmose Utilities Services Inc	\$ -
ABE FRAN LLC DBA ALL BRIGHT ELECTRIC	\$ 12,307.98
E-J Electric T&D LLC	\$ 7,904.84
UtilityPower LLC	\$ 42,947.54

**ROCKLAND ELECTRIC COMPANY
SUMMARY OF March 11, 2024 Wind Event**

3/11/24

Haugland Energy Group LLC	\$ 117,972.18
Southern Power & Lighting LLC	\$ -
Clean Harbors Environmental Services Inc	\$ 6,331.05
RIGGS DISTLER & CO INC SUCCESSOR OF PCT CONTRACTING LLC	\$ 76,784.15
BOROUGH OF UPPER SADDLE RIVER	\$ 1,453.88
AIR METRO HELICOPTER INC	\$ -
LANGAN ENGINEERING ENVIRONMENTAL SURVEYING LANDSCAPE ARCHITECTURE & GEOLOGY DPC	\$ -
Total Other Contractors	\$ 265,701.62
<u>Labor</u>	
Management Overtime	\$ 17,505.79
Direct Weekly Overtime	\$ 96,615.20
Total Tree Contractors	\$ 114,120.99
<u>Other</u>	
Meals for Company Locations	\$ 5,934.16
Hotel Costs for Mutual Assistance	\$ 26,261.05
Guard Service	\$ 473.75
Mileage/Tolls	\$ 359.79
Employee Meals	\$ 40.19
P-Card Purchases	\$ 3,926.04
Supplies	\$ -
All Other	\$ (291,977.34)
Total Other	\$ (254,982.36)
TOTAL	\$ 943,423.38

**ROCKLAND ELECTRIC COMPANY
SUMMARY OF June 30, 2024 Thunderstorm**

6/30/24

<u>Line Contractors</u>	
Elecnor Hawkeye LLC	\$ 14,557.56
Northline Utilities LLC	\$ 35,288.69

ROCKLAND ELECTRIC COMPANY
SUMMARY OF June 30, 2024 Thunderstorm

6/30/24

Hydrovac Excavating Inc	\$ 7,337.44
Atkins Electric Co Inc	\$ 45,522.55
Tempest Energy LLC	\$ 153,088.00
Welsbach Electric Corp	\$ -
Bird Electric	\$ 239,869.13
MID CON ENERGY SERVICES INC	\$ 31,379.46

Total Line Contractors	\$ 527,042.82
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Tree Contractors

Nelson Tree Service LLC	\$ 23,046.22
JAFLO INC	\$ -
CN UTILITY CONSULTING INC	\$ -
EOCENE ENVIRONMENTAL GROUP INC	\$ -

Total Tree Contractors	\$ 23,046.22
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Other Contractors

Osiose Utilities Services Inc	\$ -
Fran Corp DBA All Bright Electric	\$ -
E-J Electric T&D LLC	\$ 22,391.39
UtilityPower LLC	\$ 275,665.48
Haugland Energy Group LLC	\$ -
Southern Power & Lighting LLC	\$ -
Clean Harbors Environmental Services Inc	\$ -

Total Other Contractors	\$ 298,056.87
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Labor

Management Overtime	\$ -
Direct Weekly Overtime	\$ 18,348.68

Total Tree Contractors	\$ 18,348.68
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Other

Meals for Company Locations	\$ 14,248.11
Hotel Costs for Mutual Assistance	\$ 23,431.35
Guard Service	\$ 2,470.07
Mileage/Tolls	\$ 42.79
Employee Meals	\$ 33.47
P-Card Purchases	\$ 0.02

**ROCKLAND ELECTRIC COMPANY
SUMMARY OF June 30, 2024 Thunderstorm**

6/30/24

Supplies	\$	-
All Other	\$	11.50
Total Other	\$	40,237.31
TOTAL	\$	906,731.90

**ORANGE & ROCKLAND UTILITIES
SUMMARY OF Tropical Storm Debby
8/9/24**

<u>Line Contractors</u>		
Elecnor Hawkeye LLC	\$	8,548.62
Northline Utilities LLC	\$	11,657.21
Hydrovac Excavating Inc	\$	749.62
Atkins Electric Co Inc	\$	-
Tempest Energy LLC	\$	-
Welsbach Electric Corp	\$	286.44
Total Line Contractors	\$	21,241.89
<u>Tree Contractors</u>		
Nelson Tree Service LLC	\$	68,702.78
JAFLO INC	\$	-
CN UTILITY CONSULTING INC	\$	-
EOCENE ENVIRONMENTAL GROUP INC	\$	-
CUT ABOVE VEGETATION SERVICES LLC	\$	19,126.34
Total Tree Contractors	\$	87,829.12
<u>Other Contractors</u>		
Osiose Utilities Services Inc	\$	-
Fran Corp DBA All Bright Electric	\$	-
E-J Electric T&D LLC	\$	7,464.53
UtilityPower LLC	\$	513,341.14
Haugland Energy Group LLC	\$	-
Southern Power & Lighting LLC	\$	-
Clean Harbors Environmental Services Inc	\$	-

