



Rockland Electric Company

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CASE MANAGEMENT

NOV 15 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

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

*Cimg fed*  
*11/15/19*

November 15, 2019

Honorable Aida Camacho-Welch  
Secretary  
State of New Jersey  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350

RECEIVED  
MAIL ROOM

NOV 15 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Re: Rockland Electric Company  
Quarterly BGS Reconciliation Charges Effective December 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 61st Revised Leaf No. 54 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric tariff").

This leaf is issued on November 15, 2019 with an effective date of December 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 ( $\$/kWh$ ) 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 August 2019 through October 2019.

For the current quarter, RECO calculated RSCP and CIEP Reconciliation credits that exceeded the two cents per kWh (including SUT) credit/charge limit. Therefore, RECO will defer the remaining balance for future disposition.

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

*Case Mgmt*  
*A. Hard, Esq*  
*P. Van Brunt, Esq.*  
*S. Peterson*

November 15, 2019  
Page 2 of 2

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..... (2.000) ¢/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.

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ISSUED: November 15, 2019

EFFECTIVE: December 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 December 1, 2019 through February 29, 2020**

|  | <u>BGS - RSCP</u>    | <u>BGS - CIEP</u> |
|--|----------------------|-------------------|
| Estimated Dec 2019 - Feb 2020 Sales  | 214,946,338          | 11,102,834        |
| BGS Costs  | \$ 17,033,642        | \$ 38,165         |
| BGS Revenue (excluding SUT)  | <u>\$ 22,563,287</u> | <u>\$ 402,137</u> |
| (Over)/Under Recovery  | \$ (5,529,645)       | \$ (363,972)      |
| Transmission Surcharge (Over)/Under Collection   | \$ (1,334,380)       | \$ 34,631         |
| Interest on (Over)/Under Collections   | \$ (33,145)          | \$ (2,063)        |
| Mitigation of Rec Charge   | \$ 2,864,000         | \$ 123,100        |
| Credit for Mitigation from Prior Rec Charge  | <u>\$ -</u>          | <u>\$ -</u>       |
| Total (Over)/Under Recovery incl Trans Surch   | \$ (4,033,170)       | \$ (208,304)      |
| <b><u>Determination of December 1, 2019 through February 29, 2020 BGS Reconciliation Charges</u></b> |                      |                   |
| (Over)/Under Recovery incl Trans Surch   | \$ (4,033,170)       | \$ (208,304)      |
| kWh to be billed at Rec Charge effective Dec 2019  | 214,946,338          | 11,102,834        |
| Reconciliation Charge ¢/kWh  | (1.876)              | (1.876)           |
| Reconciliation Charge ¢/kWh (including SUT)  | 6.6250% (2.000)      | (2.000)           |

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

**Costs/Revenue Detail**

**BGS Costs**  
**Supply**

|                                  |           |         |
|----------------------------------|-----------|---------|
| PJM                              | 7,581,041 | 104,437 |
| True-up Adj.                     | (552,451) | 0       |
| PJM (incl adj. excl Trans Surch) | 7,028,590 | 104,437 |
| NYISO                            | 556,200   |         |
| Other                            |           |         |

|                          |           |         |
|--------------------------|-----------|---------|
| Subtotal BGS Supply Cost | 7,584,790 | 104,437 |
|--------------------------|-----------|---------|

**Reconciliation**

|                         |           |          |
|-------------------------|-----------|----------|
| August 2019 (projected) | (764,815) | (73,013) |
|-------------------------|-----------|----------|

|                        |                  |               |
|------------------------|------------------|---------------|
| <b>Total BGS Costs</b> | <b>6,819,975</b> | <b>31,424</b> |
|------------------------|------------------|---------------|

**BGS Revenue**  
**Supply**

|                                    |             |        |
|------------------------------------|-------------|--------|
| BGS Billed Revenue (excluding SUT) | 8,972,179   | 51,844 |
| Unbilled                           | (1,633,263) | 8,093  |
| Prior Period Adjustment            |             | -      |
| DSSAC                              |             |        |
| Adjustments                        |             |        |
| Subtotal BGS Supply Revenue        | 7,338,915   | 59,937 |

**Reconciliation**

|                      |           |         |
|----------------------|-----------|---------|
| August 2019 (actual) | (986,318) | (1,735) |
|----------------------|-----------|---------|

|                                    |                  |               |
|------------------------------------|------------------|---------------|
| <b>BGS Revenue (excluding SUT)</b> | <b>6,352,598</b> | <b>58,202</b> |
|------------------------------------|------------------|---------------|

