

On May 21, 2021, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, RECO, filed a petition with the Board for approval of an increase in its current base rates for electric service of approximately \$16.9 million, excluding, Sales and Use Tax (“SUT”), to be effective for electric service provided on or after June 21, 2021 (“2021 Rate Case Petition”). The Company also sought Board approval of a return on equity of 10.0% as well as approval to implement new depreciation rates among other things.

In the 2021 Rate Case Petition, the Company provided that its current electric distribution rates were unjust and unreasonable as they did not produce an adequate reasonable return on the Company’s invested capital nor provide sufficient revenues to recover the Company’s investment in rate base, operating expenses, financing costs, and taxes.

In the 2021 Rate Case Petition, RECO sought authority from the Board for the following:

1. Amend the Company’s tariff rates and charges for electric service;
2. Recover significant incurred and deferred costs relating to Tropical Storm Isaias that struck RECO’s service territory in August 2020;
3. Modify electric and general plant depreciation rates;
4. Approve adjustments to the net salvage allowance and net salvage true-up amortization;
5. Consolidate the Securitization Petition, BPU Docket No. EO21030675, within the 2021 Rate Case Petition, and approve the proposed regulatory treatment of the winding-up of the transition bond transaction; and
6. Defer costs related to any changes in the federal or state corporate tax rate that occurs after the post-test year adjustments.

By Order dated June 9, 2021, the Board suspended the proposed rate increase until October 21, 2021. The 2021 Rate Case Petition was subsequently transmitted to the Office of Administrative Law (“OAL”) as a contested case, and was assigned to Administrative Law Judge (“ALJ”) Thomas R. Betancourt for consideration and hearing. On July 7, 2021, ALJ Betancourt issued an order consolidating the 2021 Rate Case Petition with RECO’s pending Securitization Petition.¹

On July 28, 2021, RECO updated its 2021 Rate Case Petition to include nine (9) months of actual data and three (3) months of estimated data. The requested rate increase was modified to approximately \$16.1 million, excluding SUT. On October 27, 2021, the Company updated its 2021 Rate Case Petition to include 12 months of actual data (“12+0 Update”). The requested rate increase was modified to approximately \$19.5 million, excluding SUT.

On September 24, 2021, the Company filed a separate petition which sought approval of deferred accounting treatment for Storm Preparation Costs, approximately \$3.7 million, related to Tropical Storm Henri in BPU Docket No. ER21091143 (“Henri Petition”).² The Henri Petition requested that the Board authorize RECO to: 1) defer on its books for accounting purposes the actual prudently incurred, unreimbursed incremental preparation costs associated with Tropical Storm Henri, because those costs did not qualify for automatic deferral under the Company’s existing

¹ In re the Petition of Rockland Electric Company for Approval of a Final Settlement of its Transition Bond Transaction; and Other Relief, BPU Docket No. ER21030675.

² In re the Petition of Rockland Electric Company for Approval of Deferred Accounting Treatment for Storm Preparation Costs Related to Tropical Storm Henri; and for Other Relief, BPU Docket No. ER21091143.

storm cost deferral mechanism, and 2) address recovery in rates of the total deferred incremental operation and maintenance (“O&M”) storm related costs, the time period for recovery, and the carrying charge and manner of recovery, in a Phase Two of the Company’s 2021 Rate Case Petition.

By Order dated October 6, 2021, the Board further suspended the proposed rate increase until February 21, 2022 as settlement negotiations were ongoing.

After publication of notices in newspapers of general circulation in the Company’s service territory, public hearings for the 2021 Rate Case Petition and Securitization Petition were conducted virtually on September 24, 2021 at 3:30 pm and 4:30 pm with ALJ Betancourt presiding.³ No members of the public appeared or filed written comments with the Board.

STIPULATION

After discovery and comprehensive settlement discussions, the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”), (collectively, “Parties”) executed a stipulation of settlement (“Stipulation”), the key elements of which are as follows:⁴

1. Effective Date. The Parties agree that should the Board issue a written Order approving the Stipulation, revenue recovery and rates set forth in the Stipulation shall become effective for service rendered on and after January 1, 2022 (“Effective Date”).
2. Test Year. The Parties agree that the proper test year for establishing rates is the 12-month period ended September 30, 2021.
3. Distribution Revenue Requirement and Rate Adjustment. In the interest of achieving a satisfactory resolution of the issues to be decided in this proceeding, the Parties agree to an addition to annual distribution revenues of \$9.65 million, excluding SUT, which equates to an increase in overall revenues of 4.6%. The Parties agree that RECO’s base rates will be just and reasonable after they are adjusted to generate an additional \$9.65 million in annual distribution revenues for service rendered on and after the Effective Date.
4. Rate Base. The stipulated electric distribution rate base used in deriving the revenue requirement and rates reflected in the Stipulation is approximately \$262.8 million.
5. Rate of Return. The overall rate of return, before income tax gross up, for purposes of this Settlement, is 7.08%, as set forth in Schedule A of the Stipulation. This is based upon a return on common equity of 9.60% and an embedded cost rate of long-term debt of 4.74%. The Parties agree that the capital structure for purposes of this Settlement is 51.49% long-term debt and 48.51% common equity.
6. Determination of Revenue Requirement. The determination of the stipulated revenue requirement is reflected on attached Schedule A of the Stipulation.

³ Due to the COVID-19 pandemic, public hearings were held via Zoom.

⁴ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of the Order. Paragraphs are numbered to coincide with the Stipulation.

7. Consolidated Tax Adjustment. The Parties acknowledge that the stipulated revenue increase reflects an adjustment for consolidated income taxes.
8. Rates. The Parties agree that Schedule B of the Stipulation summarizes the revised electric distribution rates that shall be implemented on the Effective Date and that shall be included in revised Tariff leaves. The revised rates set forth in Schedule B implement the terms of the Stipulation regarding revenue requirements and rates. The Parties agree that the rates set forth in the Stipulation and attached schedules are just and reasonable.
9. Rate Design/Tariff. The revised rates are set forth in Schedule B of the Stipulation. Monthly customer charges excluding SUT were increased as follows: (i) for Service Classification (“SC”) No. 1, the customer charge increased from \$5.07 to \$5.39; (ii) for SC No. 2 – Secondary Demand Billed, the customer charge increased from \$19.70 to \$22.51; (iii) for SC No. 2 – Primary, the customer charge increased from \$86.28 to \$93.79; (iv) for SC No. 6 – Energy Only unmetered service, the customer charge increased from \$2.81 to \$3.75; (v) for SC No. 6 – Energy Only metered service, the customer charge increased from \$13.13 to \$15.01; and (vi) for SC No. 7 – Primary, the customer charge increased from \$234.47 to \$281.36, as referenced in Schedule B of the Stipulation. Next, before applying any revenue increase, a revenue neutral change was implemented for the SC No. 2 Secondary Demand Billed class, whereby 25% of the current usage rate differentials and a corresponding portion of demand rate differentials were eliminated and 2% of usage revenues were shifted to demand revenues. Thereafter, distribution rates were developed within each SC by applying uniform percentage increases, specific to each SC: 1) to all distribution rates (excluding customer charges) in non-demand billed classes; and 2) to demand distribution rates (excluding customer charges) only in demand-billed classes. The Parties agree that Schedule C of the Stipulation demonstrates that the rates to be implemented by RECO are designed to produce an additional \$9.65 million in annual revenues. The Parties also agree to making the following changes to the Company’s Tariff, which are set forth in schedule F of the Stipulation: (i) SC No. 5 and all references to SC No. 5 will be removed from the Tariff; (ii) the wattage ranges assigned to the Company’s LED street lights under SC Nos. 4 and 6 have been extended; (iii) uncollectible expense is transferred from base rates to the Societal Benefits Charge (“SBC”) for recovery as described in paragraph 10; and (iv) the TBC and TBC-Tax charges (currently set at \$0) are eliminated from the Tariff consistent with paragraph 20 of the Stipulation. The Parties agree that all of the foregoing changes described in this Paragraph will be reflected in the compliance Tariff to be filed pursuant to Paragraph 23 of the Stipulation.
10. Uncollectible Expense. The Parties agree that uncollectible expense should no longer be recovered through the Company’s base rates, but instead should be transferred to and recovered as a separate component through the SBC. Accordingly, commencing on the Effective Date, the Company shall implement the adjusted SBC rate as set forth in Schedule F of the Stipulation that will collect the Company’s uncollectible expense along with the other costs recovered through the SBC under prior Board orders. The Parties acknowledge that the Stipulation revenue increase reflects an adjustment to the SBC rate in Schedule F of the Stipulation that is designed to provide for the annual recovery of \$434,205 in uncollectible expense. The Company will include the reconciliation of the uncollectible expense along with the annual filing made to reconcile the Demand Side Management and Clean Energy Program components of the SBC.

11. COSS/Next Case. The Company agrees to submit, as part of its next base rate case, the Staff average and peak cost of service study (“COSS”). Submission of the Staff COSS in the next base rate case does not imply endorsement of the Staff methodology by the Company. The Company, as well as any other party in the future proceeding, is free to submit its preferred cost of service methodology and supporting work papers. Furthermore, simultaneous with the filing of its next base rate case, RECO will provide to the Parties an anticipatory discovery response responding to the following Rate Counsel interrogatory: “Describe the Company’s efforts to reduce its embedded cost of debt, if any, including the reasons why specific efforts were undertaken (or not).” The Parties reserve their rights to propound additional discovery on this issue.
12. Residential Bill Impacts. As a result of the Stipulation, a typical residential customer using 925 kWh per month will receive an annualized monthly increase of approximately \$7.65 or 4.5% on a total revenue basis from \$169.33 to \$176.98, including SUT.
13. Depreciation. RECO will implement the depreciation lives, life tables, rates and amortizations for electric distribution and general plant as shown on Schedule D of the Stipulation.
14. Net Salvage. The Parties agree that there is a Net Salvage Deficiency of \$1,037,000 (“Net Salvage Deficiency”) representing the amount by which actual negative net salvage costs (i.e., gross salvage less gross removal costs) incurred by the Company exceeded the salvage allowance provided in prior rates. RECO shall recover the Net Salvage Deficiency in rates over a three (3)-year amortization period such that RECO annually shall recover \$346,000 of the Net Salvage Deficiency. In addition, the Parties also agree that the rates established in the Stipulation reflect a going-forward annual net salvage recovery allowance of \$1,051,000.
15. Accumulated Depreciation Reserve. In the 2017 Base Rate Order, the Board recognized a \$9,781,234 surplus in the accumulated reserve for depreciation on RECO’s distribution plant assets as of February 28, 2017, and approved RECO’s return of that amount in rates over a 15-year amortization period (March 2017 – February 2032) such that RECO annually shall return \$652,082. The rates established in the Stipulation continue the annual return of \$652,082 of the surplus established in BPU Docket No. ER16050428.
16. Regulatory Assets/Deferral Balances. The Parties acknowledge that the stipulated revenue increase includes the recovery over a three (3)-year amortization period of the following agreed-upon regulatory assets: 1) \$200,000 for rate case costs, 2) \$9,188,000 for deferred, unrecovered storm costs excluding costs from Tropical Storm Henri, and 3) \$9,964,000 for the continuation of the regulatory assets approved by the Board for full recovery in BPU Docket No. ER19050552 that remain unrecovered.⁵ The amortizations addressed above in this paragraph do not include any carrying charges. In addition, the amortizations addressed above in this paragraph do not include the amortization of the accumulated depreciation reserve surplus, the amortization of deferred costs related to Tropical Storm Henri, or the recovery of net salvage, which are addressed in other

