



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</sup> Floor**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF ROCKLAND )  
ELECTRIC COMPANY'S ANNUAL CONSERVATION )  
INCENTIVE PROGRAM FILING RECONCILIATION FOR )  
THE PERIOD OF JULY 1, 2021 – JUNE 30, 2022 )  
 )  
 ) DOCKET NO. EO22070469

**Parties of Record:**

**Margaret Comes, Esq., Assistant Counsel – Regulatory** on behalf of Rockland Electric Company  
**Brian O. Lipman, Esq., Director,** New Jersey Division of Rate Counsel

BY THE BOARD:<sup>1</sup>

On July 29, 2022, Rockland Electric Company (“RECO” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval for adjustments to its Conservation Incentive Program (“CIP”) rates to account for potential lost sales revenues stemming from the Company’s energy efficiency (“EE”) programs (“July 2022 Petition”). By this Decision and Order, the Board considers a final stipulation of settlement (“Stipulation”) executed by RECO, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (collectively, “Parties”), intended to resolve this matter.

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, L. 2007, c. 340 (“RGGI Act”) was signed into law based upon the New Jersey Legislature’s (“Legislature”) finding that Energy Efficiency (“EE”) and conservation measures are essential elements of New Jersey’s energy future. The Legislature also found that greater reliance on EE and conservation will significantly benefit New Jersey citizens, and public utility involvement and competition are essential to maximize efficiencies.<sup>2</sup> As such, pursuant to Section 13 of the RGGI Act, an electric or gas public utility may provide and invest in EE and conservation programs in its service territory.<sup>3</sup> Upon Board approval, investments in EE and

<sup>1</sup> Commissioner Marian Abdou abstained from voting on this matter.

<sup>2</sup> N.J.S.A. 26:2C-45.

<sup>3</sup> The RGGI Act is codified at N.J.S.A. 48:3-98.1(a)(1).

conservation programs may be eligible for rate treatment, including a return on equity, or other incentives or rate mechanisms that decouple utility revenues from sales of electricity and gas.<sup>4</sup> Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board including, but not limited to, the Societal Benefits Charge established pursuant to Section 12 of L. 1999, c. 23.<sup>5</sup> An electric or gas utility seeking cost recovery for any EE and conservation programs must file a petition with the Board.<sup>6</sup>

On May 23, 2018, Governor Murphy signed the Clean Energy Act into law ("Clean Energy Act" or "CEA").<sup>7</sup> The CEA calls for aggressive energy reduction, greater emphasis on the importance of EE and peak demand reduction ("PDR"), and requires the Board to adopt an EE program, "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities."<sup>8</sup> The CEA calls upon heightened efforts by New Jersey's electric and gas public utilities to amplify the distribution of EE and PDR programs to customers, with the objective of reducing electricity and natural gas usage.<sup>9</sup>

On May 23, 2018, Governor Murphy issued Executive Order 28 ("EO 28"), directing the Board to create a new Energy Master Plan ("EMP"). The EMP's goal was to "provide a comprehensive blueprint for the total conversion of the State's energy production profile to 100% clean energy sources on or before January 1, 2050" and "provide specific proposals to be implemented over the next ten (10) years in order to achieve the January 1, 2050 goal."<sup>10</sup>

By Order dated June 9, 2021, the Board authorized RECO's to implement initiatives to further customer conservation efforts, as well as to implement a modified CIP to account for lost sales revenues resulting from the potential decrease in customer energy usage.<sup>11</sup>

### **July 2022 Petition**

In accordance with the June 2021 Order, RECO sought Board approval to implement adjustments to the CIP Recovery Charges related to changes in the average revenue compared to a group specific baseline revenue per customer, to account for potential lost sales revenues resulting from the Company's EE programs. The July 2022 Petition proposed to recover a net distribution revenue shortfall for the 12 month period of July 1, 2021 through June 30, 2022 of \$805,422,

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<sup>4</sup> N.J.S.A. 48:3-98.1(b).

<sup>5</sup> N.J.S.A. 48:3-60.

<sup>6</sup> N.J.S.A. 48:3-98.1.

<sup>7</sup> The CEA is codified at N.J.S.A. 48:3-87 et al.

<sup>8</sup> N.J.S.A. 48:3-87(g).

<sup>9</sup> N.J.S.A. 48:3-87.9(a). New Jersey's electric and gas public utilities include Atlantic City Electric Company, Butler Power and Light Company, Elizabethtown Gas Company, Jersey Central Power & Light Company, New Jersey Natural Gas Company, Public Service Electric and Gas Company, RECO, and South Jersey Gas Company.

<sup>10</sup> Exec. Order No. 28 (May 23, 2018), 50 N.J.R. 1394(b) (June 18, 2018), Paragraph 3.

<sup>11</sup> In re the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. EO20090623, Order dated June 9, 2021 ("June 2021 Order").

including interest.

The CIP rates proposed in the July 2022 Petition and their associated customer classes are as follows:

Customer Group	SCs	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	(\$182,604)	(0.027)	(0.029)
B	2 – Secondary	\$918,630	0.187	0.199
C	2 -Primary	\$69,395	0.120	0.128

Following publication of notice in newspapers of general circulation within the Company’s service territory and service of notice upon affected municipalities and counties within the Company’s service area, two virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on September 12, 2022.<sup>12</sup> No members of the public attended and no written comments were filed with the Board.

By Order dated September 28, 2022, the Board approved RECO’s implementation of a provisional CIP rate adjustment based on the July 2022 Petition for each customer class associated with its Rider CIP, subject to refund, while the Parties continued to review the matter.<sup>13</sup>

### **STIPULATION**

Following a review of the July 2022 Petition, discovery, and the September 2022 Order, the Parties executed a final Stipulation resolving this matter. The Stipulation provides, in pertinent part, as follows:<sup>14</sup>

1. The Parties agree that the provisional rates approved by the Board via the September 2022 Order should be approved on a final basis by the Board. On or before July 31, 2023, the Company will file its next CIP Adjustment for the 12-month period commencing October 1, 2023, based on an initial deferral period of July 1, 2022 through June 30, 2023.
2. The Parties agree that, as set out in Appendix A of the Stipulation, and as set out in the Stipulation for Provisional Rates, the customer group specific CIP Adjustment is as follows:

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<sup>12</sup> Due to the COVID-19 pandemic, hearings were held virtually.