**Transmission Surcharge**

|                     |           |        |
|---------------------|-----------|--------|
| Trans Surch Costs   | 234,152   | 21,856 |
| Trans Surch Revenue | 1,190,125 | 8,897  |

|  |                  |               |
|--|------------------|---------------|
| <b>Trans Surcharge (Over)/Under Collection</b> | <b>(955,973)</b> | <b>12,959</b> |
|--|------------------|---------------|

**Analysis of (Over)/Under recoveries**

|                        | <u>Cost</u>    | <u>Revenue*</u>  | <u>(Over)/Under</u> |
|------------------------|----------------|------------------|---------------------|
| <b>BGS-RSCP</b>        |                |                  |                     |
| Current                | 7,584,790      | 7,338,915        | 245,874             |
| Reconciliation         | (764,815)      | (986,318)        | 221,503             |
| <u>Trans Surcharge</u> | <u>234,152</u> | <u>1,190,125</u> | <u>(955,973)</u>    |
| Total                  | 7,054,127      | 7,542,723        | (488,596)           |
| <b>BGS-CIEP</b>        |                |                  |                     |
| Current                | 104,437        | 59,937           | 44,500              |
| Reconciliation         | (73,013)       | (1,735)          | (71,278)            |
| <u>Trans Surcharge</u> | <u>21,856</u>  | <u>8,897</u>     | <u>12,959</u>       |
| Total                  | 53,280         | 67,099           | (13,819)            |

\* Does not include adjustment for Bill Groups 19 and 20

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

Costs/Revenue Detail

**BGS Costs**  
**Supply**

|                                  |                  |               |
|----------------------------------|------------------|---------------|
| PJM                              | 5,284,660        | 95,920        |
| True-up Adj.                     | (913,671)        | 2,583         |
| PJM (incl adj. excl Trans Surch) | 4,370,989        | 98,503        |
| NYISO                            | 508,765          |               |
| Other                            |                  |               |
| <b>Subtotal BGS Supply Cost</b>  | <b>4,879,754</b> | <b>98,503</b> |

Reconciliation

|                            |         |          |
|----------------------------|---------|----------|
| September 2019 (projected) | 552,843 | (87,957) |
|----------------------------|---------|----------|

|                        |                  |               |
|------------------------|------------------|---------------|
| <b>Total BGS Costs</b> | <b>5,432,597</b> | <b>10,546</b> |
|------------------------|------------------|---------------|

**BGS Revenue**  
**Supply**

|                                    |                  |                |
|------------------------------------|------------------|----------------|
| BGS Billed Revenue (excluding SUT) | 6,736,604        | 238,263        |
| Unbilled                           | (9,584)          | (40,556)       |
| Prior Period Adjustment            |                  |                |
| DSSAC                              |                  |                |
| Adjustments                        |                  |                |
| <b>Subtotal BGS Supply Revenue</b> | <b>6,727,020</b> | <b>197,707</b> |

Reconciliation

|                         |         |         |
|-------------------------|---------|---------|
| September 2019 (actual) | 326,105 | (8,764) |
|-------------------------|---------|---------|

|                                    |                  |                |
|------------------------------------|------------------|----------------|
| <b>BGS Revenue (excluding SUT)</b> | <b>7,053,124</b> | <b>188,944</b> |
|------------------------------------|------------------|----------------|

**Transmission Surcharge**

|                     |         |        |
|---------------------|---------|--------|
| Trans Surch Costs   | 602,844 | 29,342 |
| Trans Surch Revenue | 901,120 | 24,286 |

|  |                  |              |
|--|------------------|--------------|
| <b>Trans Surcharge (Over)/Under Collection</b> | <b>(298,276)</b> | <b>5,056</b> |
|--|------------------|--------------|

**Analysis of (Over)/Under recoveries**

|                        | <u>Cost</u>    | <u>Revenue*</u> | <u>(Over)/Under</u> |
|------------------------|----------------|-----------------|---------------------|
| <b>BGS-RSCP</b>        |                |                 |                     |
| Current                | 4,879,754      | 6,727,020       | (1,847,266)         |
| Reconciliation         | 552,843        | 326,105         | 226,739             |
| <u>Trans Surcharge</u> | <u>602,844</u> | <u>901,120</u>  | <u>(298,276)</u>    |
| Total                  | 6,035,441      | 7,954,244       | (1,918,803)         |
| <b>BGS-CIEP</b>        |                |                 |                     |
| Current                | 98,503         | 197,707         | (99,204)            |
| Reconciliation         | (87,957)       | (8,764)         | (79,194)            |
| <u>Trans Surcharge</u> | <u>29,342</u>  | <u>24,286</u>   | <u>5,056</u>        |
| Total                  | 39,888         | 213,230         | (173,342)           |