⁵ In re the Verified Petition of Rockland Electric Company for Approval of Changes in Its Electric Rates, Its Tariff for Electric Service, and Its Depreciation Rates; And for Other Relief, BPU Docket No. ER19050552, Order dated January 1, 2020 (“2020 Rate Order”).

paragraphs of the Stipulation. In the event that the Company files a base rate case (“Subsequent Rate Case”), with base rates to become effective within three (3) years of the Effective Date, the Company will be allowed to recover any unrecovered balance of regulatory assets approved in the Stipulation in the Subsequent Rate Case. Regardless of when RECO files its next base rate case, the Parties agree that if new rates resulting from a base rate case are not effective prior to January 1, 2025, the amortizations in this paragraph, as well as paragraph 19 (amortization of Henri costs) and paragraph 20 (amortization of TBC/TBC-Tax net amount) will be eliminated on January 1, 2025, and rates will be reduced to reflect the elimination of those amortizations without being offset by other alleged cost increases through a uniform percentage decrease to base distribution charges to all SCs. The uniform percentage decrease will not be applied to customer charges. The base distribution rates that are revised as a result of the elimination of the amortization will be calculated using the billing determinants underlying the distribution rates established in this proceeding. If necessary, the Company will make a tariff filing by November 1, 2024 with the revised rates to be effective January 1, 2025.

17. Deferred COVID Expenses. On July 2, 2020, the Board issued its Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses in Docket No. AO20060471 (“COVID Order”). The COVID Order authorized each of the State’s regulated public utilities to create a COVID-19 regulatory asset by deferring on their books and records the prudently incurred incremental costs related to COVID-19 beginning on March 9, 2020 through September 30, 2021. Among other things, the COVID Order ordered that (i) all affected utilities file a petition with the Board by December 31, 2021, or within 60 days of the close of the regulatory asset period, whichever is later, and (ii) any potential rate recovery, including any prudence determinations and the appropriate period of recovery for any approved amount of the regulatory asset and any associated savings, be addressed in this COVID-19 regulatory asset filing, or alternatively, a utility may request that the Board defer consideration of rate recovery in a future base rate case. The Board modified the COVID Order by an Order dated September 14, 2021 in Docket No. AO20060471 (“Modified COVID Order”). The Modified COVID Order extended the regulatory asset period from September 30, 2021, to December 31, 2022, and required that affected utilities file a petition for recovery of these assets within 60 days of this new date. In Exhibit P-2, Schedule 10, of its 2021 Rate Case Petition and subsequent updates for actuals, the Company requested to amortize and recover over three (3) years the Company’s deferred COVID-19 related expenditures (i.e., incremental O&M, uncollectible expense, and Late Payment charges that will not be billed, offset by payroll tax credits). As part of the Stipulation, the Parties agree that the Company will address the recovery of its deferred COVID-19 related expenditures set forth in Exhibit P-2, Schedule 10 (and as updated), in the Petition to be filed with the Board by March 1, 2023, in accordance with the Modified COVID Order, and that the Company’s deferred COVID-19 related expenditures are not included in the calculation of revenue requirements or the rates established in the Stipulation.
18. Storm Reserve/Future Deferral. The Parties agree that the rates established in the Stipulation include an annual funding recovery allowance for the storm reserve of \$1.75 million. As determined in the 2020 Rate Order, RECO’s storm costs for an individual storm shall qualify for deferred accounting if RECO incurs incremental costs of \$300,000 and the storm caused 10% or more of the customers located in either (i) RECO’s Bergen County service territory (approximately 59,000 customers), or (ii) RECO’s combined Passaic County and Sussex County service territories (approximately 13,600 customers)

to be without electric service. The Parties agree that RECO may petition the Board for approval of deferred accounting treatment for storm costs related to individual storms that are not subject to deferred accounting under the foregoing sentence.

19. Henri Petition resolution. As part of the resolution of the Henri Petition and the 2021 Rate Case Petition, the Company shall 1) defer \$2.389 million in a regulatory asset, representing 85% of the \$2.810 million in Henri costs reflected in the 12+0 Update which the Company sought to defer in the Henri Petition, and 2) amortize and recover the \$2.389 million over a three (3)-year period in base rates at an annual allowance of \$796,270. The Parties also agree that RECO may petition the Board for consideration of a modification of the storm deferral mechanism set forth in the second sentence of paragraph 18 to address deferral of pre-staging and mobilization costs in circumstances where the storm does not materialize or the parameters of the current clause are not met. The Board Order approving the Stipulation shall conclude and close the Henri Petition matter in BPU Docket No. ER21091143.
20. Securitization Petition Resolution. The winding up of the Transition Bond Transaction authorized in the Board's May 26, 2004 Bondable Stranded Costs Rate Order (Docket No. EF02110852) shall be accomplished as set forth in this paragraph. The Transition Bond Transaction has been completed as a result of the Transition Bonds being paid off in May 2019 and the TBC and TBC-Tax rates being set to \$0 effective June 1, 2019. The Parties agree that the Board should authorize RECO (and the Board of Managers of RECO Transition LLC, to the extent necessary) to: (i) eliminate RECO's interest and terminate RECO's membership in RECO Transition, LLC, including the return to RECO of its equity investment and interest thereon, (ii) dissolve RECO Transition LLC and file a Certification of Cancellation with the Secretary of State of Delaware Division of Corporations, and (iii) terminate the contract with the two (2) independent managers of the Board of Managers for RECO Transition LLC. In addition, there is a net over-collected amount of \$63,000 from RECO's customers relating to the TBC and TBC-Tax collections that reflects the amount of \$1,062,000 over-collected through the TBC plus interest, offset by \$999,000 that was under-collected through the TBC-Tax component. The \$63,000 amount shall be a regulatory liability that shall be refunded to customers in base rates through a three (3) -year amortization (i.e., at a rate of \$21,000 per year), beginning on January 1, 2022. In the event that the Company files a Subsequent Rate Case, with base rates to become effective within three (3) years of the Effective Date, the Company will be required to return any unamortized balance of this regulatory liability in the Subsequent Rate Case. The Board Order approving the Stipulation shall conclude and close the Securitization Petition matter in BPU Docket No. EO021030675.
21. Customer Service Reporting. The Company agrees to the annual reporting set forth in Schedule E of the Stipulation. This reporting is in addition to, and does not relieve the Company of complying with, any other reporting required under Board rules or orders.
22. Enhanced Three-Phase Clearing Program. The Company will implement a new vegetation management program, commencing in 2022 by no later than December 31, 2022, that will include the expansion of the maintenance zone around the three-phase conductor from the standard 10 feet under, 10 feet to each side, and 15 feet overhead, out to 15 feet under, 15 feet to each side, and 20 feet overhead.

23. Compliance Tariff Filing. Upon approval of the Stipulation by the Board and the Board's issuance of a written Order, the Company will file a compliance Tariff filing showing the issued and effective dates to implement the terms of the Stipulation and the Board's written Order, and the revised Tariff leaves shall become effective on the Effective Date. The Company attached the Tariff leaves for Staff's and Rate Counsel's review in draft format as Schedule F of the Stipulation.
24. Schedules. All schedules referenced in and attached to the Stipulation are incorporated by reference in the Stipulation as if set forth in the body of the Stipulation.
25. Voluntariness. The Parties agree that the Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed in the Stipulation. The Parties have entered the Stipulation after consideration of the 2021 Rate Case Petition and updates, the Securitization Petition, the Henri Petition, pre-filed testimony, and discovery.
26. Board Approval. The Parties agree that the Board should issue an Order that adopts the Stipulation and thereby: (i) authorizes RECO to increase its electric distribution rates to achieve an additional \$9.65 million in annual revenues; and (ii) approves the agreed-upon electric distribution rates set forth in Schedule B and Schedule F of the Stipulation as just and reasonable on the Effective Date determined in accordance with this paragraph. Each Party agrees to use its best efforts to ensure the Stipulation is submitted to the ALJ and Board in a timely fashion and to urge the ALJ and Board to issue expeditiously their approvals of the Stipulation at the earliest date practicable, and issuing and serving a written Order approving the Stipulation and the revenue recovery and rates and charges established in the Stipulation expeditiously thereafter. The Parties hereby request: (i) that the Board address this matter no later than at one of its agenda meetings scheduled in December 2021; (ii) that the Board thereafter expeditiously issue and serve a written Order approving the Stipulation and the revenue recovery and rates and charges established in the Stipulation and set an expedited Effective Date; and (iii) that the Board set an Effective Date of January 1, 2022. The Parties' agreements in the Stipulation are consistent with their understanding that the Board's written Order approving the Stipulation will become effective in accordance with N.J.S.A. 48:2-40 upon the service of said Order or upon such date after service as the Board may specify.

On December 8, 2021, ALJ Betancourt issued an Initial Decision accepting the terms of the Stipulation.

DISCUSSION AND FINDINGS

In evaluating a proposed settlement, the Board must review the record, balance the interests of the ratepayers and the shareholders, and determine whether the settlement represents a reasonable disposition of the issues that will enable the Company to provide its New Jersey customers with safe, adequate and proper service at just and reasonable rates.⁶ The Board recognizes that the Parties worked diligently to negotiate a compromise that attempts to meet the needs of as many stakeholders as possible. The Board further recognizes that the Stipulation represents a balanced solution considering the many complex issues that were addressed during the proceeding.

⁶ In re Petition of Pub. Serv. Elec. & Gas, 304 N.J. Super. 247 (App. Div.), cert. denied, 152 N.J. 12 (1997).

Therefore, based upon the Board's review and consideration of the record in this proceeding, the Board **HEREBY FINDS** the Initial Decision and Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Initial Decision and Stipulation in their entirety, and **HEREBY INCORPORATES** their terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

As agreed to by the Parties, the Board **CONSIDERS** the Henri Petition to be resolved. Accordingly, the Board **HEREBY DIRECTS** Staff to take the necessary steps to close Docket No. ER21091143.

As a result of the Stipulation, a typical residential customer using 925 kWh per month will receive an annualized monthly increase of approximately \$7.65, or 4.5%.

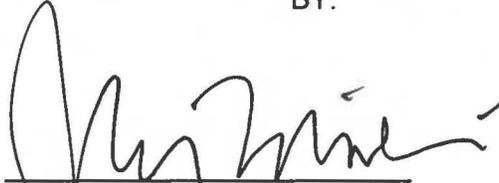
The rates approved by this Order will become effective for service rendered on and after January 1, 2022. The Company is **HEREBY DIRECTED** to file tariff sheets consistent with this Order by December 30, 2021. The Board **HEREBY DIRECTS** Staff to review the compliance tariff filings for consistency with this Order.

The Company's rates remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

This Order shall be effective on December 22, 2021.