<sup>13</sup> In re the Petition of Rockland Electric Company’s Annual Conservation Incentive Program Filing – Reconciliation for the Period of July 1, 2021 – June 30, 2022, BPU Docket No. EO22070469, Order dated September 28, 2022 (“September 2022 Order”).

<sup>14</sup> Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

Customer Group	SCs	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	(\$182,604)	(0.027)	(0.029)
B	2 – Secondary	\$918,630	0.187	0.199
C	2 -Primary	\$69,395	0.120	0.128

3. Annexed to the Stipulation is Appendix A, which includes the supporting schedules. Appendix A was also annexed to the provisional rate stipulation.
4. Also annexed to the Stipulation is Appendix B, which contains the proposed tariff pages for the CIP Adjustment.

**DISCUSSION AND FINDINGS**

Having carefully reviewed all documents pertaining to this matter, including but not limited to, the July 2022 Petition, the Stipulation, and Exhibit A attached thereto, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

As such, a typical residential customer using 808 kWh per month will see no change in their monthly bill.

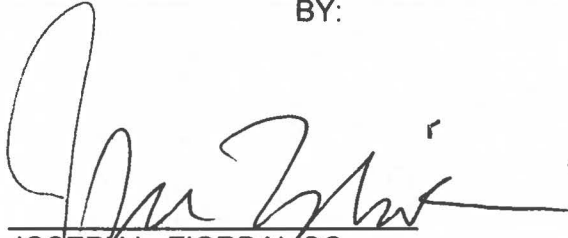
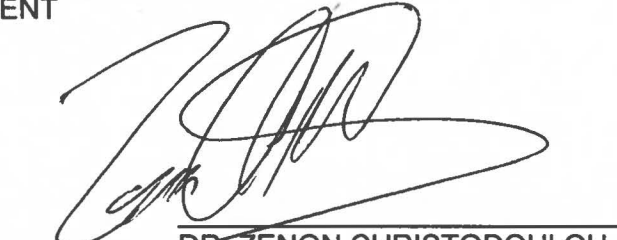
Accordingly, the Board **HEREBY DIRECTS** RECO to file revised tariff sheets conforming to the terms of the Stipulation by June 30, 2023.

The Company’s costs, including those related to the CIP, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on June 29, 2023.

DATED: June 29, 2023

BOARD OF PUBLIC UTILITIES  
BY:

  
\_\_\_\_\_  
JOSEPH L. FIORDALISO  
PRESIDENT  
\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER  
\_\_\_\_\_  
DR. ZENON CHRISTODOULOU  
COMMISSIONER  
\_\_\_\_\_  
CHRISTINE GUHL-SADOVY  
COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
SHERRY L. GOLDEN  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ROCKLAND ELECTRIC COMPANY ANNUAL  
CONSERVATION INCENTIVE PROGRAM FILING RECONCILIATION FOR THE PERIOD OF  
JULY 1, 2012 – JUNE 30, 2022

DOCKET NO. EO22070469

SERVICE LIST

**Board of Public Utilities**

44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Counsel's Office

Michael Beck, General Counsel  
[michael.beck@bpu.nj.gov](mailto:michael.beck@bpu.nj.gov)

Carol Artale, Deputy General Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Heather Weisband, Senior Counsel  
[heather.weisband@bpu.nj.gov](mailto:heather.weisband@bpu.nj.gov)

Michael Hunter, Regulatory Officer  
[michael.hunter@bpu.nj.gov](mailto:michael.hunter@bpu.nj.gov)

Division of Water and Energy

Mike Kammer, Director  
[mike.kammer@bpu.nj.gov](mailto:mike.kammer@bpu.nj.gov)

Malike Cummings, Deputy Director  
[malike.cummings@bpu.nj.gov](mailto:malike.cummings@bpu.nj.gov)

Bart Kilar  
[bart.kilar@bpu.nj.gov](mailto:bart.kilar@bpu.nj.gov)

William Barkasy  
[william.barkasy@bpu.nj.gov](mailto:william.barkasy@bpu.nj.gov)

**Rockland Electric Company**

4 Irving Place  
New York, NY 10003

Margaret Comes, Esq., Associate Counsel  
[comesm@coned.com](mailto:comesm@coned.com)

**Rockland Electric, Conti.**

William Atzl, Jr.  
[atzlw@coned.com](mailto:atzlw@coned.com)

Cheryl Ruggiero  
[ruggieroc@coned.com](mailto:ruggieroc@coned.com)

**New Jersey Division of Rate Counsel**

140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Maura Caroselli, Esq., Managing Attorney  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Megan Lupo, Esq.  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

**New Jersey Division of Law**

Department of Law and Public Safety  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625

Pamela Owen, DAG  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Daren Eppley, DAG  
[daren.eppley@law.njoag.gov](mailto:daren.eppley@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Terel Klein, DAG  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)



Rockland Electric Company

**Margaret Comes**  
Associate Counsel  
Law Department

June 1, 2023

Sherri L. Golden, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
3<sup>rd</sup> Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of Rockland Electric Company Annual Conservation  
Incentive Program Filing Reconciliation for the Period July 1, 2021 – June 30,  
2022  
BPU Docket No. EO22070469

Dear Secretary Golden:

Enclosed for filing on behalf of Rockland Electric Company (“RECO”)  
 (“Rockland” or “the Company”) is Stipulation of Settlement in the above matter.

Respectfully submitted,

  
Margaret Comes

Enc.

cc: Email list

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

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**In the Matter of the Rockland Electric  
Company’s Annual Conservation Incentive  
Program – Reconciliation for the Period July 1,  
2021 – June 30, 2022**

**STIPULATION OF  
SETTLEMENT SETTING  
FINAL RATES**

**BPU Docket No. EO22070469**

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**Margaret Comes, Esq.**, Associate Counsel, for Petitioner Rockland Electric Company

**Maura Caroselli, Esq.**, Deputy Rate Counsel, **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel and **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (Brian O. Lipman, Director)

**Steven Chaplar, Esq.**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin, Attorney General of New Jersey**)

**TO: THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES**

It is hereby AGREED by and among Rockland Electric Company (“RECO” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) to execute this Stipulation of Settlement (“Stipulation”) and join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue a Final Decision and Order approving this Stipulation, including the attachments and proposed sheets of the Company’s electric service tariff as set forth herein.

