



Rockland Electric Company

Rockland Electric Company
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CASE MANAGEMENT

August 16, 2019

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AUG 16 2019

Honorable Aida Camacho-Welch
Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Trenton, New Jersey 08625-0350

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: Rockland Electric Company
Quarterly BGS Reconciliation Charges Effective September 1, 2019
BPU Docket No. ER18040356

Dear Secretary Camacho-Welch:

Rockland Electric Company ("RECO" or the "Company") hereby submits for filing with the New Jersey Board of Public Utilities ("Board") 10 copies of 60th Revised Leaf No. 54 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric tariff").

This leaf is issued on August 16, 2019 with an effective date of September 1, 2019 and is filed in accordance with RECO's Board-approved Company Specific Addendum Compliance Filing for Basic Generation Service ("BGS") dated November 9, 2011, which requires the Company to calculate a reconciliation charge (ϕ /kWh) to reconcile differences between BGS supply costs and BGS revenues from customers for BGS service. As per General Information Section No. 31 of the Electric tariff, separate reconciliation charges will be determined for BGS Residential Small Commercial Pricing customers and BGS - Commercial and Industrial Energy Pricing customers. The reconciliation charges shall be computed quarterly and filed with the Board not less than fifteen days prior to the date on which the charges are proposed to become effective. The BGS reconciliation charges are set to reconcile differences between BGS costs and revenues for the period May 2019 through July 2019.

Included in the current reconciliation is a portion of the balance of a prior period mitigation adjustment for the CIEP customers. RECO was unable to credit CIEP customers \$13,000 for the reconciliation period effective June 1, 2019 due to the application of 2.0 Cents/kWh credit/charge limit. In this filing, RECO is crediting \$10,400 to CIEP customers for the reconciliation period effective September 1, 2019. The remaining balance will be credited to CIEP customers, with interest, in future reconciliation filings.

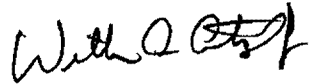
Also included is a copy of the workpapers used to determine the BGS reconciliation charges effective September 1, 2019.

Case Mgmt
A. Hard, Esq
A. Moreau, Esq
J. Peterson
D. Van Brunt, Esq

August 16, 2019
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If you have any questions regarding this matter, please contact Cheryl Ruggiero at the address listed above or at (212) 460-3189.

Respectfully,

A handwritten signature in black ink, appearing to read "William A. Atzl, Jr.", with a stylized flourish at the end.

William A. Atzl, Jr.
Director – Rate Engineering

GENERAL INFORMATION

No. 31 BASIC GENERATION SERVICE ("BGS") (Continued)

(4) BGS Reconciliation Charges

Separate BGS-RSCP and BGS-CIEP reconciliation charges shall be computed quarterly and assessed on all BGS-RSCP and BGS-CIEP customers. The billing quarters shall be defined as the three-month periods beginning March, June, September, and December. The reconciliation charges shall recover the differences, including interest, between amounts paid to BGS suppliers and BGS revenue for the preceding quarter for the applicable BGS supply. The BGS Reconciliation Charges will also include refund of transmission charge retail rate revenue over collection for the period March 18, 2018 through April 30, 2019 resulting from the decrease in the PJM Open Access Transmission Tariff ("OATT") Schedule H-12 revenue requirement and the decrease in the Company's PJM OATT Schedule 1A scheduling, system control, and dispatch rate approved by FERC on November 15, 2018 in FERC Docket No. ER18-1585. For any given quarter, the reconciliation charges shall not exceed a charge or a credit of 2.0 cents per kWh, including SUT. In the event the 2.0 cents per kWh limit is imposed, any remaining over- or under-collection balance shall be included in the subsequent quarter's reconciliation charges to the extent possible within the 2.0 cents per kWh limitation. Interest will be calculated as determined by the Board in its Order dated February 6, 2009 in Docket Number ER08050310.

These charges include all applicable taxes and are charged on a monthly basis for all usage billed in the month indicated.

BGS-RSCP Reconciliation Charge..... 0.777 ¢/kWh

BGS-CIEP Reconciliation Charge (2.000) ¢/kWh

In accordance with Rider SUT, the above charges include provision for the New Jersey Sales and Use Tax. When billed to customers exempt from this tax, as set forth in Rider SUT, such charges will be reduced by the relevant amount of such tax included therein.

The BGS Reconciliation Charges shall be filed with the Board not less than fifteen days prior to the date on which they are proposed to become effective.

ISSUED: August 16, 2019

EFFECTIVE: September 1, 2019

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

Filed pursuant to the Order of the Board of Public Utilities, State of New Jersey, dated February 7, 2019 in Docket No. ER18040356.