**ORANGE & ROCKLAND UTILITIES
SUMMARY OF Tropical Storm Debby
8/9/24**

INDUSTRIAL STAFFING SERVICES INC DBA EQUILIEM	\$ 2,963.02
BOROUGH OF RINGWOOD	\$ -
BSB CONSTRUCTION INC	\$ -
Total Other Contractors	\$ 523,768.68
 <u>Labor</u>	
Management Overtime	\$ 15,125.72
Direct Weekly Overtime	\$ 84,990.73
Total Tree Contractors	\$ 100,116.45
 <u>Other</u>	
Meals for Company Locations	\$ 7,127.46
Hotel Costs for Mutual Assistance	\$ 3,358.22
Guard Service	\$ -
Mileage/Tolls	\$ 159.49
Employee Meals	\$ 106.62
P-Card Purchases	\$ 3,204.01
Supplies	\$ 1,099.24
All Other	\$ 13,847.75
Total Other	\$ 28,902.79
 TOTAL	 \$ 761,858.94

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

INTRODUCTION

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Q. Would the members of the Storm Costs Panel (“Panel”) please state your names and business addresses?

A. Meredith Snider, 390 West Route 59, Spring Valley, New York, 10977.

Ann Cedrone, One Blue Hill Plaza, Pearl River, New York 10965.

Q. By whom and in what capacity are you employed?

A. (Snider) I am employed by Orange and Rockland Utilities, Inc. (“Orange and Rockland” or “O&R”), the parent company of Rockland Electric Company (“RECO” or the “Company”), where I hold the position General Manager of Electric Operations.

(Cedrone) I am employed by Orange and Rockland, where I hold the position of Director – Financial Planning and Analysis (“FP&A”).

Q. Please briefly outline your educational and business experience.

A. (Snider) I earned a Bachelor of Science degree in Ceramic & Materials Engineering in 2002 from Clemson University and Master of Science in Organizational Leadership in 2008 from Mercy College. I was previously employed by Consolidated Edison Company of New York, Inc. (“Con Edison”) for 18 years. I held a variety of management and leadership positions throughout Con Edison during that time including Section Manager of the Equipment Group, Unit Substations, and Overhead Operations and Department Manager of the Bronx/Westchester Regional Control Center. I have been in my current

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 position at Orange and Rockland since November 2021.

2 (Cedrone) I graduated from Stevens Institute of Technology in 2001 with a Bachelor of
3 Engineering degree in Chemical Engineering. I obtained my Master of Business
4 Administration in 2013 from New York University's Stern School of Business, with
5 concentrations in Business Analytics and Quantitative Finance. After seven years in the
6 refining industry, I joined Con Edison in 2008 as a Senior Planning Analyst in the Steam
7 Long Range Planning group. I was promoted to Section Manager of that group in 2014
8 and assumed my current role as Director of O&R FP&A on June 1, 2019.

9 Q. Please describe your current responsibilities.

10 A. (Snider) I am responsible for the safe and reliable operation, maintenance and construction
11 of Orange and Rockland's and RECO's electric transmission and distribution systems.

12 (Cedrone) I am responsible for coordinating the financial, budget, and regulatory activities
13 for senior management of Orange and Rockland and RECO.

14 Q. Have you previously submitted testimony before the Board of Public Utilities ("Board")?

15 A. (Snider) Yes. I submitted pre-filed testimony as part of the Storm Cost Panel in the
16 Company's Petition for Approval of Deferred Accounting Treatment for Storm
17 Preparation Costs Related to Anticipated Major Storm Events in Late 2022 and 2023
18 (BPU Docket No. ER23050280) ("RECO 2023 Deferral Petition").

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 (Cedrone) Yes. I submitted pre-filed testimony as part of the Accounting Panel in RECO's
2 most recent distribution base rate case (BPU Docket No. ER21050823). I also submitted
3 testimony as part of the Storm Cost Panel in the Company's Petition for Approval of
4 Deferred Accounting Treatment for Storm Preparation Costs Related to Tropical Storm
5 Henri (BPU Docket No. ER 21091143) and the RECO 2023 Deferral Petition.

SUMMARY OF TESTIMONY

6
7 Q. What is the purpose of the Panel's direct testimony?

8 A. Our testimony supports the Company's Petition to the Board for an Order authorizing
9 RECO to defer for accounting purposes the incremental preparation costs incurred by
10 RECO ("costs" or "storm costs"), associated with the December 18, 2023 Nor'easter,
11 Winter Storm Finn, Winter Storm Lorraine, March 11, 2024 Wind Event, June 30, 2024
12 Thunderstorm, and Tropical Storm Debby (collectively referred to as the "Storms"). More
13 specifically, the Panel's testimony addresses the progress of and the Company's
14 preparation for the Storms.