DATED: December 15, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF CHANGES IN ELECTRIC RATES, ITS TARIFF FOR ELECTRIC SERVICE, AND ITS DEPRECIATION RATES; AND FOR OTHER RELIEF

BPU DOCKET NO. ER2105823
OAL DOCKET NO. PUC 05219-21

IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF A FINAL SETTLEMENT OF ITS TRANSITION BOND TRANSACTION; AND FOR OTHER RELIEF

BPU DOCKET NO. ER21030675
OAL DOCKET NO. PUC 05218-21

IN THE MATTER OF THE VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR APPROVAL OF DEFERRED ACCOUNTING TREATMENT FOR STORM PREPARATION COSTS RELATED TO TROPICAL STORM HENRI; AND FOR OTHER RELIEF

BPU DOCKET NO. ER21091143

SERVICE LIST

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF ADMINISTRATIVE LAW

I/M/O THE VERIFIED PETITION OF	:	
ROCKLAND ELECTRIC COMPANY FOR	:	BPU Docket No. ER21050823
APPROVAL OF CHANGES IN ELECTRIC	:	OAL Docket No. PUC 05219-21
RATES, ITS TARIFF FOR ELECTRIC	:	
SERVICE, AND ITS DEPRECIATION	:	
RATES; AND FOR OTHER RELIEF	:	

I/M/O THE VERIFIED PETITION OF	:	
ROCKLAND ELECTRIC COMPANY FOR	:	BPU Docket No. EO21030675
APPROVAL OF A FINAL SETTLEMENT	:	OAL Docket No. PUC 05218-21
OF ITS TRANSITION BOND	:	
TRANSACTION; AND FOR OTHER	:	
RELIEF	:	

I/M/O THE VERIFIED PETITION OF	:	
ROCKLAND ELECTRIC COMPANY FOR	:	BPU Docket No. ER21091143
APPROVAL OF DEFERRED	:	
ACCOUNTING TREATMENT FOR STORM	:	
PREPARATION COSTS RELATED TO	:	
TROPICAL STORM HENRI; AND FOR	:	
OTHER RELIEF	:	

STIPULATION OF SETTLEMENT

APPEARANCES:

James C. Meyer, Esq., Riker Danzig Scherer Hyland & Perretti, LLP, and **John L. Carley, Esq.**, Associate General Counsel, for the Petitioner, Rockland Electric Company

T. David Wand, Esq., Managing Attorney, **Brian Weeks, Esq.**, Deputy Rate Counsel, **Christine M. Juarez, Esq.**, **Robert Glover, Esq.**, and **Bethany Rocque-Romaine, Esq.**, Assistant Deputies Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

Terel Klein, Meliha Arnautovic, and Pamela Owen, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Andrew J. Bruck**, Acting Attorney General of New Jersey)

THIS STIPULATION OF SETTLEMENT (“Stipulation” or “Settlement”) is made as of December 3, 2021 by and among Rockland Electric Company (“RECO” or “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”) and Staff of the New Jersey Board of Public Utilities (“Staff”) (referred to herein individually as a “Party” and collectively as the “Parties”) to fully resolve the above-captioned matters.

On March 29, 2021, RECO filed a Verified Petition with the New Jersey Board of Public Utilities (“Board”) in the proceeding captioned above in BPU Docket No. EO021030675 (“Securitization Petition”). The Securitization Petition requested that the Board approve the proposed regulatory treatment of the winding-up of the Transition Bond Transaction authorized in the Board’s May 26, 2004, Bondable Stranded Costs Rate Order, including the refunding to customers of a small net over-collected amount from the Transition Bond Charge (“TBC”) and TBC-Tax rates.¹ The Securitization Petition noted that RECO Transition Funding LLC (“RECO Transition LLC”) paid off their transition bonds, 15-year term in May 2019 and the Company set the non-bypassable TBC and TBC-tax rates to \$0 effective June 1, 2019.

On May 21, 2021 RECO filed a Verified Petition (“Rate Petition”) in the base rate proceeding captioned above in BPU Docket No. ER21050823 (“Base Rate Case”). The Rate Petition requested that the Board approve the following: 1) an increase in RECO’s base electric distribution rates and charges as reflected in the proposed amendments to the Company’s tariff; 2) changes to certain electric and general plant depreciation rates; 3) recovery of deferred storm

¹ In re the Verified Petition of Rockland Electric Company for a Bondable Stranded Costs Rate Order to Authorize the Imposition of a Non-Bypassable Transition Bond Charge, the Issuance and Sale of Up to \$46.3 Million Aggregate Principal Amount of Transition Bonds, or Such Higher Amount as May Be Required by a Financing Entity to Recover Petitioner’s Basic Generation Service Transition Costs, and the Application of Transition Bond Proceeds to Retire Outstanding Debt, Equity or Both, and to Approve the Methodology for the Calculation and Adjustment of the Transition Bond Charge and Tax Charge Related Thereto, Docket No. EF02110852, Order dated May 26, 2004 (“Bondable Stranded Costs Rate Order”).

costs including for Tropical Storm Isaias; 4) adjustments to net salvage allowance and net salvage true-up amortization for more recent actual experience; 5) consolidation of the Securitization Petition with the Base Rate Case, winding up of the Transition Bond Transaction, and amortization of the over-recovered amounts to customers; and 6) rate design, tariff determinations, and other relief. The Company's filing contained the Rate Petition, Exhibits to the Rate Petition, various schedules, and pre-filed direct testimonies. The Rate Petition provided that the increased distribution rates and charges in the Company's proposed tariff were designed to produce additional revenues of approximately \$16.9 million, excluding sales and use tax ("SUT"), or a 7.7% increase based upon total revenues calculated using the Company's current rates and projected sales for the 12-month test year period ended September 30, 2021, subject to increase or decrease upon the Company's filing of updated information.

On June 9, 2021, the Board issued an Order suspending increases, changes or alterations in rates for service that suspended proposed revised rates until October 21, 2021.² On October 6, 2021, the Board issued a further Order suspending increases, changes or alterations in rates for service that suspended proposed revised rates until February 21, 2022.³

The Rate Petition was transmitted to the Office of Administrative Law ("OAL") for evidentiary hearings and assigned to the Honorable Thomas R. Betancourt, Administrative Law Judge ("ALJ"). The Securitization Petition was also transmitted to the OAL and assigned to ALJ

²In re the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, its Tariff for Electric Service, and its Depreciation Rates and for Other Relief, Order Suspending Increases, Changes or Alterations in Rates for Service, BPU Docket No. ER21050823, Order dated June 9, 2021.

³ In re the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, its Tariff for Electric Service, and its Depreciation Rates; and for Other Relief, Order Suspending Increases, Changes or Alterations in Rates for Service, BPU Docket No. ER21050823 and OAL Docket No. PUC 05219-21, Order dated October 6, 2021.

Betancourt. The transmittal form for the Securitization Petition anticipated that the securitization matter would be consolidated with the Base Rate Case. ALJ Betancourt, on his own motion, ordered the consolidation of the securitization matter (BPU Docket No. EO21030675; OAL Docket No. PUC 05218-21) and the Base Rate Case (BPU Docket No. ER21050823; OAL Docket No. PUC 05219-21), as reflected in the Amended Consolidation Order dated July 12, 2021.

ALJ Betancourt held a telephonic Prehearing Conference on July 7, 2021. ALJ Betancourt issued an Amended Prehearing Order dated July 12, 2021 establishing a procedural schedule, including evidentiary hearings on January 5, 6, 11, 14 and 18, 2022. No motions to intervene or participate were filed.

After proper notice to Municipal Clerks, the Clerks of the Board of Chosen Freeholders, and County Executive Directors and public advertisement in a newspaper with circulation in the Company's service territory, public hearings on RECO's Rate Petition and Securitization Petition were conducted via Zoom, with a dial-in option, on September 24, 2021, at 3:30 p.m. and 4:30 p.m.⁴ No customers or public officials attended the public hearings or placed their comments on the record.

On July 28, 2021, the Company provided an update consisting of nine (9) months of actual data and three (3) months of estimated data ("9+3 Update") to the ALJ and the Parties. The 9+3 Update reflected an updated additional revenue requirement of approximately \$16.132 million, excluding SUT, or an increase of 7.3% on a total revenue basis.

⁴ The public hearings were conducted virtually due to the ongoing COVID-19 pandemic.

Rate Counsel, Staff, and the Company engaged in extensive discovery. In total, the Company responded to approximately 728 formal discovery requests (not including additional subparts or responses to informal information requests) from Rate Counsel and Staff.

On September 24, 2021, the Company filed a separate Verified Petition which sought approval of Deferred Accounting Treatment for Storm Preparation Costs related to Tropical Storm Henri in BPU Docket No. ER21091143 (“Henri Petition”).⁵ The Henri Petition requested that the Board authorize RECO to: (1) defer on its books for accounting purposes the actual prudently incurred, unreimbursed incremental preparation costs associated with Tropical Storm Henri, because those costs did not qualify for automatic deferral under the Company’s existing storm cost deferral mechanism, and (2) address recovery in rates of the total deferred incremental operation and maintenance (“O&M”) storm related costs, the time period for recovery, and the carrying charge and manner of recovery, in a Phase two of the Company’s Base Rate Case in BPU Docket No. ER21050823. The Henri Petition itemized approximately \$3.7 million in Henri preparation costs (*i.e.*, pre-staging and mobilization costs).

On October 27, 2021, the Company provided an update consisting of 12 months of actual data (“12+0 Update”), reflecting actuals for the full test year, to ALJ Betancourt and the Parties. The 12+0 Update reflected an additional revenue requirement of approximately \$19.505 million, excluding SUT, or an increase of 9.2%, on a total revenue basis. The 12+0 Update, in Exhibit P-2, Schedule 14(c), reflected updated Henri preparation costs through September 30, 2021 of approximately \$2.81 million.

⁵ In re the Verified Petition of Rockland Electric Company for Approval of Deferred Accounting Treatment For Storm Preparation Costs Related To Tropical Storm Henri; and For Other Relief, BPU Docket No. ER21091143.

The Parties commenced settlement discussions in accordance with the Amended Prehearing Order (p. 4), that specified “Discovery Conference/Settlement Conference, if necessary” for the weeks of September 13 and 20, 2021. Specifically, the Parties held a discovery conference on September 15, 2021. The Parties held the first settlement conference on September 21, 2021 with multiple further settlement conferences in the following weeks. In addition, break out settlement calls among subject matter experts from the respective Parties were held on several topics. (All settlement discussions proceeded via video conferences and/or telephone conferences, as a result of the COVID-19 pandemic). The settlement discussions encompassed the Rate Petition, the Securitization Petition and the Henri Petition.

During the settlement discussions, the Parties requested and ALJ Betancourt granted two (2) one (1)-week extensions of the date for Rate Counsel to file its testimony. On October 14, 2021, ALJ Betancourt granted the Parties’ request to suspend the procedural schedule because agreement in principle was reached on the revenue requirements issue, and to allow the Parties to work on a Stipulation of Settlement.