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
For the Three-month Period September 1, 2019 through November 30, 2019

	<u>BGS - RSCP</u>	<u>BGS - CIEP</u>
Estimated Sep 2019 - Nov 2019 Sales	227,592,272	14,063,486
BGS Costs	\$ 20,844,318	\$ 52,870
BGS Revenue (excluding SUT)	<u>\$ 18,817,730</u>	<u>\$ 344,216</u>
(Over)/Under Recovery	\$ 2,026,588	\$ (291,346)
Transmission Surcharge (Over)/Under Collection	\$ (380,109)	\$ 39,615
Interest on (Over)/Under Collections	\$ 12,050	\$ (1,741)
Mitigation of Rec Charge	\$ -	
Credit for Mitigation from Prior Rec Charge	<u>\$ -</u>	<u>\$ (10,400)</u>
Total (Over)/Under Recovery incl Trans Surch	\$ 1,658,530	\$ (263,872)
<u>Determination of September 1, 2019 through November 30, 2019 BGS Reconciliation Charges</u>		
(Over)/Under Recovery incl Trans Surch	\$ 1,658,530	\$ (263,872)
kWh to be billed at Rec Charge effective Sep 2019	227,592,272	14,063,486
Reconciliation Charge ¢/kWh	0.729	(1.876)
Reconciliation Charge ¢/kWh (including SUT)	6.6250% 0.777	(2.000)

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Over/(Under) Collection For the month of May 2019

Costs/Revenue Detail

BGS Costs
Supply

PJM	4,015,362	81,493
True-up Adj.	(19,474)	153
PJM (incl adj. excl Trans Surch)	3,995,887	81,646
NYISO	420,092	
Other		

Subtotal BGS Supply Cost	4,415,980	81,646
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Reconciliation

May 2019 (projected)	920,242	(63,502)
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Total BGS Costs	5,336,221	18,144
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BGS Revenue
Supply

BGS Billed Revenue (excluding SUT)	4,463,925	127,368
Unbilled	(214,075)	4,774
Prior Period Adjustment		-
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	4,249,850	132,142

Reconciliation

May 2019 (actual)	872,077	(39,541)
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BGS Revenue (excluding SUT)	5,121,927	92,601
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Transmission Surcharge

Trans Surch Costs	1,053,813	31,529
Trans Surch Revenue	894,106	20,127

Trans Surcharge (Over)/Under Collection	159,707	11,402
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Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	4,415,980	4,249,850	166,130
Reconciliation	920,242	872,077	48,165
<u>Trans Surcharge</u>	<u>1,053,813</u>	<u>894,106</u>	<u>159,707</u>
Total	6,390,034	6,016,032	374,002
BGS-CIEP			
Current	81,646	132,142	(50,496)
Reconciliation	(63,502)	(39,541)	(23,961)
<u>Trans Surcharge</u>	<u>31,529</u>	<u>20,127</u>	<u>11,402</u>
Total	49,673	112,728	(63,055)

* Does not include adjustment for Bill Groups 19 and 20

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Over/(Under) Collection For the month of June 2019

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	5,836,554	79,691
True-up Adj.	<u>625,787</u>	<u>(19,638)</u>
PJM (incl adj. excl Trans Surch)	6,462,341	60,052
NYISO	530,625	
Other		
Subtotal BGS Supply Cost	6,992,966	60,052
<u>Reconciliation</u>		
June 2019 (projected)	(764,815)	(73,013)
Total BGS Costs	6,228,151	(12,961)

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	5,365,805	135,102
Unbilled	575,609	(7,540)
Prior Period Adjustment		
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	5,941,413	127,561
<u>Reconciliation</u>		
June 2019 (actual)	(280,025)	(11,736)
BGS Revenue (excluding SUT)	5,661,389	115,825

<u>Transmission Surcharge</u>		
Trans Surch Costs	983,455	32,474
Trans Surch Revenue	1,096,993	22,488
Trans Surcharge (Over)/Under Collection	(113,538)	9,987

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	6,992,966	5,941,413	1,051,552
Reconciliation	(764,815)	(280,025)	(484,790)
<u>Trans Surcharge</u>	<u>983,455</u>	<u>1,096,993</u>	<u>(113,538)</u>
Total	7,211,606	6,758,381	453,225
BGS-CIEP			
Current	60,052	127,561	(67,509)
Reconciliation	(73,013)	(11,736)	(61,277)
<u>Trans Surcharge</u>	<u>32,474</u>	<u>22,488</u>	<u>9,987</u>
Total	19,514	138,313	(118,799)

* Does not include adjustment for Bill Groups 19 and 20

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Over/(Under) Collection For the month of July 2019

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	9,493,596	119,323
True-up Adj.	(138,787)	<u>1,377</u>
PJM (incl adj. excl Trans Surch)	9,354,810	120,700
NYISO	689,951	
Other		
Subtotal BGS Supply Cost	10,044,761	120,700
<u>Reconciliation</u>		
July 2019 (projected)	(764,815)	(73,013)
Total BGS Costs	9,279,946	47,687

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	8,443,346	141,429
Unbilled	460,930	(410)
Prior Period Adjustment		-
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	8,904,277	141,019
<u>Reconciliation</u>		
July 2019 (actual)	(869,862)	(5,229)
BGS Revenue (excluding SUT)	8,034,415	135,789

Transmission Surcharge		
Trans Surch Costs	966,421	39,659
Trans Surch Revenue	1,392,699	21,433
Trans Surcharge (Over)/Under Collection	(426,278)	18,226