SERVICE TERRITORY

15
16 Q. Please describe the Company's service territory.

17 A. The Company provides electric service to approximately 73,000 electric customers in an
18 area having a population in excess of 200,000 persons, which extends from eastern Bergen
19 County at the Hudson River to western Passaic County and small communities in Sussex
20 County, New Jersey. Petitioner's customer base includes approximately 66,000
21 residential customers.

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

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DECEMBER 18, 2023 NOR'EASTER

Q. Please discuss the progress of the December 18, 2023 Nor'easter and how the Company tracked it.

A. On Thursday, December 14, 2023, Con Edison's meteorologists first issued a warning of potential impactful weather to the O&R and RECO service territories from a major coastal storm, set to occur on Monday, December 18, 2023. The forecasted combination of 1.5" – 3.5" of heavy rain saturating the soil and strong wind gusts up to 45 mph had the potential to cause overhead electric system impacts. The weather and impact forecast remained unchanged on Friday, December 15, 2023. By Saturday, December 16, 2023, Con Edison's meteorologists noted a higher magnitude of forecasted wind gusts up to 50 mph for the O&R and RECO service territories. Rainfall forecasts of 1.5" – 3.5" remained unchanged. However, the combination of slightly stronger winds led to an increase in the level of predicted overhead electric distribution system impact for the O&R and RECO service territories. On Sunday, December 17, 2023, Con Edison's meteorologists continued to predict strong wind gusts up to 50 mph and heavy rain totaling 2" – 4" for the O&R and RECO service territories, mainly occurring between 0000 – 1200 hours Monday, December 18, 2023. There was also an isolated threat for severe thunderstorms during the aforementioned timeframe. Ultimately, 3" – 5" of rain fell across a large portion of the O&R and RECO service territories, along with wind gusts of 35-45 mph during the morning hours of Monday, December 18, 2023. Wind gusts exceeding 45 mph were noted immediately outside the O&R and RECO service territories.

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 Q. How did the Company classify the December 18, 2023 Nor'easter?

2 A. The Company classified the December 18, 2023 Nor'easter in accordance with Section 3
3 of the Company's Emergency Response Plan ("ERP") (which the Company has provided
4 to the Board), and the Storm Classification and Staffing Matrix, included as Attachment 4
5 of the ERP. The Company's storm response for the December 18, 2023 Nor'easter began
6 on Sunday, December 17, 2023 at 2200 hours with a Class 1 mobilization. This
7 classification was increased to a Class 2A at 0600 hours on December 18, 2023 due to
8 increased system impact in accordance with the procedure described below.

9 Q. Was the Company's classification of the December 18, 2023 Nor'easter and preparation
10 effort influenced by its experience prior to and during Isaias?

11 A. Yes. As discussed above, in preparing for the December 18, 2023 Nor'easter and the
12 other Storms, the Company was guided by Board Staff's review of the Company's
13 performance prior to and during Isaias.

14 Q. Please describe the Company's mobilization activities prior to the arrival of the December
15 18, 2023 Nor'easter.

16 A. On December 16, 2023 the Company initiated calls to begin planning for the arrival of the
17 December 18, 2023 Nor'easter. On December 17, at 2200 hours, the Company mobilized
18 its ICS Organization, along with key storm response and restoration teams. The ICS
19 Organization remained mobilized through the end of the restoration period, *i.e.*, December
20 20 at 0500 hours. Once activated, the Company transitioned to storm mode with non-
21 essential operational day-to-day activities suspended in lieu of storm response activities.

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 Q. Did the Company seek mutual assistance prior to the arrival of the December 18, 2023
2 Nor'easter?

3 A. Yes. With the December 18, 2023 Nor'easter approaching the O&R and RECO service
4 territories, the Company began the process to secure mutual aid, through its existing
5 retainer contract and/or the NAMAG mutual assistance process, on December 16,
6 2023. The Company requested assistance from various contractors with which it has
7 arrangements. These included "blue sky" contractors, along with contractors covered by
8 our emergency contracts. As noted in the Petition, the Company was able to secure 223
9 full-time equivalents ("FTEs") for the O&R and RECO service territories.

10 Q. Was the Company in contact with Board Staff prior to the arrival of the December 18,
11 2023 Nor'easter?

12 A. Yes. Prior to Thursday December 18, 2023, the Company informed the Board's Division
13 of Reliability and Security of the Company's mobilization plans, the classification of the
14 December 18, 2023 Nor'easter as a Storm Category 1– Upgraded Event, and that the
15 Company had requested additional mutual assistance resources. On the morning of the
16 event (December 18), the Company contacted and advised the Board's Division of
17 Reliability and Security regarding the Company's storm preparation efforts.