The Parties have reviewed the Securitization Petition, the Henri Petition, the Rate Petition, the 9+3 Update, the 12+0 Update, discovery, detailed pre-filed testimony, and information exchanged during the period of settlement discussions. As a result, the Parties have agreed to resolve reasonably, fully and finally all factual and legal issues in the above-captioned matters by this Stipulation. In consideration of the recitals and mutual promises and covenants set forth herein, the Parties DO HEREBY STIPULATE AND AGREE:

1. Effective Date. The Parties agree that should the Board issue a written Order approving this Stipulation, revenue recovery and rates set forth herein shall become effective for service rendered on and after January 1, 2022 (“Effective Date”).

2. Test Year. The Parties agree that the proper test year for establishing rates is the 12-month period ended September 30, 2021.

3. Distribution Revenue Requirement and Rate Adjustment. In the interest of achieving a satisfactory resolution of the issues to be decided in this proceeding, the Parties agree to an addition to annual distribution revenues of \$9.65 million, excluding SUT, which equates to an increase in overall revenues of 4.6%. The Parties agree that RECO's base rates will be just and reasonable after they are adjusted to generate an additional \$9.65 million in annual distribution revenues for service rendered on and after the Effective Date.

4. Rate Base. The stipulated electric distribution rate base used in deriving the revenue requirement and rates reflected in this Stipulation is approximately \$262.8 million.

5. Rate of Return. The overall rate of return, before income tax gross up, for purposes of this Settlement, is 7.08%, as set forth in Schedule A attached hereto. This is based upon a return on common equity of 9.60% and an embedded cost rate of long-term debt of 4.74%. The Parties agree that the capital structure for purposes of this Settlement is 51.49% long-term debt and 48.51% common equity.

6. Determination of Revenue Requirement. The determination of the stipulated revenue requirement is reflected on attached Schedule A.

7. Consolidated Tax Adjustment. The Parties acknowledge that the stipulated revenue increase reflects an adjustment for consolidated income taxes.

8. Rates. The Parties agree that Schedule B summarizes the revised electric distribution rates that shall be implemented on the Effective Date and that shall be included in revised Tariff leaves. The revised rates set forth in Schedule B implement the terms of this Stipulation regarding revenue requirements and rates. The Parties agree that the rates set forth in

this Stipulation and attached schedules are just and reasonable.

9. Rate Design/Tariff. The revised rates are set forth in Schedule B. Monthly customer charges excluding SUT were increased as follows: (i) for SC No. 1, the customer charge increased from \$5.07 to \$5.39; (ii) for SC No. 2 – Secondary Demand Billed, the customer charge increased from \$19.70 to \$22.51; (iii) for SC No. 2 – Primary, the customer charge increased from \$86.28 to \$93.79; (iv) for SC No. 6 – Energy Only unmetered service, the customer charge increased from \$2.81 to \$3.75; (v) for SC No. 6 – Energy Only metered service, the customer charge increased from \$13.13 to \$15.01; and (vi) for SC No. 7 – Primary, the customer charge increased from \$234.47 to \$281.36, as referenced in Schedule B. Next, before applying any revenue increase, a revenue neutral change was implemented for the SC No. 2 Secondary Demand Billed class, whereby 25% of the current usage rate differentials and a corresponding portion of demand rate differentials were eliminated and 2% of usage revenues were shifted to demand revenues. Thereafter, distribution rates were developed within each SC by applying uniform percentage increases, specific to each SC: 1) to all distribution rates (excluding customer charges) in non-demand billed classes; and 2) to demand distribution rates (excluding customer charges) only in demand-billed classes. The Parties agree that Schedule C, attached hereto, demonstrates that the rates to be implemented by RECO are designed to produce an additional \$9.65 million in annual revenues. The Parties also agree to making the following changes to the Company’s Tariff, which are set forth in schedule F hereto: (i) SC No. 5 and all references to SC No. 5 will be removed from the Tariff; (ii) the wattage ranges assigned to the Company’s LED street lights under SC Nos. 4 and 6 have been extended; (iii) uncollectible expense is transferred from base rates to the Societal Benefits Charge (“SBC”) for recovery as described in paragraph 10; and (iv) the TBC and TBC-Tax charges (currently set at \$0) are

eliminated from the Tariff consistent with paragraph 20. The Parties agree that all of the foregoing changes described in this Paragraph will be reflected in the compliance Tariff to be filed pursuant to Paragraph 23 below.

10. Uncollectible Expense. The Parties agree that uncollectible expense should no longer be recovered through the Company's base rates, but instead should be transferred to and recovered as a separate component through the SBC. Accordingly, commencing on the Effective Date, the Company shall implement the adjusted SBC rate as set forth in Schedule F that will collect the Company's uncollectible expense along with the other costs recovered through the SBC under prior Board orders. The Parties acknowledge that the Stipulation revenue increase reflects an adjustment to the SBC rate in Schedule F that is designed to provide for the annual recovery of \$434,205 in uncollectible expense. The Company will include the reconciliation of the uncollectible expense along with the annual filing made to reconcile the Demand Side Management and Clean Energy Program components of the SBC.⁶

11. COSS/Next Case. The Company agrees to submit, as part of its next base rate case, the Staff average and peak cost of service study ("COSS"). Submission of the Staff COSS in the next base rate case does not imply endorsement of the Staff methodology by the Company. The Company, as well as any other party in the future proceeding, is free to submit its preferred cost of service methodology and supporting work papers. Furthermore, simultaneous with the filing of its next base rate case, RECO will provide to the Parties an anticipatory discovery response responding to the following Rate Counsel interrogatory: "Describe the Company's efforts to reduce its embedded cost of debt, if any, including the reasons why specific efforts

⁶ Such SBC filing is made by April 1 of every year. Therefore, the Company will include in the SBC filing made by April 1, 2022, the first reconciliation of the uncollectible expense component of the SBC.

were undertaken (or not).” The Parties reserve their rights to propound additional discovery on this issue.

12. Residential Bill Impacts. As a result of this Stipulation, a typical residential customer using 925 kWh per month will receive an annualized monthly increase of approximately \$7.65 or 4.5% on a total revenue basis from \$169.33 to \$176.98, including SUT.

13. Depreciation. RECO will implement the depreciation lives, life tables, rates and amortizations for electric distribution and general plant as shown on Schedule D.

14. Net Salvage. The Parties agree that there is a Net Salvage Deficiency of \$1,037,000 (“Net Salvage Deficiency”) representing the amount by which actual negative net salvage costs (*i.e.*, gross salvage less gross removal costs) incurred by the Company exceeded the salvage allowance provided in prior rates. RECO shall recover the Net Salvage Deficiency in rates over a three (3)-year amortization period such that RECO annually shall recover \$346,000 of the Net Salvage Deficiency. In addition, the Parties also agree that the rates established in this Stipulation reflect a going-forward annual net salvage recovery allowance of \$1,051,000.

15. Accumulated Depreciation Reserve. In the 2017 Base Rate Order, the Board recognized a \$9,781,234 surplus in the accumulated reserve for depreciation on RECO’s distribution plant assets as of February 28, 2017, and approved RECO’s return of that amount in rates over a 15-year amortization period (March 2017 – February 2032) such that RECO annually shall return \$652,082.⁷ The rates established in this Stipulation continue the annual return of \$652,082 of the surplus established in BPU Docket No. ER16050428.

⁷ In re the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, its Tariff for Electric Service, and its Depreciation Rates; Approval of an Advanced Metering Program; and for Other Relief, Order Approving Stipulation, BPU Docket No. ER16050428 and OAL Docket No. PUC 12099-2016, Order dated February 22, 2017 at 4.

16. Regulatory Assets/Deferral Balances. The Parties acknowledge that the stipulated revenue increase includes the recovery over a three (3)-year amortization period of the following agreed-upon regulatory assets: 1) \$200,000 for rate case costs, 2) \$9,188,000 for deferred, unrecovered storm costs excluding costs from Tropical Storm Henri, and 3) \$9,964,000 for the continuation of the regulatory assets approved by the Board for full recovery in BPU Docket No. ER19050552 that remain unrecovered. The amortizations addressed above in this paragraph do not include any carrying charges. In addition, the amortizations addressed above in this paragraph do not include the amortization of the accumulated depreciation reserve surplus, the amortization of deferred costs related to Tropical Storm Henri, or the recovery of net salvage, which are addressed in other paragraphs of this Stipulation. In the event that the Company files a base rate case (“Subsequent Rate Case”), with base rates to become effective within three (3) years of the Effective Date, the Company will be allowed to recover any unrecovered balance of regulatory assets approved in this Stipulation in the Subsequent Rate Case. Regardless of when RECO files its next base rate case, the Parties agree that if new rates resulting from a base rate case are not effective prior to January 1, 2025, the amortizations in this paragraph, as well as paragraph 19 (amortization of Henri costs) and paragraph 20 (amortization of TBC/TBC-Tax net amount) will be eliminated on January 1, 2025, and rates will be reduced to reflect the elimination of those amortizations without being offset by other alleged cost increases through a uniform percentage decrease to base distribution charges to all SCs. The uniform percentage decrease will not be applied to customer charges. The base distribution rates that are revised as a result of the elimination of the amortization will be calculated using the billing determinants underlying the distribution rates established in this proceeding. If necessary, the Company will make a tariff filing by November 1, 2024 with the revised rates to be effective January 1, 2025.

17. Deferred COVID Expenses. On July 2, 2020, the Board issued its Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses (“COVID Order”) in Docket No. AO20060471.⁸ The COVID Order authorized each of the State’s regulated public utilities to create a COVID-19 regulatory asset by deferring on their books and records the prudently incurred incremental costs related to COVID-19 beginning on March 9, 2020 through September 30, 2021. Among other things, the COVID Order ordered that (i) all affected utilities file a petition with the Board by December 31, 2021, or within 60 days of the close of the regulatory asset period, whichever is later, and (ii) any potential rate recovery, including any prudence determinations and the appropriate period of recovery for any approved amount of the regulatory asset and any associated savings, be addressed in this COVID-19 regulatory asset filing, or alternatively, a utility may request that the Board defer consideration of rate recovery in a future base rate case. The Board modified the COVID Order by an Order dated September 14, 2021 in Docket No. AO20060471 (“Modified COVID Order”).⁹ The Modified COVID Order extended the regulatory asset period from September 30, 2021, to December 31, 2022, and required that affected utilities file a petition for recovery of these assets within 60 days of this new date. In Exhibit P-2, Schedule 10, of its Rate Petition and subsequent updates for actuals, the Company requested to amortize and recover over three (3) years the Company’s deferred COVID-19 related expenditures (*i.e.*, incremental O&M, uncollectible expense, and Late Payment charges that will not be billed, offset by payroll tax

⁸ In re the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, Order Authorizing Establishment of a Regulatory Asset for Incremental COVID-19 Related Expenses, BPU Docket No. AO20060471, Order dated July 2, 2020.

⁹ In re the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic, Order, BPU Docket No. AO20060471, Order dated September 14, 2021.

credits). As part of this Stipulation, the Parties agree that the Company will address the recovery of its deferred COVID-19 related expenditures set forth in Exhibit P-2, Schedule 10 (and as updated), in the Petition to be filed with the Board by March 1, 2023, in accordance with the Modified COVID Order, and that the Company's deferred COVID-19 related expenditures are not included in the calculation of revenue requirements or the rates established in this Stipulation.