**PROCEDURAL HISTORY**

On September 25, 2020, RECO filed a verified petition proposing a portfolio of Energy Efficiency (“EE”) and Peak Demand Reduction (“PDR”) programs targeted at the Company’s residential, commercial and industrial (“C&I”), and multi-family customer sectors at a cost of



approximately \$18,009,216 over a three-year implementation period beginning July 1, 2021 through June 30, 2024 (“EE Program”) (“September 2020 Petition”).

The September 2020 Petition further requested the approval of a cost recovery mechanism wherein RECO would create a regulatory asset to capture the incremental capital investment costs related to the EE Program, and to implement a Clean Energy Act (“CEA”) Surcharge component to its Societal Benefits Charge (“SBC”). As proposed, the CEA Surcharge would be set annually based upon budgeted and actual expenditures through annual filings, subject to the approval of Board. The revenue requirement recovered through the SBC would recover the annual depreciation and amortization of capital investments, plus return on investment, and annual operations and maintenance (“O&M”) expenses, as well as any prior period over/under recovered amounts in subsequent true-ups.

RECO also sought the Board’s approval of a modified electric Conservation Incentive Program (“CIP”) calculation methodology to recover a portion of the Company’s revenues that may be lost as a result of the implementation of the EE Program and the related decrease in energy sales. On May 28, 2021, the Parties entered into a stipulation of settlement (“May 2021 Stipulation”), which was approved by the Board on June 9, 2021.<sup>1</sup> In the May 2021 Stipulation, the Parties agreed that RECO may implement a modified CIP to account for lost sales revenue resulting from the potential decrease in customer energy usage.<sup>2</sup> The Company agreed to submit

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<sup>1</sup> Order Adopting Stipulation, *In the Matter of the Petition of Rockland Electric Company for Approval of Its Energy Efficiency and Peak Demand Reduction Programs*, BPU Docket No. EO20090623 (June 9, 2021).

<sup>2</sup> The May 2021 Stipulation also provided that EE Program costs be subject to recovery through rates pursuant to the terms of the CEA Surcharge component in the Company’s Regional Greenhouse Gas Initiative Surcharge instead of a component of the SBC. May 2021 Stipulation at par. 23.

its first CIP cost recovery filing on or before July 31, 2022, with rates proposed to be effective October 1, 2022, based on an initial deferral period of July 1, 2021 through June 30, 2022.

Pursuant to the May 2021 Stipulation, on July 29, 2022, RECO filed a petition to establish the Company's CIP Adjustments applicable for the 12-month period commencing October 1, 2022 ("2022 Filing").

According to the 2022 Filing, the monthly target distribution revenue is determined through use of group specific baseline revenue per customer ("RPC") targets. The RPC targets are calculated by taking the monthly distribution revenue from the priced-out billing determinants approved in the Company's most recent base rate filing and dividing such monthly distribution revenue by the number of customers in the group for each month. As such, the 2022 Filing included revised RPC targets based on the Company's most recent base rate filing which was approved pursuant to an Order dated December 15, 2021 in Docket No. ER21050823. According to the 2022 Filing, the revised CIP RPC targets were applicable commencing January 1, 2022.<sup>3</sup>

The 2022 Filing also included an Appendix A, a copy of which is attached to this Stipulation and sets forth the Company's calculation of the CIP Adjustment for the reconciliation period of July 1, 2021 through June 30, 2022. The 2022 Filing also states that the Company has passed the Earnings Test allowing for the class-specific CIP Adjustments. The 2022 Filing also stated that the Company's net distribution revenue shortfall for this 12-month period was \$805,422, including interest. The 2022 Filing further stated that the Company determined the

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<sup>3</sup> The class-specific monthly targets used in the calculation of the (over)/under recovery for the period July 1, 2021 through December 31, 2021 were the targets approved in the May 2021 Stipulation.

following customer group specific CIP Adjustments that would be effective for the period October 1, 2022 through September 30, 2023:

Customer Group	SCs	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	(\$182,604)	(0.027)	(0.029)
B	2 – Secondary	\$918,630	0.187	0.199
C	2 -Primary	\$69,395	0.120	0.128

On September 12, 2022, the Company conducted virtual public hearings as result of the COVID-19 pandemic, and to comply with social distancing mandates issued by the Governor. No members of the public appeared to provide comments or filed written comments with the Board.

The Parties entered into a Stipulation of Settlement for a Provisional CIP rate (“Provisional Rate Stipulation”), and the Provisional Rate Stipulation was approved by the Board on September 28, 2022 for rates effective October 1, 2022 (“October 2022 Order”).<sup>4</sup>

Subsequent to the October 2022 Order, the parties continued to review the 2022 Filing.

### **STIPULATION**

Based upon that subsequent review, the Parties to this Stipulation STIPULATE AND AGREE AS FOLLOWS:

1. The Parties agree that the provisional rates approved by the October 2022 Order should be approved on a final basis by the Board. On or before July 31, 2023, the Company will file its next CIP Adjustment for the 12-month period commencing October 1, 2023, based on an initial deferral period of July 1, 2022 through June 30, 2023.

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<sup>4</sup> Decision and Order Approving Stipulation for Provisional Rates, *In the Matter of the petition of Rockland Electric Company’s Annual Conservation Incentive Program Filing – Reconciliation for the Period July 1, 2021 – June 30, 2022*, Docket No. EO22070469 (September 28, 2022).

2. The Parties agree that, as set out in Appendix A to this Stipulation, and as set out in the Stipulation for Provisional Rates, the customer group specific CIP Adjustment is as follows:

Customer Group	SCs	(Over)/Under Recovery	Rate (Excl SUT) ¢/kWh	Rate (Inc SUT) ¢/kWh
A	1 and 3	(\$182,604)	(0.027)	(0.029)
B	2 – Secondary	\$918,630	0.187	0.199
C	2 -Primary	\$69,395	0.120	0.128

3. Annexed is Appendix A, which includes the supporting schedules. Appendix A was also annexed to the Provisional Rate Stipulation.

4. Also Annexed is Appendix B, which contains the proposed tariff pages for the CIP Adjustment.

5. The Parties acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order or upon such date after the service thereof as the Board may specify in accordance with N.J.S.A. 48:2-40.

6. The Company shall, within five (5) business days following receipt of a Board Order approving this Stipulation, or on such other time frame as shall be set forth in a Board Order, file with the Board’s Secretary amended tariff sheets reflecting that the current provisional rates for the CIP Adjustment have been made final.