WINTER STORM FINN

19 Q. Please discuss the progress of Winter Storm Finn and how the Company tracked it.

20 A. On Thursday, January 4, 2024, Con Edison's meteorologists began tracking the increasing
21 threat of a major storm that would impact the O&R and RECO service territories starting
22 Tuesday, January 9 into Wednesday, January 10, 2024. At this time, the primary threats of

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 this storm were forecast to be heavy rainfall and strong gusty winds. The combination of
2 saturated soil and gusty winds was expected to deliver potentially significant impacts to
3 the overhead electric distribution system, though confidence was low in the outage
4 forecast, due to low confidence in the wind gust forecast. From Thursday, January 4,
5 through the morning of Monday, January 8, the forecast remained unchanged for the O&R
6 and RECO service territories. During the evening hours of Monday, January 8, Con
7 Edison's meteorologists issued an update to the forecast. The latest model guidance
8 showed the possibility of stronger wind gusts and severe thunderstorms. This updated
9 forecast on January 8 showed the potential for even more significant impacts to the
10 overhead electric distribution system. Ultimately, the forecast for a strong line of storms
11 to cross the area late Tuesday, January 9, was verified. However, these thunderstorms
12 were not severe in nature and the area coverage of strongest winds was isolated. This line
13 of storms was also quick moving and exited the O&R and RECO service territories much
14 quicker than forecast.

15 Q. How did the Company classify Winter Storm Finn?

16 A. The Company classified Winter Storm Finn in accordance with Section 3 of the ERP and
17 the Storm Classification and Staffing Matrix, included as Attachment 4 of the ERP. The
18 Company's storm response for Winter Storm Finn began on Tuesday, January 9, 2024 at
19 1900 hours with a Class 2A mobilization.

20 Q. Was the Company's classification of Winter Storm Finn and preparation effort influenced
21 by its experience prior to and during Isaias?

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 A. Yes. As discussed above, in preparing for Winter Storm Finn and the other Storms, the
2 Company was guided by Board Staff’s review of the Company’s performance prior to and
3 during Isaias.

4 Q. Please describe the Company’s mobilization activities prior to the arrival of Winter Storm
5 Finn.

6 A. On Monday, January 8, 2024, the Company initiated calls to begin planning for the arrival
7 of Winter Storm Finn. On January 9, at 1900 hours, the Company mobilized its ICS
8 Organization, along with key storm response and restoration teams. The ICS Organization
9 remained mobilized through January 10 at 0500 hours. Once activated, the Company
10 transitioned to storm mode with non-essential operational day-to-day activities suspended
11 in lieu of storm response activities.

12 Q. Did the Company seek mutual assistance prior to the arrival of Winter Storm Finn?

13 A. Yes. With Winter Storm Finn approaching the O&R and RECO service territories, the
14 Company began the process to secure mutual aid, through its existing retainer contract
15 and/or the NAMAG mutual assistance process, on January 5, 2024. The Company
16 requested assistance from various contractors with which it has arrangements. These
17 included “blue sky” contractors, along with contractors covered by our emergency
18 contracts. As noted in the Petition, the Company was able to secure 316 FTEs for the
19 O&R and RECO service territories.

20 Q. Was the Company in contact with Board Staff prior to the arrival of Winter Storm Finn?

21 A. Yes. Prior to Monday, January 8, 2024, the Company informed the Board’s Division of
22 Reliability and Security of the Company’s mobilization plans, the classification of Winter

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 Storm Finn as a Storm Category 2A - Serious Event, and that the Company had requested
2 additional mutual assistance resources.

WINTER STORM LORRAINE

5 Q. Please discuss the progress of Winter Storm Lorraine and how the Company tracked it.

6 A. On Friday February 9, 2024, Con Edison's meteorologists began forecasting the
7 likelihood of accumulating snowfall across the O&R and RECO service territories on
8 Tuesday, February 13, 2024. The first forecast issued did not include a snowfall range, but
9 simply stated that greater than 6" of snow was becoming likely, and that a period of wet
10 snow was possible. Wet snow is impactful to the overhead electric distribution system
11 because of its heavy nature. On Saturday, February 10, 2024, an update was issued to the
12 forecast that showed increasing confidence in higher snowfall amounts, as well as the
13 likelihood of wet snow across O&R and RECO service territories. This change in the
14 forecast led to a slight uptick in the expected impact to the overhead electric distribution
15 system. The forecast issued on Sunday, February 11, 2024, remained unchanged.
16 However, the forecast issued one day prior to the event, on Monday, February 12, showed
17 an increase in snowfall amounts across the O&R and RECO service territories. This
18 change in snowfall amounts led to another uptick in forecasted impact to the overhead
19 electric distribution system. Winter Storm Lorraine did end up producing significant
20 snowfall amounts across the O&R and RECO service territories, with several locations
21 reporting over 12" of snowfall. However, temperatures with this system were slightly

Exhibit B
ROCKLAND ELECTRIC COMPANY
DIRECT TESTIMONY OF
STORM COSTS PANEL

1 colder than what model guidance was showing, leading to a more powdery and light snow
2 as opposed to the heavy wet snow that was originally forecast.