18. Storm Reserve/Future Deferral. The Parties agree that the rates established in this Stipulation include an annual funding recovery allowance for the storm reserve of \$1.75 million. As determined in Board's Decision and Order Adopting Initial Decision and Stipulation of Settlement ("2020 Rate Order") (BPU Docket No. ER19050552)¹⁰, RECO's storm costs for an individual storm shall qualify for deferred accounting if RECO incurs incremental costs of \$300,000 and the storm caused 10% or more of the customers located in either (i) RECO's Bergen County service territory (approximately 59, 000 customers), or (ii) RECO's combined Passaic County and Sussex County service territories (approximately 13,600 customers) to be without electric service. The Parties agree that RECO may petition the Board for approval of deferred accounting treatment for storm costs related to individual storms that are not subject to deferred accounting under the foregoing sentence.

19. Henri Petition resolution. As part of the resolution of the Henri Petition and the Rate Petition, the Company shall 1) defer \$2.389 million in a regulatory asset, representing 85% of the \$2.810 million in Henri costs reflected in the 12+0 Update which the Company sought to defer in the Henri Petition, and 2) amortize and recover the \$2.389 million over a three (3)-year

¹⁰ 2020 Rate Order at page 5, approving Stipulation paragraph 15.

period in base rates at an annual allowance of \$796,270. The Parties also agree that RECO may petition the Board for consideration of a modification of the storm deferral mechanism set forth in the second sentence of paragraph 18 to address deferral of pre-staging and mobilization costs in circumstances where the storm does not materialize or the parameters of the current clause are not met. The Board Order approving this Stipulation shall conclude and close the Henri Petition matter in BPU Docket No. ER21091143.

20. Securitization Petition Resolution. The winding up of the Transition Bond Transaction authorized in the Board's May 26, 2004 Bondable Stranded Costs Rate Order (Docket No. EF02110852) shall be accomplished as set forth in this paragraph. The Transition Bond Transaction has been completed as a result of the Transition Bonds being paid off in May 2019 and the TBC and TBC-Tax rates being set to \$0 effective June 1, 2019. The Parties agree that the Board should authorize RECO (and the Board of Managers of RECO Transition LLC, to the extent necessary) to: (i) eliminate RECO's interest and terminate RECO's membership in RECO Transition, LLC, including the return to RECO of its equity investment and interest thereon, (ii) dissolve RECO Transition LLC and file a Certification of Cancellation with the Secretary of State of Delaware Division of Corporations, and (iii) terminate the contract with the two (2) independent managers of the Board of Managers for RECO Transition LLC. In addition, there is a net over-collected amount of \$63,000 from RECO's customers relating to the TBC and TBC-Tax collections that reflects the amount of \$1,062,000 over-collected through the TBC plus interest, offset by \$999,000 that was under-collected through the TBC-Tax component. The \$63,000 amount shall be a regulatory liability that shall be refunded to customers in base rates through a three (3) -year amortization (*i.e.*, at a rate of \$21,000 per year), beginning on January 1, 2022. In the event that the Company files a base rate case ("Subsequent Rate Case"), with

base rates to become effective within three (3) years of the Effective Date, the Company will be required to return any unamortized balance of this regulatory liability in the Subsequent Rate Case. The Board Order approving this Stipulation shall conclude and close the Securitization Petition matter in BPU Docket No. EO021030675.

21. Customer Service Reporting. The Company agrees to the annual reporting set forth in Schedule E. This reporting is in addition to, and does not relieve the Company of complying with, any other reporting required under Board rules or orders.

22. Enhanced Three-Phase Clearing Program. The Company will implement a new vegetation management program, commencing in 2022 by no later than December 31, 2022, that will include the expansion of the maintenance zone around the three-phase conductor from the standard 10 feet under, 10 feet to each side, and 15 feet overhead, out to 15 feet under, 15 feet to each side, and 20 feet overhead.

23. Compliance Tariff Filing. Upon approval of this Stipulation by the Board and the Board's issuance of a written Order, the Company will file a compliance Tariff filing showing the issued and effective dates to implement the terms of this Stipulation and the Board's written Order, and the revised Tariff leaves shall become effective on the Effective Date. The Company attached the Tariff leaves for Staff's and Rate Counsel's review in draft format as Schedule F.

24. Schedules. All schedules referenced in and attached to this Stipulation are incorporated by reference herein as if set forth in the body of this Stipulation.

25. Voluntariness. The Parties agree that this Stipulation is voluntary, consistent with law, and fully dispositive of the issues addressed herein. The Parties have entered this Stipulation after consideration of the Rate Petition and updates, the Securitization Petition, the Henri Petition, pre-filed testimony, and discovery.

26. Board Approval. The Parties agree that the Board should issue an Order that adopts this Stipulation and thereby: (i) authorizes RECO to increase its electric distribution rates to achieve an additional \$9.65 million in annual revenues; and (ii) approves the agreed-upon electric distribution rates set forth in Schedule B and Schedule F as just and reasonable on the Effective Date determined in accordance with this paragraph. Each Party agrees to use its best efforts to ensure this Stipulation is submitted to the ALJ and Board in a timely fashion and to urge the ALJ and Board to issue expeditiously their approvals of this Stipulation at the earliest date practicable, and issuing and serving a written Order approving this Stipulation and the revenue recovery and rates and charges established herein expeditiously thereafter. The Parties hereby request: (i) that the Board address this matter no later than at one of its agenda meetings scheduled in December 2021; (ii) that the Board thereafter expeditiously issue and serve a written Order approving this Stipulation and the revenue recovery and rates and charges established herein and set an expedited Effective Date; and (iii) that the Board set an Effective Date of January 1, 2022. The Parties' agreements above are consistent with their understanding that the Board's written Order approving this Stipulation will become effective in accordance with N.J.S.A. 48:2-40 upon the service of said Order or upon such date after service as the Board may specify.

27. Waiver of Rights of Appeal. Each Party specifically waives any right it may have to seek reconsideration of or to appeal an Order by the Board that approves this Stipulation in the manner provided for herein in its entirety and without modification.

28. Rights Upon Disapproval or Modification. This Stipulation contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. This Stipulation is an integral settlement and the various parts hereof are not severable

without upsetting the balance of agreements and compromises achieved among the Parties. In the event the Board disapproves this Stipulation as a whole, it shall be null and void. In the event that any particular aspect of this Stipulation is not accepted and approved by the Board in its entirety, without modification, or is modified by a court of competent jurisdiction: (i) the Parties are not waiving any legal or procedural rights, arguments or claims they may have before the Board or in any forum, and (ii) this Stipulation shall, at the option and discretion of any Party aggrieved thereby, exercised by written notice to the other Parties within ten (10) days after receipt of any such adverse decision, be null and void in which case the Parties shall be placed in the same position that they were in immediately prior to its execution.

29. Party Reservations. This Stipulation represents a negotiated compromise resolution that has been made exclusively for the purpose of resolving the issues addressed in the above-captioned cases and dockets. Although binding on the Parties with respect to the issues resolved herein in this proceeding, this Stipulation, in total or by specific item, is in no way binding upon the Parties and is not to be considered or cited as precedent in favor of or against their respective positions on any issue in any other proceeding, except to enforce the terms of this Stipulation. The Parties agree that the resolution of the issues herein shall apply only to the above-captioned cases and that any similar future cases shall be reviewed by the Board on an individual basis, except as specifically set forth herein. This Stipulation is without prejudice to the positions of the respective Parties with respect to any future base rate cases or other proceedings involving the Company, except as specifically set forth herein. Further, by executing this Stipulation, no Party waives any rights it possesses under any prior Stipulation or Board Order, except where the terms of this Stipulation supersede such prior Stipulation.

30. Governing Law. This Stipulation shall be governed and construed in accordance

with the laws of the State of New Jersey.

31. Execution. This Stipulation may be executed in one or more counterparts, and shall become effective when one or more counterparts have been signed by each of the Parties. Each Party has caused its duly authorized representative to execute below and deliver this Stipulation.

ROCKLAND ELECTRIC COMPANY

By: _____


James C. Meyer, Esq.

RIKER DANZIG SCHERER
HYLAND & PERRETTI, LLP

Title: Counsel

BRIAN O. LIPMAN

Director, Division of Rate Counsel

By: _____

T. David Wand, Esq.

Title: Deputy Rate Counsel

ANDREW J. BRUCK

ACTING ATTORNEY GENERAL OF
NEW JERSEY

Attorney for the Staff of the Board of Public
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Terel Klein, Esq.

Title: Deputy Attorney General

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HYLAND & PERRETTI, LLP

Title: Counsel

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Director, Division of Rate Counsel

By: _____

T. David Wand, Esq.

Title: Deputy Rate Counsel

ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF
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Attorney for the Staff of the Board of Public
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Terel Klein, Esq.

Title: Deputy Attorney General

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Title: Counsel

BRIAN O. LIPMAN
Director, Division of Rate Counsel

By: T. David Wand
T. David Wand, Esq.

Title: Deputy Rate Counsel

ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the Board of Public
Utilities

By: _____
Terel Klein, Esq.

Title: Deputy Attorney General

ROCKLAND ELECTRIC COMPANY
Electric Service
Settlement Agreement
Computation of Distribution Revenue Requirement
For the Twelve Months Ended September 30, 2021
(\$000s)

<u>Revenue Requirement Change</u>	(12+0) Test Year Submitted by Company	Settlement Adjustments	Revenue Requirement Increase
Electric Rate Base	\$ 285,235	(\$22,409)	\$ 262,826
Overall Rate of Return	<u>7.28%</u>	<u> </u>	<u>7.08%</u>
Required Return	20,765	(2,157)	18,608
Income Available for Return	<u>6,743</u>	<u>4,928</u>	<u>11,671</u>
Additional Return Required	14,022	(7,085)	6,937
Divided By: Retention Factor	<u>71.89%</u>	<u> </u>	<u>71.89%</u>
Additional Revenue Requirement	<u>\$ 19,505</u>	<u>\$ (9,855)</u>	<u>\$ 9,650</u>

ROCKLAND ELECTRIC COMPANY
Electric Service
Settlement Agreement
Consolidated Capital structure
For the Twelve Months Ended September 30, 2021

	Ratio	Cost Rate	Weighted Cost
Total Long Term Debt	51.49%	4.70%	2.42%
Total Common Stock Equity	<u>48.51%</u>	9.60%	<u>4.66%</u>
Total Capitalization	<u><u>100.00%</u></u>		<u><u>7.08%</u></u>

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.625%

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
Service Classification Nos. 1 and 5			
Customer Charge (\$/mo)	5.39	0.36	5.75
First 600 kWh -S (\$/kWh)	0.05685	0.00377	0.06062
First 600 kWh -W (\$/kWh)	0.05685	0.00377	0.06062
Over 600 kWh -S (\$/kWh)	0.07159	0.00474	0.07633
Over 600 kWh -W (\$/kWh)	0.05685	0.00377	0.06062
Service Classification No. 2 Secondary Non-Demand Billed Unmetered			
Customer Charge (\$/mo)	13.13	0.87	14.00
Usage:			
All kWh -S (\$/kWh)	0.04631	0.00307	0.04938
All kWh -W (\$/kWh)	0.04196	0.00278	0.04474
Service Classification No. 2 Secondary Non-Demand Billed Metered			
Customer Charge (\$/mo)	15.01	0.99	16.00
Usage:			
All kWh -S (\$/kWh)	0.04631	0.00307	0.04938
All kWh -W (\$/kWh)	0.04196	0.00278	0.04474
Service Classification No. 2 Secondary Demand Billed			
Customer Charge (\$/mo)	22.51	1.49	24.00
Demand:			
First 5 kW -S (\$/kW)	5.57	0.37	5.94
First 5 kW -W (\$/kW)	4.64	0.31	4.95
Over 5 kW -S (\$/kW)	7.64	0.51	8.15
Over 5 kW -W (\$/kW)	6.41	0.42	6.83
Usage:			
First 4,920 kWh -S (\$/kWh)	0.02946	0.00195	0.03141
First 4,920 kWh -W (\$/kWh)	0.02797	0.00185	0.02982
Over 4,920 kWh -S (\$/kWh)	0.02654	0.00176	0.02830
Over 4,920 kWh -W (\$/kWh)	0.02591	0.00172	0.02763
Service Classification No. 2 Space Heating			
Space Heat -S (\$/kWh)	0.05748	0.00381	0.06129
Space Heat -W (\$/kWh)	0.03450	0.00229	0.03679

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.625%

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
Service Classification No. 2 Primary			
Customer Charge (\$/mo)	93.79	6.21	100.00
Demand:			
All kW -S (\$/kW)	9.52	0.63	10.15
All kW -W (\$/kW)	8.14	0.54	8.68
Usage:			
All kWh -S (\$/kWh)	0.01393	0.00092	0.01485
All kWh -W (\$/kWh)	0.01393	0.00092	0.01485
Service Classification No. 3			
Customer Charge (\$/mo)	8.44	0.56	9.00
Peak -S (\$/kWh)	0.07728	0.00512	0.08240
Peak -W (\$/kWh)	0.06933	0.00459	0.07392
Off Peak - S (\$/kWh)	0.02784	0.00184	0.02968
Off Peak - W (\$/kWh)	0.02784	0.00184	0.02968
Service Classification No. 7			
Customer Charge (\$/mo)	281.36	18.64	300.00
Demand			
Period I (\$/kW)	5.17	0.34	5.51
Period II (\$/kW)	1.27	0.08	1.35
Period III (\$/kW)	4.74	0.31	5.05
Period IV (\$/kW)	1.27	0.08	1.35
Usage:			
Period I (\$/kWh)	0.01660	0.00110	0.01770
Period II (\$/kWh)	0.01243	0.00082	0.01325
Period III (\$/kWh)	0.01660	0.00110	0.01770
Period IV (\$/kWh)	0.01243	0.00082	0.01325
Service Classification No. 7 High Voltage Distribution			
Customer Charge (\$/mo)	2,145.95	142.17	2,288.12
Demand			
Period I (\$/kW)	1.38	0.09	1.47
Period II (\$/kW)	0.32	0.02	0.34
Period III (\$/kW)	1.26	0.08	1.34
Period IV (\$/kW)	0.32	0.02	0.34
Usage			
Period I (\$/kWh)	0.00190	0.00013	0.00203
Period II (\$/kWh)	0.00142	0.00009	0.00151
Period III (\$/kWh)	0.00190	0.00013	0.00203
Period IV (\$/kWh)	0.00142	0.00009	0.00151

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.625%

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
Service Classification No. 7 Space Heating			
Space Heat -S (\$/kWh)	0.06024	0.00399	0.06423
Space Heat -W (\$/kWh)	0.03726	0.00247	0.03973
Service Classification No. 4			
5800 SV	9.46	0.63	10.09
9500 SV	10.27	0.68	10.95
16000 SV	12.49	0.83	13.32
27500 SV	15.95	1.06	17.01
46000 SV	25.87	1.71	27.58
3000 LED	8.69	0.58	9.27
3900 LED	8.52	0.56	9.08
5000 LED	8.54	0.57	9.11
7250 LED	8.91	0.59	9.50
12000 LED	10.01	0.66	10.67
16000 LED	10.50	0.70	11.20
22000 LED	15.38	1.02	16.40
15500 LED	12.10	0.80	12.90
27000 LED	15.43	1.02	16.45
37500 LED	16.81	1.11	17.92
1000 OBI	6.26	0.41	6.67
4000 MV	8.48	0.56	9.04
7900 MV	9.99	0.66	10.65
12000 MV	12.99	0.86	13.85
22500 MV	16.49	1.09	17.58
40000 MV	25.08	1.66	26.74
59000 MV	31.69	2.10	33.79
3400 IN	9.90	0.66	10.56
5950 IN	10.08	0.67	10.75
8500 IN	11.39	0.75	12.14
5890 LED	10.84	0.72	11.56
9365 LED	13.31	0.88	14.19
4000 MV - Post Top	12.90	0.85	13.75
7900 MV - Post Top	15.80	1.05	16.85
7900 MV - Post Top - Off Set	18.55	1.23	19.78
16000 SV - Post Top - Off Set	25.25	1.67	26.92
15 Foot Brackets	0.59	0.04	0.63
Undrg - Co. Owned	21.59	1.43	23.02
Undrg - Cust. Owned	5.25	0.35	5.60

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.625%

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
Service Classification No. 6			
5800 SV	6.86	0.45	7.31
9500 SV	8.24	0.55	8.79
16000 SV	8.84	0.59	9.43
3950 LED	8.01	0.53	8.54
5550 LED	8.13	0.54	8.67
7350 LED	8.21	0.54	8.75
5800 SV	9.54	0.63	10.17
9500 SV	10.47	0.69	11.16
16000 SV	12.87	0.85	13.72
27500 SV	16.50	1.09	17.59
46000 SV	27.23	1.80	29.03
3000 LED	8.69	0.58	9.27
3900 LED	8.52	0.56	9.08
5000 LED	8.54	0.57	9.11
7250 LED	8.91	0.59	9.50
12000 LED	10.01	0.66	10.67
16000 LED	10.50	0.70	11.20
22000 LED	15.38	1.02	16.40
46000 SV	27.23	1.80	29.03
15500 LED	12.10	0.80	12.90
27000 LED	15.43	1.02	16.45
37500 LED	16.81	1.11	17.92
4000 MV	10.64	0.70	11.34
7900 MV	12.30	0.81	13.11
22500 MV	19.62	1.30	20.92
16000 SVO	25.32	1.68	27.00
4000 MV	11.70	0.78	12.48
7900 MV	13.37	0.89	14.26
22500 MV	20.78	1.38	22.16
1000 INC	9.51	0.63	10.14
3400 IND	10.26	0.68	10.94
5950 IND	10.49	0.69	11.18
8500 IND	11.82	0.78	12.60
5890 LED	11.24	0.74	11.98
9365 LED	13.83	0.92	14.75
12000 MV	16.82	1.11	17.93
40000 MV	30.45	2.02	32.47
59000 MV	37.92	2.51	40.43
15 Foot Brackets	0.67	0.04	0.71

ROCKLAND ELECTRIC COMPANY
Calculation of Proposed Distribution Rates
Including Sales and Use Tax @ 6.625%

	Proposed Distribution <u>Excl SUT</u> (a)	Proposed Distribution <u>SUT</u> (b = a * 6.625%) 6.625%	Proposed Distribution <u>Incl SUT</u> (c = a + b)
Service Classification No. 6			
Customer Charge - Metered	15.01	0.99	16.00
Customer Charge - Unmetered	3.75	0.25	4.00
Energy (kWh) - Summer	0.06044	0.00400	0.06444
Energy (kWh) - Winter	0.06044	0.00400	0.06444

ROCKLAND ELECTRIC COMPANY**Summary of Total Revenue Impacts**

<u>Service Classification</u>	<u>Total Sales (MWh)</u>	<u>Total Current Revenue (\$000s)</u>	<u>Total Proposed Revenue (\$000s)</u>	<u>Change (\$000s)</u>	<u>Percent Change</u>
SC1 Res Svc	746,789	\$129,773.5	\$135,608.9	\$5,835.4	4.5%
SC2 Sec Non Dmd Billed	6,120	891.2	951.6	60.4	6.8%
SC2 Sec Dmd Billed	464,802	50,185.9	53,175.0	2,989.0	6.0%
SC2 Space Heating	14,753	4,866.7	4,939.7	73.0	1.5%
SC2 Pri	75,712	5,632.4	5,978.5	346.1	6.1%
SC3 Res TOD Heating	368	618.4	620.6	2.2	0.4%
SC4 Public Street Lighting	6,473	16,923.2	17,063.9	140.7	0.8%
SC6 POL - Dusk to Dawn	3,494	717.1	779.1	62.0	8.6%
SC6 POL - Energy Only	1,961	271.7	287.8	16.1	5.9%
SC7 Pri	147,194	7,377.4	7,863.6	486.2	6.6%
SC7 High Voltage	57,054	828.8	874.7	45.9	5.5%
SC7 Space Heating	<u>5,097</u>	<u>294.0</u>	<u>322.6</u>	<u>28.6</u>	9.7%
	1,529,817	\$218,380.3	\$228,465.9	\$10,085.6	4.6%
Proposed Revenue Requirement				\$9,650.0	
SBC Uncollectible Expense				\$434.2	
Total Proposed Increase				\$10,084.2	
Over/(Under)				\$1.4	

Note:

An estimated electric supply charge for retail access customers has been included in total revenues.

AVERAGE SERVICE LIVES, NET SALVAGE
ANNUAL DEPRECIATION RATES AND LIFE TABLES
(EFFECTIVE 1/1/2022)

PSC ACCT NUMBER	ACCOUNT DESCRIPTION	LIFE TABLE	AVERAGE SERVICE LIFE (Years)	NET SALVAGE %	ANNUAL RATE %	
<u>ELECTRIC PLANT</u>						
<u>INTANGIBLE PLANT</u>						
301000	ORGANIZATION	-	-	-	-	
302000	FRANCHISES & CONSENTS	-	-	-	-	
<u>TRANSMISSION PLANT</u>						
350000	LAND AND LAND RIGHTS - EASEMENTS	-	-	-	-	
350100	LAND AND LAND RIGHTS - FEE	-	-	-	-	
351000	ENERGY STORAGE TRANS	h 1.50	15	-	6.67	
352000	STRUCTURES AND IMPROVEMENTS	h 2.00	50	-	2.00	
353000	STATION EQUIPMENT	h 1.50	35	-	2.86	
354000	TOWERS AND FIXTURES	h 3.00	60	-	1.67	
355000	POLES AND FIXTURES-WOOD	h 3.00	50	-	2.00	
355100	POLES AND FIXTURES-STEEL	h 3.00	50	-	2.00	
356000	OVERHEAD CONDUCTORS & DEVICES	h 2.00	50	-	2.00	
356100	OVERHEAD COND & DEVICES-CLEARING	h 2.00	60	-	1.67	
357000	UNDERGROUND CONDUIT	h 2.00	60	-	1.67	
358000	UNDERGROUND CONDUCTOR & DEVICES	h 3.50	50	-	2.00	
359000	ROADS AND TRAILS	h 3.00	60	-	1.67	
<u>DISTRIBUTION PLANT</u>						
360000	LAND AND LAND RIGHTS - EASEMENTS	-	-	-	-	
360100	LAND AND LAND RIGHTS - FEE	-	-	-	-	
361000	STRUCTURES AND IMPROVEMENTS	S1.5	59	-	1.68	(B)
362000	STATION EQUIPMENT	S0	52	-	1.81	(B)
363000	ENERGY STORAGE EQUIPMENT	S2.5	15	-	6.67	(B)
364000	POLES, TOWERS AND FIXTURES	R0.5	60	-	1.66	(B)
365000	OVERHEAD CONDUCTORS AND DEVICES	R1.5	80	-	1.24	(B)
365100	O/H COND AND DEVICES-CAPACITORS	R1	35	-	2.53	(B)
366000	UNDERGROUND CONDUIT	R 3	80	-	1.23	(B)
367000	UNDERGROUND CONDUCTOR & DEVICES	R4	73	-	1.33	(B)
367100	U.G. COND. AND DEVICES - CABLE CURE	R4	73	-	1.18	(B)
368100	LINE TRANSFORMERS-OVERHEAD	R0.5	53	-	1.89	(B)
368200	LINE TRANSFORMERS-O/H INSTALLS	R0.5	53	-	1.87	(B)
368300	LINE TRANSFORMERS-UNDERGROUND	R0.5	53	-	1.86	(B)
368400	LINE TRANSFORMERS-U/G INSTALLS	R0.5	53	-	1.85	(B)
369100	SERVICES-OVERHEAD	R3	65	-	1.53	(B)
369200	SERVICES-UNDERGROUND	R5	76	-	1.18	(B)
370100	METERS - ELECTRO-MECHANICAL	S2	20	-	5.02	(B) (C)
370110	METERS - SOLID-STATE	S2	20	-	5.02	(B) (C)
370120	METERS - AMI METERS	S2	20	-	5.02	(B)
370210	METER INSTALLATIONS - SOLID-STATE	S2	20	-	5.01	(B) (C)
370220	METER INSTALLATIONS - AMI	S2	20	-	5.01	(B)
371000	INSTALLATION ON CUSTOMER PREMISES	R0.5	45	-	1.67	(B)
373100	STREET LIGHTS-OVERHEAD	R0.5	45	-	2.32	(B)
373200	STREET LIGHTS-UNDERGROUND	R0.5	45	-	2.27	(B)

AVERAGE SERVICE LIVES, NET SALVAGE
ANNUAL DEPRECIATION RATES AND LIFE TABLES
(EFFECTIVE 1/1/2022)

PSC ACCT NUMBER	ACCOUNT DESCRIPTION	LIFE TABLE	AVERAGE SERVICE LIFE (Years)	NET SALVAGE %	ANNUAL RATE %	
<u>ELECTRIC PLANT</u>						
<u>GENERAL PLANT EQUIPMENT</u>						
389100	LAND AND LAND RIGHTS - FEE	-	-	-	-	
390000	STRUCTURES AND IMPROVEMENTS	S0	45	-	2.13	(B)
390104	LEASEHOLD IMPR. - LETHBRIDGE OFFICE		Remaining Life Amort based on Lease Term			Ends 08/01/2020
391100	OFFICE FURN/EQUIP-FURNITURE		20	-	5.00	(A)
391200	OFFICE FURN/EQUIP-OFFICE MACHINES		15	-	6.67	(A)
391700	OFFICE FURN/EQUIP-E.D.P.		8	-	12.50	(A)
393000	STORES EQUIPMENT		20	-	5.00	(A)
394000	TOOLS, SHOP AND WORK EQUIPMENT		20	-	5.00	(A)
394200	GARAGE EQUIPMENT		30	-	3.33	(A)
395000	LABORATORY EQUIPMENT		25	-	4.00	(A)
396000	POWER OPERATED EQUIPMENT		20	-	5.00	(A)
397000	COMMUNICATION EQUIPMENT		15	-	6.67	(A)
397100	COM. EQUIP-TELE SYS COMPUTER		8	-	12.50	(A)
397200	COMMUNICATION EQUIP-TELE SYS EQPT		15	-	6.67	(A)
398000	MISCELLANEOUS EQUIPMENT		20	-	5.00	(A)

UNALLOCATED RESERVE AMORTIZATIONS

In addition to the depreciation produced by application of the above rates, the following additional amounts of depreciation are in effect:

		<u>Amortization End Date</u>	<u>Annual Amount</u>	
699030	CURRENT NET SALVAGE ALLOWANCE	Until rates are reset	\$1,051,000	Effective 1/1/ 2022
699100	RESERVE VARIATION SURPLUS (2017 CASE)	15-year amortization, ending @Feb, 2032	(652,082)	Effective 3/1/ 2017
699120	RESERVE VARIATION RECOVERY (2021 CASE)	3-year amortization, ending @ January 1st, 2025	345,000	Effective 1/1/ 2022

PLANT HELD FOR FUTURE USE

360009	LAND & LAND RIGHTS - EASEMENTS - FUTURE USE	-	-	-	-
360109	LAND & LAND RIGHTS - EASEMENTS - FEE	-	-	-	-

**NOTE: (A) Effective August 1, 2014, capital recovery for general equipment assets is based on an amortization methodology.
(B) Remaining life depreciation rates**

SCHEDULE E

CUSTOMER SERVICE PERFORMANCE REPORTING

1. **Customer Service Reporting.** Rockland Electric Company (“RECO”) agrees to report to Board Staff and Rate Counsel annually on its performance relative to the nine customer service metrics identified below. The report will include annual historic data, to the extent available, for all nine metrics for the four previous calendar years, as well as year-to-date data for the current year. Tables 1 through 5, below, set forth the information to be reported. If and as feasible, RECO will report data on a New Jersey specific basis.
2. **Customer Satisfaction.** RECO agrees to submit its annual Transactional Survey results to Board Staff and Rate Counsel at the same time that it submits these results to the New York Public Service Commission (“NYPSC”). Orange and Rockland’s (“O&R”) filings to the NYPSC include the results of “transactional” (customer satisfaction) surveys. The Transactional Survey that is reflected in O&R’s report to the NYPSC includes New Jersey customers.

Table 1
Metrics to Be Included in RECO's Customer Service Report (historic and current)

No.	Metric	Performance				
		2017	2018	2019	2020	2021 YTD
Call Answer Quality (combined New York and New Jersey data)						
1	% Calls Answered w/in 30 seconds	59.1%	20.9%	64.2%	71.6%	82.4%
2	Call Abandonment Rate	8.9%	34.9%	11.5%	9.3%	4.2%
3	Average Speed of Answer	102	1991	125	61	34
Billing Accuracy (combined New York and New Jersey data)						
4	Rebills per 1,000 customers	N/A	N/A	6.65	2.57	1.48
Meeting Appointments (New York data)						
5	% of Service Appointments Met	95.5%	96%	95%	96%	N/A
Customer Satisfaction (New Jersey data)						
	Complaints	19	97	51	85	24
	Approximate number of customers	73,000	73,000	73,000	73,000	73,000
6	Complaints per 1,000 customers	0.26	1.33	0.70	1.16	0.33
Measures to Prevent Residential Disconnections for Non-Payment (New Jersey data)						
7	Numbers of Residential Disconnections for Non-Payment	See separate table				
8	Participation in Financial Assistance Programs	See separate table				
9	Deferred Payment Arrangements	See separate table				

Table 2
Reporting of Metric No. 7: Disconnections (“Locks”)

Year	Locks	EBD	LIHEAP	USF
2017	238	7	19	24
2018	84	3	10	13
2019	1379	33	213	206
2020	50	7	20	20
2021(Jan -July)	0	0	0	0

Table 3
Reporting of Metric No. 8: Participation by RECO Customers in Low-Income Assistance Programs

Year	USF*	LIHEAP	LIFELINE	NJ SHARES	PAGE
2017	672	N/A	N/A	N/A	N/A
2018	601	252	534	1	9
2019	557	222	503	11	10
2020	496	186	475	2	8
2021-May	500	253	425	7	6

Table 4
Reporting of Metric No. 9: Deferred Payment Arrangements: Historic and Current Data

Year	New DPAs	Avg Down Payment	Avg Term (Months)	Avg Arrears Subject to DPA	Avg Monthly Installment	# of Defaulted DPAs	# of Completed DPAs
2017	967	\$ 213.43	20	\$ 1,035.58	\$ 104.19	1138	234
2018	1059	\$ 276.20	21	\$ 1,369.65	\$ 147.78	1089	221
2019	1388	\$ 393.94	23	\$ 1,816.82	\$ 186.41	1727	315
2020	993	\$ 268.91	21	\$ 1,670.02	\$ 141.03	1001	230
2021 Jan-Jul	473	\$ 264.47	20	\$ 1,778.95	\$ 136.53	629	135

Table 5
Reporting of Metric No. 9: Deferred Payment Arrangements: Snapshot

March 13, 2020 thru July 28, 2021	
Duration of DPA entered into	# of DPAs
1 through 12 months	1,092
13 through 23 months	98
24 through 35 months	454
36 through 48 months	18
more than 48 months	106
Total	1,768

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(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 5
Superseding Leaf No. 5

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<u>SERVICE CLASSIFICATION</u>	<u>DESCRIPTION</u>	<u>LEAF</u>
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2	General Service	87
3	Residential Time-of-Day Service	95
4	Public Street Lighting Service	99
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ISSUED:

EFFECTIVE:

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

GENERAL INFORMATION

No. 31 BASIC GENERATION SERVICE (“BGS”)

- (1) Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP)
 Applicable to Service Classification Nos. 1, 2, 3, 4, and 6

Applicable to Service Classification Nos. 1, 2 (Non-Demand Billed), 3, 4, and 6
 Charges per kilowatthour:

<u>Service Classification</u>	<u>Summer Months*</u>	<u>Other Months</u>
1 – First 600 kWh	5.975¢	8.125¢
1 – Over 600 kWh	9.968¢	8.125¢
2 - (Non-Demand Billed) – All kWh	7.146¢	6.258¢
3 – Peak	12.816¢	11.415¢
3 – Off-Peak	5.150¢	4.866¢
4 – All kWh	5.266¢	5.036¢
6 – All kWh	5.258¢	5.022¢

Applicable to Service Classification No. 2 Demand Billed customers who do not take BGS-CIEP service in accordance with General Information Section No. 31(2):

	<u>Summer Months*</u>	<u>Other Months</u>
Demand Charges		
First 5 kW (\$/kW)	1.69	1.44
Over 5 kW (\$/kW)	5.82	5.07
Usage Charges		
All kWh (¢/kWh)	5.864¢	5.321¢

The above Basic Generation Service Charges reflect costs for Energy, Generation Capacity, and Ancillary Services (including ISO Administrative Charges).

