



Rockland Electric Company
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April 1, 2022

Honorable Carmen Diaz
Acting Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Trenton, NJ 08625-0350

Re: Rockland Electric Company's Annual
Societal Benefits Charge Filing
Reconciling Costs for 12 Months Ending
July 31, 2022 and Estimating Costs for 12
Months Ending July 31, 2023
BPU Docket No.: _____

Dear Acting Secretary Diaz:

Rockland Electric Company ("RECO" or "the Company") hereby submits for filing Leaf No. 56 to its Schedule for Electric Service B.P.U. No. 3 – Electricity (the "Electric Tariff") in draft format. This filing is submitted in accordance with General Information Section No. 33 of the Electric Tariff, which requires the submission of an annual filing to reconcile any over- or under-recovered balances recovered through the Societal Benefits Charge ("SBC") and to provide for current program cost recovery.

Specifically, paragraphs (1), (2), and (4) of General Information Section No. 33 provide that the SBC shall include current costs and any refund or recovery of prior period over- or under-collection balances relating to (a) the Company's demand-side management programs ("DSM Programs"); (b) the Clean Energy Program; and (c) Uncollectible Expense. In accordance with General Information Section No. 33 of the Electric Tariff, the rate component of the SBC relating to the DSM Programs and the Clean Energy Program, and the rate component of the SBC relating to Uncollectible Expense are to be reflected in the SBC effective August 1. As noted in General Information Section No. 33, the SBC also provides for the recovery of costs relating to the Universal Service Fund and Lifeline. In contrast to the rate components of the SBC relating to the DSM Programs and the Clean Energy Program and Uncollectible Expense, the Universal Service Fund and Lifeline rate components of the SBC, 0.2468 ¢/kWh and 0.0787 ¢/kWh including Sales and Use Tax ("SUT"), remain unchanged.

Enclosed are the Company's workpapers detailing the reconciliation and calculation of the rate components of the SBC relating to the DSM and Clean Energy Programs and Uncollectible Expense. The result of this reconciliation is: (1) an increase in the DSM and Clean Energy Program rate component of the SBC from the currently effective rate of 0.3253 ¢/kWh to a rate of 0.3675 ¢/kWh, including SUT; and (2) an increase in the Uncollectible Expense rate component from the currently effective rate of 0.0303 ¢/kWh to a rate of 0.0828 ¢/kWh.

The resulting proposed SBC set forth on Leaf No. 56 is 0.7758 ¢/kWh, including SUT. This rate reflects (1) a 0.3623 ¢/kWh rate component, including SUT, for forecast DSM and Clean Energy Program spending for the twelve-month period ending July 31, 2023 of \$4,963,955¹; (2) a 0.0052 ¢/kWh rate component, including SUT, reflecting an under-collection of \$71,230 in DSM and Clean Energy Program spending for the period August 1, 2021 through July 31, 2022; (3) a 0.0433 ¢/kWh rate component, including SUT, for forecast Uncollectible Expense for the twelve-month period ending July 31, 2023 of \$540,000; (4) a 0.0395 ¢/kWh rate component, including SUT, reflecting an under-collection of \$594,482 in Uncollectible Expense; (5) a 0.2468 ¢/kWh rate component, including SUT, relating to Universal Service Fund; and (6) a 0.0787 ¢/kWh rate component, including SUT, relating to Lifeline.

The revised SBC is proposed to become effective August 1, 2022.

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.

Very truly yours,

/s/
William A. Atzl, Jr.
Director – Rate Engineering

¹ Since the Board has not yet approved Clean Energy Program spending beyond June 2022, the Company's projected Clean Energy Program spending for the twelve month period ending July 2023, as shown on page 7 of 7 of the enclosed work papers, reflects the fiscal year 2022 amounts approved by the BPU in its Order dated June 24, 2021 in BPU Docket No. QO21040721.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Component
& Uncollectible Expense Component of the Societal Benefits Charge ("SBC")
for Service Rendered on or after August 1, 2022**

