



Rockland Electric Company
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May 15, 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 June 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") 63rd Revised Leaf No. 55 reflecting revisions to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric tariff").

This leaf is issued on May 15, 2020 with an effective date of June 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 (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 ("RSCP") 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 February 2020 through April 2020.

For the BGS RSCP reconciliation rate that became effective December 1, 2019, the Company had deferred \$2,864,000 of the total RSCP over-collection for future disposition. The Company had credited RSCP customers \$2,793,000 of the deferral in the BGS RSCP rate that became effective March 1, 2020. In this filing, RECO has credited RSCP customers the remaining deferral balance of \$71,000, plus interest.

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

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Please note that the Company is making this filing solely in electronic form pursuant to the Board's directive in its Emergency Order dated March 19, 2020 in BPU Docket No. EO20030254.

Questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Respectfully,

/s/

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..... (1.388) ¢/kWh

BGS-CIEP Reconciliation Charge (1.476) ¢/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: May 15, 2020

EFFECTIVE: June 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 June 1, 2020 through August 31, 2020

	<u>BGS - RSCP</u>	<u>BGS - CIEP</u>
Estimated Jun 2020 - Aug 2020 Sales	262,282,662	10,878,332
BGS Costs	\$ 6,270,209	\$ 75,501
BGS Revenue (excluding SUT)	<u>\$ 9,929,313</u>	<u>\$ 292,994</u>
(Over)/Under Recovery	\$ (3,659,104)	\$ (217,493)
Transmission Surcharge (Over)/Under Collection	\$ 338,549	\$ 67,437
Interest on (Over)/Under Collections	\$ (8,870)	\$ (521)
Mitigation of Rec Charge		
Credit for Mitigation from Prior Rec Charge	<u>\$ (86,116)</u>	<u>\$ -</u>
Total (Over)/Under Recovery incl Trans Surch	\$ (3,415,540)	\$ (150,577)
<u>Determination of June 1, 2020 through August 31, 2020 BGS Reconciliation Charges</u>		
(Over)/Under Recovery incl Trans Surch	\$ (3,415,540)	\$ (150,577)
kWh to be billed at Rec Charge effective Jun 2020	262,282,662	10,878,332
Reconciliation Charge ¢/kWh	(1.302)	(1.384)
Reconciliation Charge ¢/kWh (including SUT)	6.6250% (1.388)	(1.476)

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

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	3,985,307	42,973
True-up Adj.	(699,461)	7,973
PJM (incl adj. excl Trans Surch)	3,285,846	50,946
NYISO	361,608	
Other		
Subtotal BGS Supply Cost	3,647,454	50,946
<u>Reconciliation</u>		
February 2020 (projected)	(1,344,390)	(69,435)
Total BGS Costs	2,303,064	(18,489)

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	4,930,662	133,862
Unbilled	(290,399)	(9,105)
Prior Period Adjustment		-
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	4,640,263	124,757
<u>Reconciliation</u>		
February 2020 (actual)	(1,263,716)	(46,449)
BGS Revenue (excluding SUT)	3,376,546	78,308

Transmission Surcharge		
Trans Surch Costs	1,142,405	56,537
Trans Surch Revenue	680,232	15,270
Trans Surcharge (Over)/Under Collection	462,173	41,267

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	3,647,454	4,640,263	(992,809)
Reconciliation	(1,344,390)	(1,263,716)	(80,674)
<u>Trans Surcharge</u>	<u>1,142,405</u>	<u>680,232</u>	<u>462,173</u>
Total	3,445,469	4,056,778	(611,309)
BGS-CIEP			
Current	50,946	124,757	(73,811)
Reconciliation	(69,435)	(46,449)	(22,986)
<u>Trans Surcharge</u>	<u>56,537</u>	<u>15,270</u>	<u>41,267</u>
Total	38,048	93,578	(55,530)

* Does not include adjustment for Bill Groups 19 and 20

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

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	3,635,646	70,581
True-up Adj.	(587,436)	4,250
PJM (incl adj. excl Trans Surch)	3,048,210	74,831
NYISO	333,294	
Other		
Subtotal BGS Supply Cost	3,381,504	74,831
<u>Reconciliation</u>		
March 2020 (projected)	(1,161,821)	(24,527)
Total BGS Costs	2,219,683	50,304

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	4,576,515	118,821
Unbilled	(5,303)	2,916
Prior Period Adjustment		
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	4,571,213	121,738
<u>Reconciliation</u>		
March 2020 (actual)	(1,172,726)	(13,160)
BGS Revenue (excluding SUT)	3,398,487	108,578

Transmission Surcharge		
Trans Surch Costs	595,257	27,022
Trans Surch Revenue	651,750	15,041
Trans Surcharge (Over)/Under Collection	(56,493)	11,981

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	3,381,504	4,571,213	(1,189,709)
Reconciliation	(1,161,821)	(1,172,726)	10,905
<u>Trans Surcharge</u>	<u>595,257</u>	<u>651,750</u>	<u>(56,493)</u>
Total	2,814,940	4,050,237	(1,235,297)

BGS-CIEP			
Current	74,831	121,738	(46,906)
Reconciliation	(24,527)	(13,160)	(11,368)
<u>Trans Surcharge</u>	<u>27,022</u>	<u>15,041</u>	<u>11,981</u>
Total	77,326	123,619	(46,293)