7. As provided for in the October 2022 Order, the monthly impact of the CIP Adjustment on an average residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis, was a decrease of \$2.04 in their annual bill from \$1,278.00 to \$1,275.96, or approximately 0.2%. No further rate changes will result from this Stipulation.

8. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of the above-referenced proceedings. The Parties agree that

this Stipulation contains mutual balancing and interdependent clauses and is intended to be accepted and approved in its entirety. In the event any particular provision of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by a court of competent jurisdiction, then any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right, upon written notice to be provided to all other Parties within 10 days after receipt of any such adverse decision, to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in an appropriate Order, or is modified by a court of competent jurisdiction, then any Party hereto is free, upon the timely provision of such written notice, to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed. The Parties agree that this Stipulation shall be binding on them for all purposes herein.

9. By executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation, except where the terms of this Stipulation supersede such prior Stipulation. The contents of this Stipulation shall not be considered, cited, or used by any of the undersigned Parties as an indication of any Party's position on any related or other issue litigated in any other proceeding or forum, except to enforce the terms of this Stipulation.

10. This Stipulation may be executed in any number of counterparts, each of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties.

WHEREFORE, the Parties hereto have duly executed and do respectfully submit this Stipulation to the Board, and recommend that the Board issue a Final Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

**ROCKLAND ELECTRIC COMPANY**

**Dated:** May 30, 2023

By Margaret Comes  
Margaret Comes, Esq.

**MATTHEW J. PLATKIN**  
**ATTORNEY GENERAL OF NEW JERSEY**  
**Attorney for the Staff of the Board of Public Utilities**

**Dated:** May 31, 2023

By: Steven Chaplar  
Steven Chaplar  
Deputy Attorney General

**STATE OF NEW JERSEY, DIVISION OF RATE**  
**COUNSEL**  
**BRIAN O. LIPMAN**  
**DIRECTOR, DIVISION OF RATE COUNSEL**

**Dated:** May 31, 2023

By Megan Lupo  
Megan Lupo  
Assistant Deputy Rate Counsel

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Determination of Surcharge/Credit**

		<u>SC Nos. 1, 3, and 5 (1)</u>	<u>SC No. 2 Secondary</u>	<u>SC No. 2 Primary</u>
Earnings Test - Pass or Fail			<b>Pass</b>	
Current Period (Over)/Under-Collection	(1)	(\$182,604)	\$918,630	\$69,395
Prior Period (Over) / Under-Collection	(2)	0	0	0
Amount to be Deferred for Future Disposition	(3)	<u>0</u>	<u>0</u>	<u>0</u>
	(4) =			
Total Period (Over)/Under Collection Target	(1) + (2) - (3)	(\$182,604)	\$918,630	\$69,395
Forecasted Sales	(5)	676,336,000	491,109,000	57,890,000
	(6) =			
Rate (\$/kWh), excluding SUT	(4) / (5)	(0.00027)	0.00187	0.00120
SUT	(7)	1.06625	1.06625	1.06625
	(8) =			
Rate (\$/kWh), including SUT	(6) * (7)	(0.00029)	0.00199	0.00128

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Revenue Per Customer Factor - SC Nos. 1, 3, and 5 (Residential) Excluding SUT (1)**

<u>Month</u>	<u>Distribution Revenue (2)</u>	<u># of Customers</u>	<u>RPC Factor \$ / Customer</u>
July	\$5,031,778	64,224	78.35
August	5,072,760	64,296	78.90
September	4,226,012	64,307	65.72
October	2,868,715	64,050	44.79
November	2,758,604	64,119	43.02
December	3,078,793	64,127	48.01
January	3,904,149	64,903	60.15
February	3,542,915	64,769	54.70
March	3,052,896	61,803	49.40
April	3,032,073	64,643	46.90
May	3,130,113	64,550	48.49
June	4,611,800	64,548	71.45

Notes:

- (1) Effective January 1, 2022, SC No. 5 was closed and all customers were moved to SC No. 1
- (2) Distribution Revenue for Jul-21 thru Dec-21 is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER19050552. Distribution Revenue for Jan-22 thru Jun-22 is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER21058023.



**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Revenue Per Customer Factor - SC No. 2 (Secondary) Excluding SUT**

<u>Month</u>	Distribution <u>Revenue (1)</u>	<u># of Customers</u>	RPC Factor <u>\$ / Customer</u>
July	\$2,238,237	8,618	259.72
August	2,592,913	8,620	300.80
September	2,194,831	8,611	254.89
October	1,812,651	8,605	210.65
November	1,987,301	8,624	230.44
December	2,090,465	8,631	242.20
January	2,372,733	8,709	272.45
February	2,029,588	8,705	233.15
March	1,611,877	8,240	195.62
April	2,138,182	9,221	231.88
May	1,963,006	8,729	224.88
June	2,338,145	8,628	271.00

Notes:

- (1) Distribution Revenue for Jul-21 thru Dec-21 is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER19050552. Distribution Revenue for Jan-22 thru Jun-22 is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER21058023.

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Revenue Per Customer Factor - SC No. 2 (Primary) Excluding SUT**

<u>Month</u>	<u>Distribution Revenue (1)</u>	<u># of Customers</u>	<u>RPC Factor \$/ Customer</u>
July	\$220,036	78	2,820.97
August	225,922	78	2,896.44
September	165,166	77	2,145.01
October	246,633	76	3,245.17
November	260,107	76	3,422.46
December	233,407	76	3,071.14
January	218,891	80	2,736.14
February	209,591	80	2,619.89
March	213,018	78	2,731.00
April	216,573	94	2,303.97
May	217,328	81	2,683.06
June	258,124	80	3,226.55

Notes:

- (1) Distribution Revenue for Jul-21 thru Dec-21 is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER19050552. Distribution Revenue for Jan-22 thru Jun-22 is calculated based on billing determinants that were approved in the Company's base rate proceeding, BPU Docket No. ER21058023.