3 Q. How did the Company classify Winter Storm Lorraine?

4 A. The Company classified Winter Storm Lorraine in accordance with Section 3 of the ERP
5 and the Storm Classification and Staffing Matrix, included as Attachment 4 of the ERP.
6 The Company's storm response for Winter Storm Lorraine began on Tuesday, February
7 13, 2024 at 0500 hours with a Class 2C mobilization.

8 Q. Was the Company's classification of Winter Storm Lorraine and preparation effort
9 influenced by its experience prior to and during Isaias?

10 A. Yes. As discussed above, in preparing for Winter Storm Lorraine and the other Storms,
11 the Company was guided by Board Staff's review of the Company's performance prior to
12 and during Isaias.

13 Q. Please describe the Company's mobilization activities prior to the arrival of Winter Storm
14 Lorraine.

15 A. On Sunday, February 11, the Company initiated calls to begin planning for the arrival of
16 Winter Storm Lorraine. On February 13, at 0500 hours, the Company mobilized its ICS
17 Organization, along with key storm response and restoration teams. The ICS Organization
18 remained mobilized through the end of the restoration period, *i.e.*, February 13 at 1600
19 hours. Once activated, the Company transitioned to storm mode with non-essential
20 operational day-to-day activities suspended in lieu of storm response activities.

21 Q. Did the Company seek mutual assistance prior to the arrival of Winter Storm Lorraine?

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1 A. Yes. With Winter Storm Lorraine approaching the O&R and RECO service territories,
2 the Company began the process to secure mutual aid, through its existing retainer contract
3 and/or the NAMAG mutual assistance process, on February 12, 2024. The Company
4 requested assistance from various contractors with which it has arrangements. These
5 included “blue sky” contractors, along with contractors covered by our emergency
6 contracts. As noted in the Petition, the Company was able to secure 314 FTEs for the
7 O&R and RECO service territories.

8 Q. Was the Company in contact with Board Staff prior to the arrival of Winter Storm
9 Lorraine?

10 A. Yes. Prior to Tuesday February 13, 2024, the Company informed the Board’s Division of
11 Reliability and Security of the Company’s mobilization plans, the classification of Winter
12 Storm Lorraine as a Storm Category 2C – Serious Event, and that the Company had
13 requested additional mutual assistance resources. On the morning of the event (February
14 13), the Company contacted and advised the Board’s Division of Reliability and Security
15 regarding the Company’s storm preparation efforts.

MARCH 11, 2024 WIND EVENT

17 Q. Please discuss the progress of the March 11, 2024 Wind Event and how the Company
18 tracked it.

19 A. On Tuesday, March 5, 2024, Con Edison’s meteorologists began tracking an increasing
20 threat of a storm that would impact the O&R and RECO service territories beginning
21 Sunday, March 10, 2024, and continuing into Monday, March 11, 2024. At this time, the
22 primary threats were heavy rainfall followed by strong gusty winds. The combination of

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1 saturated soil and strong winds was expected to deliver impacts to the overhead electric
2 distribution system, though confidence was low given the long-range nature of the
3 forecast. From the morning of Tuesday, March 5, 2024, through the morning of Friday,
4 March 8, 2024, the forecast remained unchanged for the O&R and RECO service
5 territories. By Saturday, March 9, 2024, Con Edison's meteorologists noted the potential
6 of stronger wind gusts than previously forecast, possibly reaching up to 55 mph, and
7 updated their impact forecast accordingly. On Sunday March 10, 2024, Con Edison's
8 meteorologists continue to note that weather forecast models were indicating stronger
9 wind gusts than previously forecast, possibly reaching up to 60 mph, and again updated
10 their forecast. Ultimately, the forecast rainfall amounts of 1-2" largely verified, but with
11 some isolated reports of higher amounts of 2-3". The wind gust forecast of 50-60 mph
12 also verified with widespread reports across the O&R and RECO service territories of
13 gusts in this range.

14 Q. How did the Company classify the March 11, 2024 Wind Event?

15 A. The Company's storm response to the March 11, 2024 Wind Event began on Monday,
16 March 11, 2024, at 0600 hours and concluded on Wednesday, March 13, 2024, at 0100
17 hours. The mobilization level was a Class 2B, in accordance with the procedure described
18 below.

19 Q. Was the Company's classification of the March 11, 2024 Wind Event and preparation
20 effort influenced by its experience prior to and during Isaias?

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1 A. Yes. As discussed above, in preparing for the March 11, 2024 Wind Event and the other
2 Storms, the Company was guided by Board Staff's review of the Company's performance
3 prior to and during Isaias.