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	10,044,761	8,904,277	1,140,484
Reconciliation	(764,815)	(869,862)	105,047
<u>Trans Surcharge</u>	<u>966,421</u>	<u>1,392,699</u>	<u>(426,278)</u>
Total	10,246,368	9,427,114	819,253
BGS-CIEP			
Current	120,700	141,019	(20,319)
Reconciliation	(73,013)	(5,229)	(67,784)
<u>Trans Surcharge</u>	<u>39,659</u>	<u>21,433</u>	<u>18,226</u>
Total	87,345	157,222	(69,877)

* Does not include adjustment for Bill Groups 19 and 20

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Calculation of Interest

(1) Calculation of Interest Rates

	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19²</u>	<u>Oct-19²</u>
(a) IR for 1st of the Month ¹	1.82%	1.78%	1.73%	1.73%	1.73%
60 Basis Point Added	<u>0.60%</u>	<u>0.60%</u>	<u>0.60%</u>	<u>0.60%</u>	<u>0.60%</u>
Total Interest Rate	2.42%	2.38%	2.33%	2.33%	2.33%
(b) RECO Overall Rate of Return	N/A	N/A	N/A	N/A	N/A
(c) Min of (a) and (b)	2.42%	2.38%	2.33%	2.33%	2.33%
(d) Monthly IR (divided by 12)	0.20%	0.20%	0.19%	0.19%	0.19%

(2) Calculation of BGS - RSCP Interest³

	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Total</u>
(Over)/Under						
May-19 \$ 374,002	748	748	711	711	711	3,628
Jun-19 453,225		906	861	861	861	3,490
Jul-19 819,253			0	<u>1,557</u>	<u>1,557</u>	<u>3,113</u>
	748	1,654	0	3,128	3,128	10,231

(3) Calculation of BGS - CIEP Interest³

	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19²</u>	<u>Oct-19²</u>	<u>Total</u>
(Over)/Under						
May-19 \$ (63,055)	(126)	(126)	(120)	(120)	(120)	(612)
Jun-19 (118,799)		(238)	(226)	(226)	(226)	(915)
Jul-19 (69,877)			<u>(133)</u>	<u>(133)</u>	<u>(133)</u>	<u>(398)</u>
	(126)	(364)	(478)	(478)	(478)	(1,925)

Notes:

(1) Interest Rate = Fed Reserve US Treasury Securities at two year constant maturity on 1st business day of month.

(2) September and October interest rates assumed to be equal to August 2019 interest rate.

(3) Interest is calculated assuming recovery will occur in the middle of the quarterly period (i.e., October 2019).

Link for Federal Reserve Statistical Release:
<http://www.federalreserve.gov/releases/h15/data.htm>

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
True Up of Interest for June 2019 and July 2019 Estimates

(1) Calculation of Interest Rates - Actual from Prior Quarter's Filing

	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>
(a) IR for 1st of the Month ¹	2.55%	2.33%	2.31%	1.82%	1.78%
60 Basis Point Added	<u>0.60%</u>	<u>0.60%</u>	<u>0.60%</u>	<u>0.60%</u>	<u>0.60%</u>
Total Interest Rate	3.15%	2.93%	2.91%	2.42%	2.38%
(b) RECO Overall Rate of Return	7.47%	7.47%	7.47% N/A	N/A	
(c) Min of (a) and (b)	3.15%	2.93%	2.91%	2.42%	2.38%
(d) Monthly IR (divided by 12)	0.26%	0.24%	0.24%	0.20%	0.20%

(2) Calculation of BGS - RSCP Interest²

	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Total</u>
(Over)/Under						
Feb-19 \$ (471,173)	(1,225)	(1,131)	(1,131)	(942)	(942)	(5,371)
Mar-19 \$ (613,126)		(1,472)	(1,472)	(1,226)	(1,226)	(5,396)
Apr-19 \$ (1,189,399)			<u>(2,855)</u>	<u>(2,379)</u>	<u>(2,379)</u>	<u>(7,612)</u>
	(1,225)	(2,602)	(5,457)	(4,547)	(4,547)	(18,379)
Estimated Interest from Last Quarter's Filing						<u>(20,198)</u>
Delta						1,819

(3) Calculation of BGS - CIEP Interest²

	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Total</u>
(Over)/Under						
Feb-19 \$ (71,130)	(185)	(171)	(171)	(142)	(142)	(811)
Mar-19 \$ (79,158)		(190)	(190)	(158)	(158)	(697)
Apr-19 \$ (79,589)			<u>(191)</u>	<u>(159)</u>	<u>(159)</u>	<u>(509)</u>
	(185)	(361)	(552)	(460)	(460)	(2,017)
Estimated Interest from Last Quarter's Filing						<u>(2,201)</u>
Delta						184

Notes:

(1) Interest Rate = Fed Reserve US Treasury Securities at two year constant maturity on 1st business day of month.

(2) Interest is calculated assuming recovery will occur in the middle of the quarterly period (i.e., July 2019).

Link for Federal Reserve Statistical Release:
<http://www.federalreserve.gov/releases/h15/data.htm>