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Actual Annual Distribution Revenue (\$) Excluding SUT**

	<b>Revenue for 12 ME June 30, 2022</b>
SC Nos. 1, 3, and 5	\$44,895,192
SC No. 2 Secondary	24,486,835
SC No. 2 Primary	<u>2,566,200</u>
Total	\$71,948,227

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Revenue Per Customer - SC Nos. 1, 3, and 5 (Residential) Excluding SUT (1)**

<u>Month</u>	<u>Actual Dist Revenue</u> (a)	<u>Actual Customer Count</u> (b)	<u>Actual Avg Revenue / Customer</u> (c) = (a)/(b)	<u>RPC Factor \$ / Customer (2)</u> (d)	<u>Difference</u> (e) = (d) - (c)	<u>Margin Variance (Over)/Under</u> (f) = (e)*(b)	<u>Net Margin Var. (Over)/Under</u>	<u>Interest Rate</u>	<u>Interest Net of Tax (3)</u>	<u>Margin Var. (Over)/Under with Interest</u>
Beg. Balance										
Jul-21	\$5,563,665	64,620	\$86.10	\$78.35	(\$7.75)	(\$500,805)	(\$500,805)	0.85%	(\$255)	(\$501,060)
Aug-21	5,358,656	64,676	82.85	78.90	(3.95)	(255,470)	(756,275)	0.77%	(290)	(255,760)
Sep-21	5,091,985	64,685	78.72	65.72	(13.00)	(840,905)	(1,597,180)	0.80%	(564)	(841,469)
Oct-21	3,291,524	64,689	50.88	44.79	(6.09)	(393,956)	(1,991,136)	0.87%	(935)	(394,891)
Nov-21	2,616,459	64,824	40.36	43.02	2.66	172,432	(1,818,704)	1.10%	(1,255)	171,177
Dec-21	3,058,905	64,841	47.18	48.01	0.83	53,818	(1,764,886)	1.16%	(1,245)	52,573
Jan-22	3,575,595	64,887	55.10	60.15	5.05	327,679	(1,437,207)	1.38%	(1,324)	326,356
Feb-22	3,450,498	64,906	53.16	54.70	1.54	99,955	(1,337,252)	1.78%	(1,479)	98,476
Mar-22	3,065,906	64,916	47.23	49.40	2.17	140,868	(1,196,384)	1.91%	(1,450)	139,418
Apr-22	2,820,957	64,931	43.45	46.90	3.45	224,012	(972,372)	3.04%	(1,975)	222,037
May-22	2,813,062	65,067	43.23	48.49	5.26	342,252	(630,120)	3.33%	(1,598)	340,654
Jun-22	<u>4,187,980</u>	65,066	64.37	71.45	7.08	<u>460,667</u>	(169,452)	3.26%	<u>(781)</u>	<u>459,886</u>
	<b>\$44,895,192</b>					<b>(\$169,452)</b>			<b>(\$13,151)</b>	<b>(\$182,604)</b>

Notes:

(1) Effective January 1, 2022, SC No. 5 was closed and all customers were moved to SC No. 1

(2) Calculated on Appendix A, Page 1

(3) Fed & State Income Tax Rate

Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = 1 / [(1 - 0.21) * (1 - 0.0900)]	28.11%
Net of Tax	71.89%

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Revenue Per Customer - SC No. 2 (Secondary) Excluding SUT**

Month	Actual Revenue (a)	Actual Customer Count (b)	Actual Avg Revenue / Customer (c) = (a)/(b)	RPC Factor \$/ Customer (1) (d)	Difference (e) = (d) - (c)	Margin Variance (Over)/Under (f) = (e) *(b)	Net Margin Var. (Over)/Under	Interest Rate	Interest Net of Tax (2)	Margin Var. (Over)/Under with Interest
Jul-21	\$2,229,950	8,664	\$257.38	\$259.72	\$2.34	\$20,274	\$20,274	0.85%	\$10	\$20,284
Aug-21	2,280,789	8,658	263.43	300.80	37.37	323,549	343,823	0.77%	84	323,633
Sep-21	2,273,491	8,670	262.23	254.89	(7.34)	(63,638)	280,185	0.80%	150	(63,488)
Oct-21	1,972,612	8,677	227.34	210.65	(16.69)	(144,819)	135,366	0.87%	108	(144,711)
Nov-21	1,669,573	8,682	192.30	230.44	38.14	331,131	466,498	1.10%	198	331,330
Dec-21	1,892,675	8,685	217.92	242.20	24.28	210,872	677,370	1.16%	397	211,269
Jan-22	1,974,267	8,675	227.58	272.45	44.87	389,247	1,066,617	1.38%	721	389,968
Feb-22	2,169,946	8,676	250.11	233.15	(16.96)	(147,145)	919,472	1.78%	1,059	(146,086)
Mar-22	2,051,256	8,672	236.54	195.62	(40.92)	(354,858)	564,614	1.91%	849	(354,009)
Apr-22	1,935,581	8,663	223.43	231.88	8.45	73,202	637,816	3.04%	1,095	74,297
May-22	1,883,950	8,687	216.87	224.88	8.01	69,583	707,399	3.33%	1,342	70,925
Jun-22	<u>2,152,747</u>	8,695	247.58	271.00	23.42	<u>203,637</u>	911,036	3.26%	<u>1,580</u>	<u>205,217</u>
	<b>\$24,486,835</b>					<b>\$911,036</b>			<b>\$7,594</b>	<b>\$918,630</b>

Notes:

(1) Calculated on Appendix A, Page 2

(2) Fed & State Income Tax Rate

Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = 1 / [(1 - 0.21) * (1 - 0.0900)]	28.11%
Net of Tax	71.89%

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Revenue Per Customer - SC No. 2 (Primary) Excluding SUT**