<u>SBC Rate Components</u>	Rate Incl. RA; Excl. SUT <u>(¢/kWh)</u>	Rate Incl. RA & SUT <u>(¢/kWh)</u>
DSM/Clean Energy Programs	0.3447	0.3675
Universal Service Fund	0.2315	0.2468
Lifeline	0.0738	0.0787
Uncollectible Expense	<u>0.0777</u>	<u>0.0828</u>
Total	0.7277	0.7758

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program
Components of the Societal Benefits Charge ("SBC")¹**

Reconciliation of DSM /CEP SBC for the Period August 1, 2021 - July 31, 2022

Demand Side and Clean Energy Recoveries: (08/01/21 - 07/31/22) - See Page 4	\$4,498,552
SBC DSM and Clean Energy Costs, for the period (08/01/21 - 07/31/22) - See Page 4	4,963,955
Prior Period Reconciliation (Over)/Under Recovery - See Page 4	(394,206)
Total Demand Side and Clean Energy SBC Costs to be Recovered (08/01/21 - 07/31/22)	4,569,748
Demand Side and Clean Energy SBC (Over)/Under Recovery Balance	71,197
Interest (Over)/Under Recovery Balance - See Page 4	<u>33</u>
Total Demand Side and Clean Energy SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2022	\$71,230

Determination of Demand Side and Clean Energy SBC

Projected Sales (kWh) 12 months ending July 31, 2023	1,460,729,000
\$ per kWh Demand Side and Clean Energy Reconciliation to be (Refunded)/Surcharged	\$0.000049
Projected Demand Side and Clean Energy Spending - 12 months ending July 31, 2023 - See Page 5	\$4,963,955
\$ per kWh Projected Spending to be Surcharged	\$0.003398
Proposed Demand Side and Clean Energy SBC Excluding SUT (\$ per kWh)	\$0.003447
Sales and Use Tax ("SUT")	1.06625
<u>Proposed DSM/Clean Energy SBC Including SUT (\$ per kWh)</u>	\$0.003675

Notes: ¹ Rate component of SBC relating to recovery of demand-side management ("DSM") and the Clean Energy Program as described in paragraphs (1) and (2) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include the costs and the associated rate components of the SBC relating to the Universal Service Fund, Lifeline, and Uncollectible Expense.

ROCKLAND ELECTRIC COMPANY

**Determination of Uncollectible Expense
Component of the Societal Benefits Charge ("SBC")¹**

Reconciliation of Uncollectible Expense SBC for the Period August 1, 2021 - July 31, 2022

Uncollectibles Recoveries: (01/01/22 - 07/31/22) - See Page 6	\$214,469
SBC Uncollectible Expense Costs for the period (01/01/22 - 07/31/22) - See Page 6	804,609
Prior Period Reconciliation (Over)/Under Recovery - See Page 6	0
Total Uncollectibles SBC Costs to be Recovered (01/01/22 - 07/31/22)	804,609
Uncollectibles Expense SBC (Over)/Under Recovery Balance	590,141
Interest (Over)/Under Recovery Balance - See Page 6	<u>4,341</u>
Total Uncollectibles SBC (Over)/Under Recovery Balance for 12 months ended July 31, 2022	\$594,482

Determination of Uncollectible Expense SBC

Projected Sales (kWh) 12 months ending July 31, 2023	1,460,729,000
\$ per kWh Uncollectible Expense Reconciliation to be (Refunded)/Surcharged	\$0.000407
Projected Uncollectible Expenses - 12 months ending July 31, 2023 - See Page 7	\$540,000
\$ per kWh Projected Spending to be Surcharged	\$0.000370
Proposed Uncollectible Expense SBC Excluding SUT (\$ per kWh)	\$0.000777
Sales and Use Tax ("SUT")	1.06625
<u>Proposed Uncollectible Expense SBC Including SUT (\$ per kWh)</u>	\$0.000828

Notes: ¹ Rate component of SBC relating to recovery of Uncollectible Expenses as described in paragraph (4) on Leaf No. 56 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include the costs and the associated rate components of the SBC relating to the Universal Service Fund, Lifeline, DSM, and Clean Energy Program.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components of the Societal Benefits Charge ("SBC")
August 2021 through July 2022 Cost Recovery Period**