\* Does not include adjustment for Bill Groups 19 and 20



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

**Costs/Revenue Detail**

**BGS Costs**

**Supply**

|                                  |           |        |
|----------------------------------|-----------|--------|
| PJM                              | 4,320,246 | 84,153 |
| True-up Adj.                     | (587,554) | 0      |
| PJM (incl adj. excl Trans Surch) | 3,732,692 | 84,153 |
| NYISO                            | 495,535   |        |
| Other                            |           |        |

|                                 |                  |               |
|---------------------------------|------------------|---------------|
| <b>Subtotal BGS Supply Cost</b> | <b>4,228,227</b> | <b>84,153</b> |
|---------------------------------|------------------|---------------|

**Reconciliation**

|                          |         |          |
|--------------------------|---------|----------|
| October 2019 (projected) | 552,843 | (87,957) |
|--------------------------|---------|----------|

|                        |                  |                |
|------------------------|------------------|----------------|
| <b>Total BGS Costs</b> | <b>4,781,070</b> | <b>(3,805)</b> |
|------------------------|------------------|----------------|

**BGS Revenue**

**Supply**

|                                    |                  |                |
|------------------------------------|------------------|----------------|
| BGS Billed Revenue (excluding SUT) | 5,061,887        | 121,918        |
| Unbilled                           | 3,601,917        | 37,308         |
| Prior Period Adjustment            |                  | -              |
| DSSAC                              |                  |                |
| Adjustments                        |                  |                |
| <b>Subtotal BGS Supply Revenue</b> | <b>8,663,805</b> | <b>159,227</b> |

**Reconciliation**

|                       |         |         |
|-----------------------|---------|---------|
| October 2019 (actual) | 493,760 | (4,235) |
|-----------------------|---------|---------|

|                                    |                  |                |
|------------------------------------|------------------|----------------|
| <b>BGS Revenue (excluding SUT)</b> | <b>9,157,565</b> | <b>154,992</b> |
|------------------------------------|------------------|----------------|

**Transmission Surcharge**

|                     |         |        |
|---------------------|---------|--------|
| Trans Surch Costs   | 602,515 | 30,003 |
| Trans Surch Revenue | 682,646 | 13,386 |

|  |                 |               |
|--|-----------------|---------------|
| <b>Trans Surcharge (Over)/Under Collection</b> | <b>(80,131)</b> | <b>16,616</b> |
|--|-----------------|---------------|

Analysis of (Over)/Under recoveries

|                        | <u>Cost</u>    | <u>Revenue*</u> | <u>(Over)/Under</u> |
|------------------------|----------------|-----------------|---------------------|
| <b>BGS-RSCP</b>        |                |                 |                     |
| Current                | 4,228,227      | 8,663,805       | (4,435,578)         |
| Reconciliation         | 552,843        | 493,760         | 59,083              |
| <u>Trans Surcharge</u> | <u>602,515</u> | <u>682,646</u>  | <u>(80,131)</u>     |
| Total                  | 5,383,585      | 9,840,211       | (4,456,626)         |
| <b>BGS-CIEP</b>        |                |                 |                     |
| Current                | 84,153         | 159,227         | (75,074)            |
| Reconciliation         | (87,957)       | (4,235)         | (83,723)            |
| <u>Trans Surcharge</u> | <u>30,003</u>  | <u>13,386</u>   | <u>16,616</u>       |
| Total                  | 26,198         | 168,378         | (142,180)           |

\* 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>Sep-19</u> | <u>Oct-19</u> | <u>Nov-19</u> | <u>Dec-19<sup>2</sup></u> | <u>Jan-20<sup>2</sup></u> |
|--|---------------|---------------|---------------|---------------------------|---------------------------|
| (a) IR for 1st of the Month <sup>1</sup> | 1.47%         | 1.56%         | 1.56%         | 1.56%                     | 1.56%                     |
| 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                      | 2.07%         | 2.16%         | 2.16%         | 2.16%                     | 2.16%                     |
| (b) RECO Overall Rate of Return          | 7.47%         | 7.47%         | 7.47%         | 7.47%                     | 7.47%                     |
| (c) Min of (a) and (b)                   | 2.07%         | 2.16%         | 2.16%         | 2.16%                     | 2.16%                     |
| (d) Monthly IR (divided by 12)           | 0.17%         | 0.18%         | 0.18%         | 0.18%                     | 0.18%                     |