<u>Month</u>	<u>Actual Revenue</u> (a)	<u>Actual Customer Count</u> (b)	<u>Actual Avg Revenue / Customer</u> (c) = (a)/(b)	<u>RPC Factor \$ / Customer (1)</u> (d)	<u>Difference</u> (e) = (d) - (c)	<u>Margin Variance (Over)/Under</u> (f) = (e) *(b)	<u>Net Margin Var. (Over)/Under</u>	<u>Interest Rate</u>	<u>Interest Net of Tax (2)</u>	<u>Margin Var. (Over)/Under with Interest</u>
Jul-21	\$242,305	79	\$3,067.16	\$2,820.97	(\$246.19)	(\$19,449)	(\$19,449)	0.85%	(\$10)	(\$19,459)
Aug-21	225,631	79	2,856.08	2,896.44	40.36	3,188	(16,261)	0.77%	(8)	3,180
Sep-21	245,528	79	3,107.95	2,145.01	(962.94)	(76,072)	(92,333)	0.80%	(26)	(76,098)
Oct-21	240,409	79	3,043.15	3,245.17	202.02	15,960	(76,373)	0.87%	(44)	15,916
Nov-21	187,171	79	2,369.25	3,422.46	1,053.21	83,204	6,830	1.10%	(23)	83,181
Dec-21	186,881	79	2,365.58	3,071.14	705.56	55,739	62,570	1.16%	24	55,763
Jan-22	187,398	77	2,433.74	2,736.14	302.40	23,285	85,854	1.38%	61	23,346
Feb-22	207,657	77	2,696.85	2,619.89	(76.96)	(5,926)	79,928	1.78%	88	(5,838)
Mar-22	198,074	76	2,606.24	2,731.00	124.76	9,482	89,410	1.91%	97	9,579
Apr-22	207,030	75	2,760.40	2,303.97	(456.43)	(34,232)	55,178	3.04%	132	(34,101)
May-22	208,240	77	2,704.41	2,683.06	(21.35)	(1,644)	53,534	3.33%	108	(1,536)
Jun-22	<u>229,876</u>	76	3,024.68	3,226.55	201.87	<u>15,342</u>	68,876	3.26%	<u>120</u>	<u>15,462</u>
	<b>\$2,566,200</b>					<b>\$68,876</b>			<b>\$519</b>	<b>\$69,395</b>

Notes:

(1) Calculated on Appendix A, Page 3

(2) Fed & State Income Tax Rate

Federal Income Tax Rate (Effective 1/1/2018)	21.00%
State Income Tax Rate	9.00%
Income Tax Gross Up Factor = $1 / [(1 - 0.21) * (1 - 0.0900)]$	28.11%
Net of Tax	71.89%

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022  
Recovery Tests**

**Determine Weather and Non-Weather CIP Impacts**

	<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>
SC Nos. 1, 3, and 5	\$506,981	(\$689,584)	(\$182,604)
SC No. 2 Secondary	(18,518)	937,148	918,630
SC No. 2 Primary	(1,399)	<u>70,794</u>	<u>69,395</u>
Total Deficiency/(Credit)	\$487,064	\$318,357	\$805,422

**Step 2: Apply Modified BGSS Savings Test**

**A. Non-weather Impact Subject to Modified BGS Savings Test**

Non-Weather Impact	\$318,357
75% Factor	<u>75%</u>
Subtotal	\$238,768
Prior Year Carry-Forward (Modified BGSS Savings Test)	\$0
Non-weather Impact Subject to Test	<b>\$238,768</b>

**B. BGS Savings**

Permanent Capacity Savings	\$1,869,881
Additional Capacity BGS Savings	708,432
Avoided Cost BGS Savings	<u>209,263</u>
Total BGS Savings	<b>\$2,787,576</b>

**C. Results**

Non-Weather Impacts Passing Test (current accrual)	<b>\$318,357</b>
Non-Weather Impacts Passing Test (prior year carry-forward)	\$0
Non-Weather Impacts Exceeding Test	<b>\$0</b>

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022  
Recovery Tests**

**Step 3: Apply Variable Margin Revenue Test**

**A. Non-weather Impact Subject to Variable Margin Revenue Test**

Non-Weather Impact	\$318,357
Prior Year Carry-Forward (Variable Margin Revenue Test)	0
<b>Non-weather Impact Subject to Test</b>	<b>\$318,357</b>

**B. Variable Margin Revenues**

Variable Margin Revenues	\$71,948,227
Recovery Limitation (Subsequent years at 6.5%)	4.0%
<b>Total Fixed Recovery Cap</b>	<b>\$2,877,929</b>

**C. Results**

Non-Weather Impacts Passing Test (current accrual)	\$318,357
Non-Weather Impacts Passing Test (prior year carry-forward)	\$0
Non-Weather Impacts Exceeding Test	\$0

**Step 4: Determine Recoverable Non-Weather CIP Impacts**

**A. Current Year Accrual Recoverable Non-Weather Impacts**

Amount Passing Modified BGSS Savings Test	\$318,357
Amount Passing Variable Margin Revenue Test	\$318,357
<b>Recoverable Amount</b>	<b>\$318,357</b>

**B. Previous Carry-Forward Recoverable Amounts**

Amount Passing Modified BGSS Savings Test	\$0
Amount Passing Variable Margin Revenue Test	\$0
Deduction for any amount also included in above	0
	\$0

**Total Non-Weather Recoverable CIP Amount** **\$318,357**



**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022  
Recovery Tests**

<b>Allocation of Recoverable Non-Weather CIP Amounts</b>		<b>\$318,357</b>
	<b>Total Non-Weather Related</b>	
SC Nos. 1, 3, and 5	(\$689,584)	-216.6%
SC No. 2 Secondary	\$937,148	294.4%
SC No. 2 Primary	\$70,794	22.2%
	<b>\$318,357</b>	
Allowed Amount to Recover in Current Period	\$318,357	
To Be Recovered in a Future Period	\$0	
Allocation of Future Recoverable Amount		
SC Nos. 1, 3, and 5	\$0	
SC No. 2 Secondary	\$0	
SC No. 2 Primary	\$0	

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022  
Weather Normalization Calculation**