* Does not include adjustment for Bill Groups 19 and 20

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

Costs/Revenue Detail

BGS Costs		
<u>Supply</u>		
PJM	3,314,769	64,702
True-up Adj.	(725,299)	3,511
PJM (incl adj. excl Trans Surch)	2,589,470	68,214
NYISO	319,813	
Other		
Subtotal BGS Supply Cost	2,909,283	68,214
<u>Reconciliation</u>		
April 2020 (projected)	(1,161,821)	(24,527)
Total BGS Costs	1,747,462	43,686

BGS Revenue		
<u>Supply</u>		
BGS Billed Revenue (excluding SUT)	4,488,273	107,126
Unbilled	(199,157)	6,862
Prior Period Adjustment		-
DSSAC		
Adjustments		
Subtotal BGS Supply Revenue	4,289,115	113,988
<u>Reconciliation</u>		
April 2020 (actual)	(1,134,835)	(7,880)
BGS Revenue (excluding SUT)	3,154,280	106,109

Transmission Surcharge		
Trans Surch Costs	573,118	27,646
Trans Surch Revenue	640,249	13,456
Trans Surcharge (Over)/Under Collection	(67,130)	14,190

Analysis of (Over)/Under recoveries

	<u>Cost</u>	<u>Revenue*</u>	<u>(Over)/Under</u>
BGS-RSCP			
Current	2,909,283	4,289,115	(1,379,832)
Reconciliation	(1,161,821)	(1,134,835)	(26,986)
<u>Trans Surcharge</u>	<u>573,118</u>	<u>640,249</u>	<u>(67,130)</u>
Total	2,320,581	3,794,529	(1,473,948)
BGS-CIEP			
Current	68,214	113,988	(45,775)
Reconciliation	(24,527)	(7,880)	(16,648)
<u>Trans Surcharge</u>	<u>27,646</u>	<u>13,456</u>	<u>14,190</u>
Total	71,332	119,565	(48,233)

* 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>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20²</u>	<u>Jul-20²</u>
(a) IR for 1st of the Month ¹	0.84%	0.23%	0.20%	0.20%	0.20%
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	1.44%	0.83%	0.80%	0.80%	0.80%
(b) RECO Overall Rate of Return	7.11%	7.11%	7.11%	7.11%	7.11%
(c) Min of (a) and (b)	1.44%	0.83%	0.80%	0.80%	0.80%
(d) Monthly IR (divided by 12)	0.12%	0.07%	0.07%	0.07%	0.07%

(2) Calculation of BGS - RSCP Interest³

	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Total</u>
(Over)/Under						
Feb-20 \$ (611,309)	(734)	(428)	(428)	(428)	(428)	(2,445)
Mar-20 (1,235,297)		(865)	(865)	(865)	(865)	(3,459)
Apr-20 (1,473,948)			(1,032)	(1,032)	(1,032)	(3,095)
	(734)	(1,293)	(2,324)	(2,324)	(2,324)	(8,999)

(3) Calculation of BGS - CIEP Interest³

	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20²</u>	<u>Jul-20²</u>	<u>Total</u>
(Over)/Under						
Feb-20 \$ (55,530)	(67)	(39)	(39)	(39)	(39)	(222)
Mar-20 (46,293)		(32)	(32)	(32)	(32)	(130)
Apr-20 (48,233)			(34)	(34)	(34)	(101)
	(67)	(71)	(105)	(105)	(105)	(453)

Notes:

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

(2) June and July interest rates assumed to be equal to May 2020 interest rate.

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

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
True Up of Interest for March 2020 and April 2020 Estimates

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

	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>
(a) IR for 1st of the Month ¹	1.61%	1.58%	1.36%	0.84%	0.23%
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%	1.44%	0.83%
(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%	1.44%	0.83%
(d) Monthly IR (divided by 12)	0.18%	0.18%	0.16%	0.12%	0.07%

(2) Calculation of BGS - RSCP Interest²

	<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	1,278	746	7,563
Dec-19 \$ (1,274,050)		(2,293)	(2,038)	(1,529)	(892)	(6,752)
Jan-20 \$ (474,567)			(759)	(569)	(332)	(1,661)
	1,917	(376)	(1,094)	(820)	(478)	(851)
Estimated Interest from Last Quarter's Filing						(980)
Delta						129

(3) Calculation of BGS - CIEP Interest²

	<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 \$ (58,854)	(106)	(106)	(94)	(71)	(41)	(418)
Dec-19 \$ 360,396		649	577	432	252	1,910
Jan-20 \$ (249,458)			(399)	(299)	(175)	(873)
	(106)	543	83	63	36	619
Estimated Interest from Last Quarter's Filing						687
Delta						(68)

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., April 2020).

ROCKLAND ELECTRIC COMPANY
BGS Reconciliation Charges
Calculation of Interest on Mitigation

(1) Calculation of Interest Rates

	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20²</u>	<u>Jul-20²</u>
(a) IR for 1st of the Month ¹	0.84%	0.23%	0.20%	0.20%	0.20%
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	1.44%	0.83%	0.80%	0.80%	0.80%
(b) RECO Overall Rate of Return	7.11%	7.11%	7.11%	7.11%	7.11%
(c) Min of (a) and (b)	1.44%	0.83%	0.80%	0.80%	0.80%
(d) Monthly IR (divided by 12)	0.12%	0.07%	0.07%	0.07%	0.07%

(2) Calculation of BGS - RSCP Interest³

	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20²</u>	<u>Jul-20²</u>	<u>Total</u>
(Over)/Under						
Feb-20 \$ (85,893)	(103)	(60)	(60)			(223)
Mar-20		0	0			0
Apr-20		<u>0</u>	<u>0</u>			<u>0</u>
	(103)	(60)	(60)			(223)

Notes:

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

(2) June and July interest rates assumed to be equal to May 2020 interest rate.

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