4 Q. Please describe the Company's mobilization activities prior to the arrival of the March 11
5 Wind Event.

6 A. On Friday, March 8, 2024, the Company initiated calls to begin planning for the March 11
7 Wind Event. On March 11, at 0600 hours, the Company mobilized its ICS Organization,
8 along with key storm response and restoration teams. The ICS Organization remained
9 mobilized through the end of the restoration period, *i.e.*, March 13 at 0100 hours. Once
10 activated, the Company transitioned to storm mode with non-essential operational day-to-
11 day activities suspended in lieu of storm response activities.

12 Q. Did the Company seek mutual assistance prior to the arrival of the March 11 Wind Event?

13 A. Yes. With the March 11 Wind Event approaching the O&R and RECO service territories,
14 the Company began the process to secure mutual aid, through its existing retainer contract
15 and/or the NAMAG mutual assistance process, on March 9, 2024. The Company
16 requested assistance from various contractors with which it has arrangements. These
17 included "blue sky" contractors, along with contractors covered by our emergency
18 contracts. As noted in the Petition, the Company was able to secure 361 FTEs for the
19 O&R and RECO service territories.

20 Q. Was the Company in contact with Board Staff prior to the arrival of Winter Storm
21 Lorraine?

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1 A. Yes. Prior to Friday, March 8, 2024, the Company informed the Board’s Division of
2 Reliability and Security of the Company’s mobilization plans, the classification of the
3 March 11 Wind Event as a Storm Category 2B – Serious Event, and that the Company had
4 requested additional mutual assistance resources. On the morning of the event (March
5 11), the Company contacted and advised the Board’s Division of Reliability and Security
6 regarding the Company’s storm preparation efforts.

JUNE 30, 2024 THUNDERSTORMS

7
8 Q. Please discuss the progress of June 30, 2024 Thunderstorms and how the Company
9 tracked them.

10 A. On Friday, June 28, 2024, Con Edison’s meteorologists began warning of a cold front that
11 would impact the O&R and RECO service territories in the form of severe thunderstorms.
12 Confidence was low that these thunderstorms would turn severe in isolated areas at the
13 time of the initial forecast. On Saturday, June 29, 2024, confidence increased in the threat
14 for severe thunderstorms, leading to an uptick in the impact forecast. At the time the final
15 forecast was issued on Sunday, June 30, 2024, confidence became high that thunderstorms
16 would turn severe in isolated areas, and it was becoming apparent that there was a threat
17 for these storms to form a line as they crossed through the O&R and RECO service
18 territories. Given the combination of high confidence severe thunderstorms would form,
19 the threat of a line to develop, full summer tree foliage, and heavy rain to saturate the soil,
20 overhead impact was very likely, led to another increase in the outage forecast. On
21 Sunday, June 30, 2024, severe thunderstorms did develop, but largely south and east of the
22 O&R and RECO service territories. The storms were also broken apart and not in a line as

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1 they crossed through, only forming a line segment once they cleared the O&R and RECO
2 service territories, leading to lower impact being realized.

3 Q. How did the Company classify June 30, 2024 Thunderstorms?

4 A. The Company classified the June 30, 2024 Thunderstorms in accordance with Section 3 of
5 the ERP and the Storm Classification and Staffing Matrix, included as Attachment 4 of the
6 ERP. The Company's storm response to the June 30, 2024 Thunderstorms began on
7 Sunday, June 30, 2024, at 1400 hours and concluded on Sunday, June 30, 2024, at 2000
8 hours. The mobilization level was a Class 2A, in accordance with procedure described
9 below.

10 Q. Was the Company's classification of June 30, 2024 Thunderstorms and preparation effort
11 influenced by its experience prior to and during Isaias?

12 A. Yes. As discussed above, in preparing for June 30, 2024 Thunderstorms and the other
13 Storms, the Company was guided by Board Staff's review of the Company's performance
14 prior to and during Isaias.

15 Q. Please describe the Company's mobilization activities prior to the arrival of June 30, 2024
16 Thunderstorms.

17 A. On Friday, June 28, 2024, the Company initiated calls to begin planning for the arrival of
18 the June 30, 2024 Thunderstorms. On June 30, at 1400 hours, the Company mobilized its
19 ICS Organization, along with key storm response and restoration teams. The ICS
20 Organization remained mobilized through the end of the restoration period, *i.e.*, June 30 at
21 2000 hours. Once activated, the Company transitioned to storm mode with non-essential
22 operational day-to-day activities suspended in lieu of storm response activities.

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1 Q. Did the Company seek mutual assistance prior to the arrival of the June 30, 2024
2 Thunderstorms?

3 A. Yes. With the June 30, 2024 Thunderstorms approaching the O&R and RECO service
4 territories, the Company began the process to secure mutual aid, through its existing
5 retainer contract and/or the NAMAG mutual assistance process, on June 25, 2024. The
6 Company requested assistance from various contractors with which it has
7 arrangements. These included “blue sky” contractors, along with contractors covered by
8 our emergency contracts. As noted in the Petition, the Company was able to secure 384
9 FTEs for the O&R and RECO service territories.