**SC Nos. 1, 3, and 5**

	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	CDD CONSUMPTION FACTOR	COOLING kWh	TOTAL kWh	MARGIN FACTOR	MARGIN IMPACT	Jul21-Jun22 ACTUAL BILLED SALES (KWh)	2022 Budget CDD COEFFICIENT	2022 Budget HDD COEFFICIENT
Jul-21		0	2	2	29,806	398	414	16	144,696	2,322,364	2,372,439	\$0.0739	\$175,380	90,321,849	0.000534	0.00011
Aug-21		0	0	0	28,722	473	442	(31)	139,433	(4,375,410)	(4,375,410)	\$0.0739	(\$323,448)	87,036,886		
Sep-21		0	0	(0)	27,302	387	442	55	132,537	7,308,094	7,297,446	\$0.0739	\$539,456	82,732,249		
Oct-21		46	14	(32)	18,396	189	222	33	89,303	2,941,646	2,356,660	\$0.0698	\$164,452	55,744,792		
Nov-21		242	198	(45)	15,075	28	52	23	73,184	1,704,459	1,032,549	\$0.0643	\$66,378	45,682,983		
Dec-21		550	536	(13)	17,988	0	0	0	87,325	19,212	(218,235)	\$0.0643	(\$14,029)	54,510,139		
Jan-22		791	741	(50)	19,840	0	0	0	96,315	0	(993,990)	\$0.0711	(\$70,630)	60,121,567		
Feb-22		815	886	71	18,004	0	0	0	87,402	0	1,278,832	\$0.0711	\$90,870	54,557,918		
Mar-22		688	625	(63)	15,764	0	3	3	76,528	258,665	(737,950)	\$0.0711	(\$52,436)	47,770,401		
Apr-22		468	422	(46)	14,345	3	3	1	69,637	53,621	(607,961)	\$0.0711	(\$43,200)	43,469,037		
May-22		200	212	12	14,298	43	23	(20)	69,409	(1,368,743)	(1,198,458)	\$0.0711	(\$85,159)	43,326,404		
Jun-22		35	25	(10)	20,933	180	190	10	101,619	1,009,073	790,745	\$0.0751	\$59,346	63,432,370		
<b>TOTAL</b>	<b>3,837</b>	<b>3,662</b>	<b>-175</b>		<b>-2,876,311</b>	<b>1,701</b>	<b>1,792</b>	<b>91</b>		<b>9,872,980</b>	<b>6,996,669</b>		<b>\$506,981</b>	<b>728,706,595</b>		

**SC No. 2**

	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	HDD CONSUMPTION FACTOR	DEGREE DAYS kWh	DEGREE DAYS NORMAL	DEGREE DAYS ACTUAL	DEGREE DAYS VARIANCE	CDD CONSUMPTION FACTOR	COOLING kWh	TOTAL kWh	MARGIN FACTOR	MARGIN IMPACT	Jul21-Jun22 ACTUAL BILLED SALES (KWh)	2022 Budget CDD COEFFICIENT	2022 Budget HDD COEFFICIENT
Jul-21		0	2	2	9,836	398	414	16	11,569	185,679	202,203	\$0.0442	\$8,935	44,667,094	0.000259	0.0000734
Aug-21		0	0	0	10,215	473	442	(31)	12,015	(377,018)	(377,018)	\$0.0442	(\$16,660)	46,388,411		
Sep-21		0	0	(0)	10,247	387	442	55	12,053	664,580	660,584	\$0.0442	\$29,191	46,535,120		
Oct-21		46	14	(32)	8,850	189	222	33	10,409	342,871	61,453	\$0.0424	\$2,605	40,188,990		
Nov-21		242	198	(45)	7,765	28	52	23	9,134	212,720	(133,378)	\$0.0400	(\$5,336)	35,264,669		
Dec-21		550	536	(13)	9,185	0	0	0	10,803	2,377	(118,859)	\$0.0400	(\$4,755)	41,710,048		
Jan-22		791	741	(50)	9,195	0	0	0	10,815	0	(460,647)	\$0.0456	(\$20,994)	41,755,430		
Feb-22		815	886	71	9,323	0	0	0	10,965	0	662,194	\$0.0456	\$30,179	42,337,617		
Mar-22		688	625	(63)	8,655	0	3	3	10,181	34,410	(512,787)	\$0.0456	(\$23,370)	39,307,219		
Apr-22		468	422	(46)	7,925	3	3	1	9,322	7,178	(358,334)	\$0.0456	(\$16,331)	35,991,093		
May-22		200	212	12	7,560	43	23	(20)	8,893	(175,361)	(85,317)	\$0.0456	(\$3,888)	34,334,068		
Jun-22		35	25	(10)	8,538	180	190	10	10,042	99,716	10,669	\$0.0476	\$507	38,771,807		
<b>TOTAL</b>	<b>3,837</b>	<b>3,662</b>	<b>-175</b>		<b>-1,446,389</b>	<b>1,701</b>	<b>1,792</b>	<b>91</b>		<b>997,152</b>	<b>(449,237)</b>		<b>(\$19,917)</b>	<b>487,251,566</b>		

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022  
CIP BGS Savings**

**I. Permanent BGS Savings**

Year	WN Summer Peak	Final Zonal UCAP Obligation	Zonal Net Load Price \$/MW-Day	Zonal Net Load Price \$/kW-yr
2011/2012	407	482	\$116.15	\$42.42
2012/2013	409	458	\$143.06	\$52.25
2013/2014	404	459	\$248.30	\$90.69
2014/2015	402	460	\$137.54	\$50.24
2015/2016	400	466	\$166.53	\$60.83
2016/2017	401	441	\$163.27	\$59.63
2017/2018	400	436	\$153.74	\$56.15
2018/2019	408	451	\$218.98	\$79.98
2019/2020	404	456	\$115.58	\$42.22
2020/2021	398	453	\$174.32	\$63.67
		-2.2%	-6.1%	

Permanent Capacity Savings 29  
2021 RE Zonal Net Load Capacity Cost per kW-year \$63.67  
**Total Permanent Reductions \$1,869,881**

**II. Additional Capacity BGS Savings**

CIP Recovery

Year	WN Summer Peak	Final Zonal UCAP Obligation	Zonal Net Load Price \$/MW-Day
2020/2021	398	453	\$63.67
2021/2022	390	441	\$60.17

Incremental Capacity Savings\* 12  
RECO Zonal Net Load Capacity Cost per kW-year \$60.17  
**Total Additional Capacity Reductions \$708,432**

\*Due to the potential for Peak increase due to Electric Vehicles and Electrification, incremental savings is set as a minimum of the incremental obligation savings or zero.

**III. Avoided Capacity**

CIP Recovery Yr Annual \$  
2021/2022 \$209,263

**IV. Total of all Savings**

CIP Recovery Yr	Permanent Capacity Savings	Additional Capacity BGSS Savings	Avoided Cost BGSS Savings	Annual \$
2021/2022	\$1,869,881	\$708,432	\$209,263	<b>\$2,787,576</b>

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022  
Avoided Capacity Cost BGS Savings**