<u>RECO</u>	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Total
SBC Recoveries	\$468,062	\$458,455	\$366,738	\$317,259	\$367,603	\$388,384	\$366,690	\$319,000	\$311,309	\$296,103	\$362,282	\$476,667	\$4,498,552
Prior Period Reconciliation Adj. ¹	(\$394,206)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$394,206)
Legacy Program Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CEP Program Costs	\$410,620	\$521,318	\$516,235	\$479,734	\$374,388	\$380,032	\$395,729	\$422,675	\$393,972	\$375,660	\$339,569	\$354,024	\$4,963,955
Total Program Costs	\$16,414	\$521,318	\$516,235	\$479,734	\$374,388	\$380,032	\$395,729	\$422,675	\$393,972	\$375,660	\$339,569	\$354,024	\$4,569,748
Interest - (Over)/Under Recovery	(\$208)	(\$186)	(\$125)	(\$51)	(\$49)	(\$65)	(\$53)	\$62	\$157	\$248	\$222	\$81	\$33
Total Program Costs Incl. Adjs. & Interest	\$16,206	\$521,132	\$516,110	\$479,683	\$374,339	\$379,967	\$395,676	\$422,737	\$394,129	\$375,908	\$339,791	\$354,105	\$4,569,781
(Over)/Under Recovery	(\$451,856)	\$62,677	\$149,372	\$162,424	\$6,736	(\$8,417)	\$28,986	\$103,736	\$82,820	\$79,806	(\$22,491)	(\$122,562)	\$71,230
Interest Rate (%) ²	0.77%	0.80%	0.87%	1.10%	1.16%	1.38%	1.78%	1.91%	1.91%	1.91%	1.91%	1.91%	

Notes: ¹ Over recovery for the period August 1, 2020 through July 31, 2021 as per Page 2 of the BPU Order Approving Stipulation dated September 14, 2021, in Docket Number ER21040682.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

**Determination of Demand Side Management and Clean Energy Program Components
of the Societal Benefits Charge ("SBC")**

Projected Costs: August 2022 - July 2023 (1)

<u>Month</u>	<u>Clean Energy (2)</u>	<u>Legacy</u>	<u>Total</u>
Aug-22	\$410,620	\$0	\$410,620
Sep-22	521,318	0	521,318
Oct-22	516,235	0	516,235
Nov-22	479,734	0	479,734
Dec-22	374,388	0	374,388
Jan-23	380,032	0	380,032
Feb-23	395,729	0	395,729
Mar-23	422,675	0	422,675
Apr-23	393,972	0	393,972
May-23	375,660	0	375,660
Jun-23	339,569	0	339,569
Jul-23	<u>354,024</u>	<u>0</u>	<u>354,024</u>
Total	\$4,963,955	\$0	\$4,963,955

Notes: ¹ Rate component of SBC relating to recovery of demand-side management ("DSM") and Clean Energy Program costs as described in paragraphs (1) and (2) on Leaf No. 57 of the RECO Schedule for Electric Service, B.P.U. No. 3 - Electricity. Does not include costs associated with USF and Lifeline.

² At the time of this filing, there was no approved Clean Energy budget beyond June 2022. The Company's projected Clean Energy Program spending for the twelve month period ending July 2023 reflects the FY22 amounts approved by the BPU in Docket No. QO21040721 dated June 24, 2021.