10 Q. Was the Company in contact with Board Staff prior to the arrival of June 30, 2024
11 Thunderstorms?

12 A. Yes. On Friday, June 28, the Company informed the Board’s Division of Reliability and
13 Security of the Company’s mobilization plans, the classification of June 30, 2024
14 Thunderstorms as a Storm Category 2A – Serious Event, and that the Company had
15 requested additional mutual assistance resources. On the morning of the event (June 30),
16 the Company contacted and advised the Board’s Division of Reliability and Security
17 regarding the Company’s storm preparation efforts.

TROPICAL STORM DEBBY

19 Q. Please discuss the progress of Tropical Storm Debby and how the Company tracked it.

20 A. On Monday, August 5, 2024, Con Edison’s meteorologists began predicting the threat of
21 Tropical Storm Debby to impact the O&R and RECO service territories beginning Friday,
22 August 9, 2024, and continuing into Saturday, August 10, 2024. At this time, the primary

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1 threats were heavy rainfall and strong gusty winds up to 35 mph. The combination of
2 summer foliage, saturated soil and strong winds was expected to deliver impacts to the
3 overhead electric distribution system, though confidence was low given the long-range
4 nature of the forecast. By Wednesday, August 7, 2024, Con Edison’s meteorologists noted
5 the potential of stronger wind gusts than previously forecast, possibly reaching up to 40
6 mph, and updated their impact forecast accordingly. Ultimately, the forecast rainfall
7 amounts of 1-3” was largely verified, and the wind gust forecast of 30-40 mph also
8 verified.

9 Q. How did the Company classify Tropical Storm Debby?

10 A. The Company classified Tropical Storm Debby in accordance with Section 3 of the ERP
11 and the Storm Classification and Staffing Matrix, included as Attachment 4 of the ERP.
12 The Company’s storm response to Tropical Storm Debby began on Friday, August 9,
13 2024, at 1200 hours. The mobilization level was a Class 2C – Serious Event, in
14 accordance with procedures described below.

15 Q. Was the Company’s classification of Tropical Storm Debby and preparation effort
16 influenced by its experience prior to and during Isaias?

17 A. Yes. As discussed above, in preparing for Tropical Storm Debby and the other Storms,
18 the Company was guided by Board Staff’s review of the Company’s performance prior to
19 and during Isaias.

20 Q. Please describe the Company’s mobilization activities prior to the arrival of Tropical
21 Storm Debby.

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1 A. On August 7, the Company initiated calls to begin planning for the arrival of Tropical
2 Storm Debby. On August 9, at 1200 hours, the Company mobilized its ICS Organization,
3 along with key storm response and restoration teams. The ICS Organization remained
4 mobilized through the end of the restoration period, *i.e.*, August 10 at 1200 hours. Once
5 activated, the Company transitioned to storm mode with non-essential operational day-to-
6 day activities suspended in lieu of storm response activities.

7 Q. Did the Company seek mutual assistance prior to the arrival of Tropical Storm Debby?

8 A. Yes. With Tropical Storm Debby approaching the O&R and RECO service territories, the
9 Company began the process to secure mutual aid, through its existing retainer contract
10 and/or the NAMAG mutual assistance process, on Tuesday, August 6, 2024. The
11 Company requested assistance from various contractors with which it has
12 arrangements. These included “blue sky” contractors, along with contractors covered by
13 our emergency contracts. As noted in the Petition, the Company was able to secure 305
14 FTEs for the O&R and RECO service territories.

15 Q. Was the Company in contact with Board Staff prior to the arrival of Tropical Storm
16 Debby?

17 A. Yes. On August 7, the Company informed the Board’s Division of Reliability and
18 Security of the Company’s mobilization plans, the classification of Tropical Storm Debby
19 as a Storm Category 2C – Serious Event, and that the Company had requested additional
20 mutual assistance resources. On the morning of the event (August 9), the Company
21 contacted and advised the Board’s Division of Reliability and Security regarding the
22 Company’s storm preparation efforts.

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STORM PREPARATION COSTS

1

2 Q. Did the Company incur unreimbursed, uninsured and incremental storm preparation
3 operation and maintenance (“O&M”) costs as a result of the Storms?

4 A. Yes. As set forth in Exhibit A to the Petition, RECO incurred approximately \$5.0 million
5 of unreimbursed, uninsured and incremental storm preparation costs. Exhibit A provides
6 RECO’s allocation of the total labor (both management and union), total accounts payable
7 (*e.g.*, contractor and mutual aid expenses) and other expenses (*e.g.*, lodging, meals and
8 incidental expenses) incurred for each of the Storms.

9 Q. How were costs allocated between RECO and Orange and Rockland?

10 A. As the Company received and processed invoices, the Company reviewed the expenses
11 incurred during the Storms and when appropriate or identifiable, charged direct bills to
12 RECO. The Company’s review and approval process continues, and the Company will
13 update and revise the costs included in Exhibit A to the Petition as appropriate. Given the
14 minimal number of customer outages associated with each of the Storms, if the type of
15 expense incurred benefited both the O&R and RECO service territories, allocation of the
16 expenses was based on the E0 split used to split electric costs between O&R and RECO,
17 as set forth in the Joint Operating Agreement between O&R and RECO and updated on an
18 annual basis. The E0 split was 74.70% O&R, and 25.30% RECO in 2023 and is currently
19 75.54% O&R, and 24.46% RECO for 2024.

20 Q. Does the Company have any insurance available that would offset the costs it incurred
21 related to the Storms as described above?

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1 A. No. The Company’s corporate insurance program is managed by the corporate insurance
2 department of RECO’s corporate affiliate, Con Edison. The corporate insurance program
3 has historically covered all Company structural facilities, power plants, office buildings,
4 substations, large transformers and warehouses. The corporate insurance program does
5 not cover the sort of preparation costs that the Company has incurred in anticipation of
6 potential Major Storm events.

7 Q. Is the Company eligible for reimbursement from the Federal Emergency Management
8 Agency or other federal agency for any of the preparation costs that the Company incurred
9 in anticipation of the Storms?

10 A. No.

STORM RESERVE/FUTURE DEFERRAL PROVISION

12 Q. Does the Company current Board-approved rate Stipulation allow the Company to defer
13 and recover the storm preparation costs associated with the Storms?

14 A. The Board’s Decision and Order Adopting Initial Decision and Stipulation of Settlement
15 dated December 15, 2021 (“2021 Rate Order”), in the Company’s last electric base rate
16 case (*i.e.*, Docket No. ER21050823), provides that the Company’s storm costs for an
17 individual storm, including preparation costs, shall qualify for automatic deferred
18 accounting if RECO incurs incremental costs of \$300,000 and the storm caused 10% or
19 more of the customers located in either (i) RECO’s Bergen County service territory or (ii)
20 RECO’s combined Passaic County and Sussex County service territories, to be without
21 electric service. The 2021 Rate Order also authorizes RECO to petition the Board for

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1 approval of deferred accounting treatment for storm costs related to individual storms that
2 are not subject to automatic deferred accounting under the foregoing criteria.

3 Q. Did any of the Storms meet all of the criteria for automatic deferral set forth in the 2021
4 Rate Order?

5 A. No. Although as set forth in Exhibit A to the Petition, in preparing for the Storms, the
6 Company incurred incremental costs in excess of \$300,000, none of the six Storms caused
7 10% or more of the customers located in either (i) RECO's Bergen County service
8 territory or (ii) RECO's combined Passaic County and Sussex County service territories to
9 be without electric service. As a result, as provided by the 2021 Rate Order, the Company
10 is filing the Petition seeking Board authorization to defer the incremental preparation and
11 restoration costs incurred by the Company relating to the Storms within the guidelines
12 established by generally accepted accounting principles ("GAAP").

RATEMAKING TREATMENT

14 Q. Is the Company seeking to recover the storm costs described in the Petition and
15 attachments through adjustments to rates charged to ratepayers?

16 A. Not in this proceeding. The purpose of the Petition is to request authorization to defer the
17 storm costs for accounting purposes, with further review in RECO's next base rate case.
18 The Company currently is operating under electric distribution base rates approved by the
19 Board in the 2021 Rate Order. As discussed above, the Company's storm preparation
20 costs associated with the Storms do not qualify for automatic deferred accounting
21 treatment. By the Petition, the Company seeks the Board's authorization to defer the
22 Company's storm preparation costs associated with the December 18, 2023 Nor'easter,

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1 Winter Storm Finn, and Winter Storm Lorraine, the March 11, 2024 Wind Event, the June
2 30, 2024 Thunderstorms, and Tropical Storm Debby. As noted in Exhibit A to the
3 Petition, the Company's current estimate of total deferred incremental O&M storm related
4 costs incurred during these six storms is approximately \$5.0 million. The Company will
5 update this estimate as invoices are received and verified. The Company proposes to
6 defer the total prudently incurred incremental O&M storm related costs during the Storms,
7 and to seek recovery in its next base rate case from the Company's customers in rates.

8 Q. How are storm-related preparation costs treated for tax purposes?

9 A. For State and Federal income tax purposes, storm related costs are deducted as incurred.
10 To the extent any regulatory asset is established by the deferral of these costs, a
11 corresponding deferred tax liability is established in accordance with Financial
12 Accounting Standards Board, Accounting Standards Codification, Topic 740 – Income
13 Taxes (ASC 740).

14 Q. Does this conclude your direct testimony at this time?

15 A. Yes, it does.