Month	Customer Count (Base) (a)	Customer Count (Current) (b)	Net Customer Count (c) = (b) - (a)	UCAP / Customer (kW) (Base) (d)	Cap Rate / Cust. (\$/kW) (Current) (e)	Avoided Capacity (f) = (c) * (d) * (e)
<b>SC Nos. 1, 3, and 5</b>						
July	64,224	64,620	396	5.69	\$5.01	\$11,302
August	64,296	64,676	380	5.69	\$5.01	10,833
September	64,307	64,685	378	5.68	\$5.01	10,774
October	64,050	64,689	639	5.71	\$5.01	18,286
November	64,119	64,824	705	5.70	\$5.01	20,153
December	64,127	64,841	714	5.70	\$5.01	20,408
January	64,903	64,887	(16)	5.70	\$5.01	(457)
February	64,769	64,906	137	5.69	\$5.01	3,911
March	61,803	64,916	3,113	5.69	\$5.01	88,810
April	64,643	64,931	288	5.69	\$5.01	8,222
May	64,550	65,067	517	5.69	\$5.01	14,755
June	<u>64,548</u>	<u>65,066</u>	<u>518</u>	5.69	\$5.01	<u>14,784</u>
	64,195	64,842	647			\$221,781
<b>SC No. 2 - Secondary</b>						
July	8,618	8,664	46	17.29	\$5.01	\$3,988
August	8,620	8,658	38	17.29	\$5.01	3,294
September	8,611	8,670	59	17.30	\$5.01	5,119
October	8,605	8,677	72	17.32	\$5.01	6,252
November	8,624	8,682	58	17.28	\$5.01	5,025
December	8,631	8,685	54	17.26	\$5.01	4,675
January	8,709	8,675	(34)	17.26	\$5.01	(2,943)
February	8,705	8,676	(29)	17.27	\$5.01	(2,512)
March	8,240	8,672	432	17.28	\$5.01	37,435
April	9,221	8,663	(558)	17.30	\$5.01	(48,415)
May	8,729	8,687	(42)	17.29	\$5.01	(3,642)
June	<u>8,628</u>	<u>8,695</u>	<u>67</u>	17.29	\$5.01	<u>5,808</u>
	8,662	8,675	14			\$14,083
<b>SC No. 2 - Primary</b>						
July	78	79	1	230.21	\$5.01	\$1,154
August	78	79	1	230.21	\$5.01	1,154
September	77	79	2	233.20	\$5.01	2,339
October	76	79	3	236.27	\$5.01	3,554
November	76	79	3	236.27	\$5.01	3,554
December	76	79	3	236.27	\$5.01	3,554
January	80	77	(3)	239.42	\$5.01	(3,601)
February	80	77	(3)	242.66	\$5.01	(3,650)
March	78	76	(2)	242.66	\$5.01	(2,433)
April	94	75	(19)	239.42	\$5.01	(22,809)
May	81	77	(4)	236.27	\$5.01	(4,739)
June	<u>80</u>	<u>76</u>	<u>(4)</u>	233.20	\$5.01	<u>(4,677)</u>
	80	78	(2)			(\$26,600)
<b>Total Avoided Capacity Cost BGS Savings</b>						<b>\$209,263</b>

Base Year Unforced capacity is equal to the 2017/2018 Unforced capacity from PJM by rate schedule divided by number of customers

Current Year Capacity rate is the current year RE Zonal Net Load Price \$/kW-yr divided by 12

**Rockland Electric Company  
Conservation Incentive Program - 12 Months Ended June 2022**

**Earnings Test**

(1)	Equity Base for Earnings Test **	\$130,109,464
(2)	Allowed ROE*	9.6%
(3)	ROE Limit buffer	0.5%
(4) = (2) + (3)	Maximum ROE	10.1%
(5)	Actual Net Income **	\$12,339,015
(6) = (5) / (1)	ROE for Earnings Test	9.48%
(7) = If (4) > (6), Pass else Fail	Earnings Test Pass / Fail	<b>Pass</b>

\* ROE as approved in BPU Docket No. ER21050823

\*\* Distribution related net income and equity base

**GENERAL INFORMATION**

**No. 40 CONSERVATION INCENTIVE PROGRAM (“CIP”) ADJUSTMENT (Continued)**

Monthly customer group specific RPC targets are calculated by dividing the number of customers for each month into the monthly distribution revenue approved in the Company’s most recent base rate filing. On a monthly basis, the allowed revenue shall be calculated by multiplying the customer group specific RPC target by the actual number of customers for that month in the customer group.

**RPC Targets (\$/customer) – Effective January 1, 2022**

Month	Group A	Group B	Group C
Jul	95.04	291.27	3,697.89
Aug	98.12	297.58	3,294.38
Sep	80.81	285.47	3,563.90
Oct	55.68	241.71	2,814.58
Nov	47.68	221.23	2,768.40
Dec	56.46	236.73	2,856.63
Jan	60.15	272.45	2,736.14
Feb	54.70	233.15	2,619.89
Mar	49.40	195.62	2,731.00
Apr	46.90	231.88	2,303.97
May	48.49	224.88	2,683.06
Jun	71.45	271.00	3,226.55

The Company will determine the maximum amount of revenue the Company may collect in a program year through the CIP Adjustment charges. For the first annual deferral period (July 1, 2021 through June 30, 2022), the maximum amount of revenue will be determined by taking 4.0% of the customer charge revenue, distribution usage revenue, and distribution demand revenue of customer groups A – C. In subsequent years, the maximum amount of revenue will be determined by taking 6.5% of the customer charge revenue, distribution usage revenue, and distribution demand revenue of customer groups A – C. If the amount to be collected (*i.e.*, the difference between actual revenue and allowed revenue) is larger than baseline amount established by the savings test, the difference between the total amount to be collected and the baseline will be deferred for collection in the following year.

ISSUED:

EFFECTIVE:

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

**ROCKLAND ELECTRIC COMPANY  
B.P.U. NO. 3 - ELECTRICITY**

1st Revised Leaf No. 65C  
Superseding Original Leaf No. 65C

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**GENERAL INFORMATION**

**No. 40 CONSERVATION INCENTIVE PROGRAM (“CIP”) ADJUSTMENT (Continued)**

Each month, the Company will compare the monthly actual distribution revenue to the monthly target distribution revenue for each customer group. A carrying charge will be calculated on the deferred balance for any over-collection or under-collection. The carrying charge will be calculate in accordance with the Board’s Order dated October 21, 2008 in BPU Docket No. ER08060455.

Commencing July 31, 2022 and every July 31 thereafter, the Company will file to determine each customer group specific CIP Adjustment applicable for the 12-month period commencing October 1.

	CIP Adjustment (¢ per kWh)	
	Excluding SUT	Including SUT
Group A	(0.0270)	(0.0290)
Group B	0.1870	0.1990
Group C	0.1200	0.1280

ISSUED:

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

EFFECTIVE: