

Rockland Electric Company

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Rockland Electric Company
4 Irving Place
New York NY 10003-0987
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FORWARD
CASEMENT ELEMENT

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

FEB 14 2020

February 14, 2020

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

Re: Rockland Electric Company
Quarterly BGS Reconciliation Charges Effective March 1, 2020
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 62nd Revised Leaf No. 54 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric tariff").

This leaf is issued on February 14, 2020 with an effective date of March 1, 2020 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 November 2019 through January 2020.

Included in the current reconciliation is a portion of the balance of a prior period mitigation adjustment for the RSCP and CIEP customers. RECO was able to credit CIEP customers the remaining mitigation adjustment including interest, for the reconciliation period effective March 1, 2020. For the RSCP customers, RECO is crediting customers \$2,793,000 of the outstanding balance of 2,864,000 from a prior period mitigation for the reconciliation period effective March 1, 2020. The remaining balance will be credited to RSCP customers, with interest, in future reconciliation filings.


Also included is a copy of the workpapers used to determine the BGS reconciliation charges effective March 1, 2020.

Case mgmt
A. Hard, Esq
A. Moreau, Esq
P. Van Brunt, Esq
S. Peterson

February 14, 2020
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.", written in a cursive style.

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 (0.414) ¢/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: February 14, 2020

EFFECTIVE: March 1, 2020

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 March 1, 2020 through May 31, 2020

	<u>BGS - RSCP</u>	<u>BGS - CIEP</u>
Estimated Mar 2020 - May 2020 Sales	185,743,627	18,968,743
BGS Costs	\$ 13,205,193	\$ 67,167
BGS Revenue (excluding SUT)	<u>\$ 12,960,437</u>	<u>\$ 33,297</u>
(Over)/Under Recovery	\$ 244,757	\$ 33,870
Transmission Surcharge (Over)/Under Collection	\$ (928,217)	\$ 18,215
Interest on (Over)/Under Collections	\$ (9,002)	\$ 687
Mitigation of Rec Charge		
Credit for Mitigation from Prior Rec Charge	<u>\$ (2,793,000)</u>	<u>\$ (126,354)</u>
Total (Over)/Under Recovery incl Trans Surch	\$ (3,485,463)	\$ (73,582)
<u>Determination of March 1, 2020 through May 31, 2020 BGS Reconciliation Charges</u>		
(Over)/Under Recovery incl Trans Surch	\$ (3,485,463)	\$ (73,582)
kWh to be billed at Rec Charge effective Mar 2020	185,743,627	18,968,743
Reconciliation Charge ¢/kWh	(1.876)	(0.388)
Reconciliation Charge ¢/kWh (Including SUT)	6.6250% (2.000)	(0.414)

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

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	5,716,466	81,398
True-up Adj.	(602,501)	7,787
PJM (incl adj. excl Trans Surch)	5,113,965	89,185
NYISO	347,889	
Other		
 Subtotal BGS Supply Cost	 5,461,854	 89,185
<u>Reconciliation</u>		
November 2019 (projected)	552,843	(87,957)
Total BGS Costs	6,014,697	1,227

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	4,665,811	115,887
Unbilled	(193,449)	(5,305)
Prior Period Adjustment		-
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	4,472,362	110,581
<u>Reconciliation</u>		
November 2019 (actual)	456,363	(33,841)
BGS Revenue (excluding SUT)	4,928,725	76,740

Transmission Surcharge		
Trans Surch Costs	602,609	29,560
Trans Surch Revenue	623,425	12,902
Trans Surcharge (Over)/Under Collection	(20,816)	16,659

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	5,461,854	4,472,362	989,492
Reconciliation	552,843	456,363	96,480
<u>Trans Surcharge</u>	<u>602,609</u>	<u>623,425</u>	<u>(20,816)</u>
Total	6,617,307	5,552,150	1,065,156
BGS-CIEP			
Current	89,185	110,581	(21,397)
Reconciliation	(87,957)	(33,841)	(54,116)
<u>Trans Surcharge</u>	<u>29,560</u>	<u>12,902</u>	<u>16,659</u>
Total	30,788	89,642	(58,854)

* Does not include adjustment for Bill Groups 19 and 20

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

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	5,331,835	80,248
True-up Adj.	(796,157)	7,314
PJM (incl adj. excl Trans Surch)	4,535,679	87,562
NYISO	320,624	
Other		
Subtotal BGS Supply Cost	4,856,302	87,562
<u>Reconciliation</u>		
December 2019 (projected)	(1,344,390)	(69,435)
Total BGS Costs	3,511,912	18,128

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	5,372,681	(117,861)
Unbilled	346,586	(3,570)
Prior Period Adjustment		
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	5,719,267	(121,431)
<u>Reconciliation</u>		
December 2019 (actual)	(1,054,511)	(175,384)
BGS Revenue (excluding SUT)	4,664,756	(296,815)

Transmission Surcharge		
Trans Surch Costs	600,792	30,168
Trans Surch Revenue	721,999	(15,285)
Trans Surcharge (Over)/Under Collection	(121,206)	45,453

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	4,856,302	5,719,267	(862,965)
Reconciliation	(1,344,390)	(1,054,511)	(289,879)
<u>Trans Surcharge</u>	<u>600,792</u>	<u>721,999</u>	<u>(121,206)</u>
Total	4,112,704	5,386,754	(1,274,050)
BGS-CIEP			
Current	87,562	(121,431)	208,993
Reconciliation	(69,435)	(175,384)	105,950
<u>Trans Surcharge</u>	<u>30,168</u>	<u>(15,285)</u>	<u>45,453</u>
Total	48,296	(312,101)	360,396

* Does not include adjustment for Bill Groups 19 and 20

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Over/(Under) Collection For the month of January 2020

Costs/Revenue Detail

BGS Costs
Supply

PJM	5,476,598	111,648
True-up Adj.	(770,773)	5,598
PJM (incl adj. excl Trans Surch)	4,705,825	117,246
NYISO	317,149	
Other		

Subtotal BGS Supply Cost	5,022,974	117,246
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Reconciliation

January 2020 (projected)	(1,344,390)	(69,435)
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Total BGS Costs	3,678,584	47,812
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BGS Revenue
Supply

BGS Billed Revenue (excluding SUT)	5,838,584	383,959
Unbilled	(1,002,611)	3,088
Prior Period Adjustment		-
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	4,835,973	387,047

Reconciliation

January 2020 (actual)	(1,469,017)	(133,674)
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BGS Revenue (excluding SUT)	3,366,956	253,372
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Transmission Surcharge

Trans Surch Costs	2,981	(33)
Trans Surch Revenue	789,176	43,864

Trans Surcharge (Over)/Under Collection	(786,195)	(43,897)
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Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	5,022,974	4,835,973	187,001
Reconciliation	(1,344,390)	(1,469,017)	124,627
<u>Trans Surcharge</u>	<u>2,981</u>	<u>789,176</u>	<u>(786,195)</u>
Total	3,681,565	4,156,132	(474,567)
BGS-CIEP			
Current	117,246	387,047	(269,800)
Reconciliation	(69,435)	(133,674)	64,240
<u>Trans Surcharge</u>	<u>(33)</u>	<u>43,864</u>	<u>(43,897)</u>
Total	47,778	297,236	(249,458)

* 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>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20²</u>	<u>Apr-20²</u>
(a) IR for 1st of the Month ¹	1.61%	1.58%	1.36%	1.36%	1.36%
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	2.21%	2.18%	1.96%	1.96%	1.96%
(b) RECO Overall Rate of Return	7.47%	7.47%	7.11%	7.11%	7.11%
(c) Min of (a) and (b)	2.21%	2.18%	1.96%	1.96%	1.96%
(d) Monthly IR (divided by 12)	0.18%	0.18%	0.16%	0.16%	0.16%

(2) Calculation of BGS - RSCP Interest³

	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>Total</u>
(Over)/Under						
Nov-19 \$ 1,065,156	1,917	1,917	1,704	1,704	1,704	8,947
Dec-19 (1,274,050)		(2,293)	(2,038)	(2,038)	(2,038)	(8,409)
Jan-20 (474,567)			0	(759)	(759)	(1,519)
	1,917	(376)	(334)	(1,094)	(1,094)	(980)

(3) Calculation of BGS - CIEP Interest³

	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20²</u>	<u>Apr-20²</u>	<u>Total</u>
(Over)/Under						
Nov-19 \$ (58,854)	(106)	(106)	(94)	(94)	(94)	(494)
Dec-19 360,396		649	577	577	577	2,379
Jan-20 (249,458)			(399)	(399)	(399)	(1,197)
	(106)	543	83	83	83	687

Notes:

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

(2) March and April interest rates assumed to be equal to February 2020 interest rate.

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

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
True Up of Interest for December 2019 and January 2020 Estimates

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

	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>
(a) IR for 1st of the Month ¹	1.47%	1.56%	1.56%	1.61%	1.58%
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%	2.21%	2.18%
(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%	2.21%	2.18%
(d) Monthly IR (divided by 12)	0.17%	0.18%	0.18%	0.18%	0.18%

(2) Calculation of BGS - RSCP Interest²

	<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)			(8,022)	(8,022)	(8,022)	(24,066)
	(831)	(4,333)	(12,355)	(12,355)	(12,355)	(42,230)
Estimated Interest from Last Quarter's Filing						<u>(34,208)</u>
Delta						(8,022)

(3) Calculation of BGS - CIEP Interest²

	<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 \$ (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)
Estimated Interest from Last Quarter's Filing						<u>(2,139)</u>
Delta						0

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., January 2020).

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Calculation of Interest on Mitigation

(1) Calculation of Interest Rates

	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20²</u>	<u>Apr-20²</u>
(a) IR for 1st of the Month ¹	1.61%	1.58%	1.36%	1.36%	1.36%
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	2.21%	2.18%	1.96%	1.96%	1.96%
(b) RECO Overall Rate of Return	7.47%	7.47%	7.11%	7.11%	7.11%
(c) Min of (a) and (b)	2.21%	2.18%	1.96%	1.96%	1.96%
(d) Monthly IR (divided by 12)	0.18%	0.18%	0.16%	0.16%	0.16%

(2) Calculation of BGS - CIEP Interest³

	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20²</u>	<u>Apr-20²</u>	<u>Total</u>
(Over)/Under						
Nov-19 \$ (125,700)	(226)	(226)	(201)			(654)
Dec-19		0	0			0
Jan-20			0			0
	(226)	(226)	(201)			(654)

Notes:

- (1) Interest Rate = Fed Reserve US Treasury Securities at two year constant maturity on 1st business day of month.
- (2) March and April interest rates assumed to be equal to February 2020 interest rate.
- (3) Interest is calculated assuming recovery will occur in the middle of the quarterly period (i.e., April 2020).