**(2) Calculation of BGS - RSCP Interest<sup>3</sup>**

|                     | <u>Sep-19</u> | <u>Oct-19</u> | <u>Nov-19</u> | <u>Dec-19</u> | <u>Jan-20</u> | <u>Total</u> |
|---------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| (Over)/Under        |               |               |               |               |               |              |
| Aug-19 \$ (488,596) | (831)         | (879)         | (879)         | (879)         | (879)         | (4,349)      |
| Sep-19 (1,918,803)  |               | (3,454)       | (3,454)       | (3,454)       | (3,454)       | (13,815)     |
| Oct-19 (4,456,626)  |               |               | 0             | (8,022)       | (8,022)       | (16,044)     |
|                     | (831)         | (4,333)       | 0             | (12,355)      | (12,355)      | (34,208)     |

**(3) Calculation of BGS - CIEP Interest<sup>3</sup>**

|                    | <u>Sep-19</u> | <u>Oct-19</u> | <u>Nov-19</u> | <u>Dec-19<sup>2</sup></u> | <u>Jan-20<sup>2</sup></u> | <u>Total</u> |
|--------------------|---------------|---------------|---------------|---------------------------|---------------------------|--------------|
| (Over)/Under       |               |               |               |                           |                           |              |
| Aug-19 \$ (13,819) | (23)          | (25)          | (25)          | (25)                      | (25)                      | (123)        |
| Sep-19 (173,342)   |               | (312)         | (312)         | (312)                     | (312)                     | (1,248)      |
| Oct-19 (142,180)   |               |               | (256)         | (256)                     | (256)                     | (768)        |
|                    | (23)          | (337)         | (593)         | (593)                     | (593)                     | (2,139)      |

Notes:

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

(2) December and January interest rates assumed to be equal to November 2019 interest rate.

(3) Interest is calculated assuming recovery will occur in the middle of the quarterly period (i.e., January 2020).

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 September 2019 and October 2019 Estimates**

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

|  | <u>Jun-19</u> | <u>Jul-19</u> | <u>Aug-19</u> | <u>Sep-19</u> | <u>Oct-19</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| (a) IR for 1st of the Month <sup>1</sup> | 1.82%         | 1.78%         | 1.73%         | 1.47%         | 1.56%         |
| 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%         | 2.07%         | 2.16%         |
| (b) RECO Overall Rate of Return          | 7.47%         | 7.47%         | 7.47%         | 7.47%         | 7.47%         |
| (c) Min of (a) and (b)                   | 2.42%         | 2.38%         | 2.33%         | 2.07%         | 2.16%         |
| (d) Monthly IR (divided by 12)           | 0.20%         | 0.20%         | 0.19%         | 0.17%         | 0.18%         |

**(2) Calculation of BGS - RSCP Interest<sup>2</sup>**

|   | <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           | 636           | 673           | 3,516         |
| Jun-19 \$ 453,225                             |               | 906           | 861           | 770           | 816           | 3,354         |
| Jul-19 \$ 819,253                             |               |               | <u>1,557</u>  | <u>1,393</u>  | <u>1,475</u>  | <u>4,424</u>  |
|   | 748           | 1,654         | 3,128         | 2,799         | 2,964         | 11,293        |
| Estimated Interest from Last Quarter's Filing |               |               |               |               |               | <u>10,231</u> |
| Delta   |               |               |               |               |               | 1,063         |

**(3) Calculation of BGS - CIEP Interest<sup>2</sup>**

|   | <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 \$ (63,055)                            | (126)         | (126)         | (120)         | (107)         | (113)         | (593)          |
| Jun-19 \$ (118,799)                           |               | (238)         | (226)         | (202)         | (214)         | (879)          |
| Jul-19 \$ (69,877)                            |               |               | <u>(133)</u>  | <u>(119)</u>  | <u>(126)</u>  | <u>(377)</u>   |
|   | (126)         | (364)         | (478)         | (428)         | (453)         | (1,849)        |
| Estimated Interest from Last Quarter's Filing |               |               |               |               |               | <u>(1,925)</u> |
| Delta   |               |               |               |               |               | 76             |

**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., October 2019).

Link for Federal Reserve Statistical Release:

<http://www.federalreserve.gov/releases/h15/data.htm>