ROCKLAND ELECTRIC COMPANY

**Determination of Uncollectible Expense Component of the Societal Benefits Charge ("SBC")
January 2022 through July 2022 Cost Recovery Period**

<u>RECO</u>	Jan-22 Actual	Feb-22 Actual	Mar-22 Estimate	Apr-22 Estimate	May-22 Estimate	Jun-22 Estimate	Jul-22 Estimate	Total
SBC Uncollectibles Recoveries	\$16,008	\$34,133	\$29,694	\$28,978	\$27,562	\$33,723	\$44,370	\$214,469
Prior Period Reconciliation Adj.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectibles Expense ¹	\$580,416	\$29,262	\$14,932	\$45,000	\$45,000	\$45,000	\$45,000	\$804,609
Total Program Costs	\$580,416	\$29,262	\$14,932	\$45,000	\$45,000	\$45,000	\$45,000	\$804,609
Interest - (Over)/Under Recovery	\$467	\$597	\$623	\$642	\$662	\$675	\$675	\$4,341
Total Program Costs Incl. Adjs. & Interest	\$580,883	\$29,859	\$15,555	\$45,642	\$45,662	\$45,675	\$45,675	\$808,950
(Over)/Under Recovery	\$564,874	(\$4,274)	(\$14,139)	\$16,664	\$18,100	\$11,952	\$1,305	\$594,482
Interest Rate (%) ²	1.38%	1.78%	1.91%	1.91%	1.91%	1.91%	1.91%	

Notes: ¹ Amount for January 2022 includes the approved amount of \$434,205 from the Company's last base rate proceeding plus \$146,211 related to the actual uncollectible expense for October 2021 -January 2022.

² Federal Reserve Board US Treasury Securities at two year constant maturity plus 60 basis points.

ROCKLAND ELECTRIC COMPANY

**Determination of Uncollectible Expense Component
of the Societal Benefits Charge ("SBC")**

Projected Costs: August 2022 - July 2023 (1)

<u>Month</u>	<u>Uncollectible Expense</u>
Aug-22	\$45,000
Sep-22	45,000
Oct-22	45,000
Nov-22	45,000
Dec-22	45,000
Jan-23	45,000
Feb-23	45,000
Mar-23	45,000
Apr-23	45,000
May-23	45,000
Jun-23	45,000
Jul-23	<u>45,000</u>
Total	\$540,000

Notes: ¹ Rate component of SBC relating to recovery of uncollectible expense costs as described in paragraphs (3) on Leaf No. 57 of the RECO Schedule for Electric Service, B.P.U. No. 3 -
- Electricity. Does not include costs associated with USF and Lifeline.

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM"), including the costs associated with DSM programs and DSM bidding programs;
- (2) Clean Energy Program, ("CEP");
- (3) Universal Service Fund and Lifeline; and
- (4) Uncollectible Expense

The SBC to be effective on and after the date indicated below shall be set at ~~0.6844~~0.7758 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3054 <u>0.3447</u>	0.3253 <u>0.3675</u>
Universal Service Fund	0.2315	0.2468
Lifeline	0.0738	0.0787
Uncollectible Expense	0.0284 <u>0.0777</u>	0.0303 <u>0.0828</u>
Total SBC	0.6388 <u>0.7277</u>	0.6844 <u>0.7758</u>

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

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

GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE ("SBC")

The SBC shall be applied to the kWh usage on the bills of all customers served under this Schedule. The SBC shall include costs, including current costs and any refund or recovery of prior period over- or under-collection balances, related to:

- (1) demand-side management ("DSM"), including the costs associated with DSM programs and DSM bidding programs;
- (2) Clean Energy Program, ("CEP");
- (3) Universal Service Fund and Lifeline; and
- (4) Uncollectible Expense

The SBC to be effective on and after the date indicated below shall be set at 0.7758 cents per kWh, including sales and use tax ("SUT"). The SBC includes the following rate components:

	SBC Rate Components (¢ per kWh)	
	Excluding SUT	Including SUT
DSM & CEP	0.3447	0.3675
Universal Service Fund	0.2315	0.2468
Lifeline	0.0738	0.0787
Uncollectible Expense	0.0777	0.0828
Total SBC	0.7277	0.7758

The difference between actual costs incurred by the Company for the SBC components described above and SBC recoveries will be deferred, with interest, for future recovery in accordance with the Company's Plan for Resolution of Proceedings approved by the Board in its Summary Order dated July 28, 1999 and Final Order dated July 22, 2002 in Docket Nos. EO97070464, EO97070465 and EO97070466.

(Continued)

ISSUED:

EFFECTIVE:

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