*Definition of Summer Billing Months - June through September

(Continued)

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GENERAL INFORMATION

No. 31 BASIC GENERATION SERVICE ("BGS") (Continued)

- (1) Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) (Continued)
Applicable to Service Classification Nos. 1, 2, 3, 4, and 6

Service Classification No. 2 metered customers who are not required to take BGS-CIEP service in accordance with General Information Section No. 31(2) and are located in the Company's Eastern Division may elect to take BGS-CIEP service on a voluntary basis. Such customers must notify the Company no later than the second business day in the month of January of each year to elect BGS-CIEP service for the annual period commencing June 1 of that year. Customers voluntarily taking BGS-CIEP service who, during the applicable annual period, elect to purchase Competitive Energy Supply from a Third-Party Supplier and then return to the Company's BGS, shall be required to take BGS-CIEP service for the remainder of the annual period. Customers voluntarily taking BGS-CIEP service who wish to transfer to BGS-RSCP service as their default supply service must notify the Company no later than the second business day of the month of January in order to effectuate such transfer for service commencing on the following June 1. Customers who do not provide such notification to the Company shall remain on BGS-CIEP service for the twelve-month period commencing the following June 1.

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.

(Continued)

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Revised Leaf No. 56
Superseding Revised Leaf No. 56

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 0.6811 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	0.3051	0.3253
Universal Service Fund	0.2315	0.2468
Lifeline	0.0738	0.0787
Uncollectible Expense	0.0284	0.0303
Total SBC	0.6388	0.6811

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.

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GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE (“SBC”) (Continued)

On April 1 of each year, the Company shall file with the Board the SBC rate components listed in (a) and (b) above for inclusion in the SBC effective for the twelve-month period commencing the following August 1. Such rate components shall be set to amortize any over- or under-recovered balances, including interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, and to provide current program cost recovery over the twelve-month period commencing the following August 1.

On July 1 of each year, the Company shall file with the Board the Universal Service Fund and Lifeline rate components for inclusion in the SBC effective for the twelve-month period commencing the following October 1. Such rate components shall be set to recovery any under recovered balances, including interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, and to provide current program cost recovery over the twelve-month period commencing the following October 1, consistent with the Board’s Universal Service Fund and Lifeline directives.

On April 1 of each year, the Company shall file with the Board the Uncollectible Expense rate component for inclusion in the SBC effective for the twelve-month period commencing the following August 1. The Uncollectible Expense rate component filing each year shall include: (1) the true-up of prior periods’ actual customer uncollectible bad debt expense with revenues recovered through the surcharge; and (2) a forecast of the customer uncollectible bad debt expense for the 12-month period ending July 31 of the following year. Interest on any over- or under-recovered balances shall be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

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GENERAL INFORMATION

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Revised Leaf No. 66
Superseding Revised Leaf No. 66

**GENERAL INFORMATION
SERVICE CLASSIFICATION RIDER**

NET METERING AND INTERCONNECTION STANDARDS FOR CLASS I RENEWABLE ENERGY SYSTEMS

Applicable to Service Classification Nos. 1, 2, 3, and 7

Eligibility

A customer operating a qualifying class I renewable energy system as defined at N.J.A.C. 14:8-1.2 ("Customer-generator") located on the customer's side of the electric meter, used at the customer's residence or facility is eligible for service hereunder, provided that (1) the generating capacity of the Customer-generator's facility does not exceed the amount of electricity supplied by the electric power supplier or basic generation service provider to the customer over a historical 12-month period; (2) the Customer-generator's annual peak demand is less than ten megawatts; and (3) the Customer-generator complies with the provisions of this Rider.

The Customer-generator will be required to submit an application for service under this Rider and pay an application processing fee as defined in N.J.A.C. 14:8-5 at the time of application. The Customer-generator will also be required to submit a signed Net Metering Agreement to the Company and the Company's execution of such Net Metering Agreement shall constitute approval for the Customer-generator to receive service hereunder.

Interconnection with the Company's system will be in accordance with the terms and conditions set forth in the Net Metering Agreement. Interconnection costs shall be paid as defined in N.J.A.C. 14:8-5 and shall be in addition to any line extension charge required to meet service requirements.

Net metering shall be available to eligible Customer-generators on a first-come, first-served basis. The Company may be authorized by the Board to cease offering net metering whenever the total rated generating capacity owned and operated by net metering Customer-generators Statewide equals 2.5 percent of the State's peak electricity demand.

(Continued)

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**GENERAL INFORMATION
SERVICE CLASSIFICATION RIDER (Continued)**

CORPORATE BUSINESS TAX (CBT)

Applicable to Service Classifications 1, 2, 3, 4, 6, and 7

In accordance with P.L. 1997, c. 192 (the "energy tax reform statute"), provision for the New Jersey Corporation Business Tax has been included in all customer charges, distribution charges and, where applicable, per luminaire charges applicable under this tariff. The energy tax reform statute exempts the following customers from the CBT provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this tariff shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:

- (1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- (2) Cogenerators in operation, or which have filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 et seq.) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- (3) Special contract customers for which a customer-specific tax classification was approved by a written Order of the Board prior to January 1, 1998.

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**GENERAL INFORMATION
SERVICE CLASSIFICATION RIDER (Continued)**

SALES AND USE TAX (SUT)

Applicable to Service Classifications 1, 2, 3, 4, 6, and 7

In accordance with P.L. 1997, c. 192 (the "energy tax reform statute"), as amended by P.L. 2016, c. 57, provision for the New Jersey Sales and Use Tax ("SUT") has been included in all charges applicable under this tariff by multiplying the charges that would apply before application of the SUT by the factor 1.06625.

- (1) The energy tax reform statute exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable under this tariff shall be reduced by the provision for the SUT included therein:
 - (a) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (b) Cogenerators in operation, or which have filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 et seq.) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
 - (c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the Board prior to January 1, 1998.
 - (d) Agencies or instrumentalities of the federal government.
 - (e) International organizations of which the United States of America is a member.
- (2) The Business Retention and Relocation Assistance Act (P.L. 2004, c. 65) and subsequent amendment (P.L. 2005, c.374) exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the provision for the SUT included therein:
 - (a) A qualified business that employs at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process, for the exclusive use or consumption of such business within an enterprise zone, and

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Revised Leaf No. 82
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**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers. All service at each residence shall be taken through one meter. Service will also be furnished hereunder to a church and adjacent buildings (other than school buildings which substitute for public education), owned by the church and operated in connection therewith; provided, however, that if the buildings of any such church group are separated by a highway or highways, then the electricity delivered to each group so separated shall not be combined with the electricity delivered to other buildings of the church group but shall be billed separately under this rate.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$5.75	\$5.75
(2) <u>Distribution Charge</u>		
First 600 kWh	@ 6.062 ¢ per kWh	6.062 ¢ per kWh
Over 600 kWh	@ 7.633 ¢ per kWh	6.062 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

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Revised Leaf No. 83
Superseding Revised Leaf No. 83

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charges

(a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.515 ¢ per kWh	1.515 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

All kWh @	1.466 ¢ per kWh	1.466 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

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Revised Leaf No. 84
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**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

\$5.75 monthly, not less than \$34.50 per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

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**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to general secondary or primary service customers.

A customer taking primary service whose demand exceeds 1,000 kW during any two of the previous twelve months shall not be eligible for this rate and shall be transferred to Service Classification No. 7. A customer so transferred shall only be eligible for transfer back to Service Classification No. 2 on the annual anniversary of the transfer to Service Classification No. 7 and only if said customer has not exceeded 1,000 kW during any two of the previous twelve months.

All service at one location shall be taken through one meter except that service under Special Provision B shall be separately metered.

Demand billed customers with on-site generation that meet the definition of distributed generation as defined in N.J.S.A. 48:2-21.37 shall be subject to the provisions of Service Classification Rider – Standby Service.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., single or three phase secondary, at approximately 120/208, 120/240 volts, and 277/480 volts where available; or three phase primary at approximately 2400/4160 and 7620/13200 volts Wye, 13000 and 34500 volts Delta, 69000 volts Wye, and in limited areas 2400 or 4800 volts Delta, depending upon the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>		
(a) Secondary Service (Non-Demand Billed)		
Unmetered Service	\$14.00	\$14.00
Metered Service	\$16.00	\$16.00
(b) Secondary Service (Demand Billed)	\$24.00	\$24.00
(c) Primary Service	\$100.00	\$100.00

* Definition of Summer Billing Months - June through September

(Continued)

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**SERVICE CLASSIFICATION NO. 2
 GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

		<u>Summer Months*</u>	<u>Other Months</u>
(2)	<u>Distribution Charges</u>		
(a)	<u>Secondary Service (Non-Demand Billed)</u>		
	<u>Usage Charge</u>		
	All kWh@	4.938 ¢ per kWh	4.474 ¢ per kWh
(b)	<u>Secondary Service (Demand Billed)</u>		
	<u>Demand Charge</u>		
	First 5 kW@	\$5.94 per kW	\$4.95 per kW
	Over 5 kW@	\$8.15 per kW	\$6.83 per kW
	<u>Usage Charge</u>		
	First 4,920 kWh@	3.141 ¢ per kWh	2.982 ¢ per kWh
	Over 4,920 kWh@	2.830 ¢ per kWh	2.763 ¢ per kWh
(c)	<u>Primary Service</u>		
	<u>Demand Charge</u>		
	All kW@	\$10.15 per kW	\$8.68 per kW
	<u>Usage Charge</u>		
	All kWh@	1.485 ¢ per kWh	1.485 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

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**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charges (Continued)

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Secondary Voltage Service Only</u>		
All kWh@	0.753 ¢ per kWh	0.753 ¢ per kWh
<u>Primary Voltage Service Only</u>		
All kWh@	0.784 ¢ per kWh	0.784 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

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**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) CIEP Standby Fee

In accordance with General Information Section No. 32, a CIEP Standby Fee shall be assessed on all kWh of customers eligible for BGS-CIEP service.

(6) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM MONTHLY CHARGE

Secondary Service (Non-Demand Billed)	
Unmetered Service	\$14.00
Metered Service	\$16.00
Secondary Service (Demand Billed)	\$24.00 Plus the demand charge.
Primary Service	\$100.00 Plus the demand charge.

DETERMINATION OF DEMAND

The monthly billing demand in kW shall be either the greatest connected load or the greatest 15-minute integrated demand, determined as follows:

- (1) Billing demand may be on a connected load basis when
 - (a) demand meter would not reduce the billing demand, or
 - (b) the installation is temporary, or
 - (c) the device has a large instantaneous or highly fluctuating demand.
- (2) Billing shall be on a demand meter basis in all other cases and shall be billed at not less than 90% of the kVA demand. The billing demand for the billing months of October through May inclusive shall not be less than 70% of the highest metered demand for the preceding billing months of June through September inclusive.

(Continued)

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SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)

SPECIAL PROVISIONS

(A) Short Term Secondary Service

When short term service is requested, the Company reserves the right to require a deposit of the estimated bill for the period service is desired. The minimum charge for such short term service shall be an amount equal to six times the minimum monthly charge, payable in advance. When construction is necessary, the cost of installation and removal of all equipment, less salvage value, shall be borne by the customer, and a sufficient amount to cover these charges shall be paid in advance. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.679 ¢/kWh during the billing months of October through May and 6.129 ¢/kWh during the summer billing months. When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.87 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (3), (4), and (6) of RATE – MONTHLY.

This special provision is closed to new customers effective August 1, 2014.

(Continued)

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**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers where an approved electric storage heater is used for customer's entire water heating requirements and/or permanently installed electric space heating equipment is the sole source of space heating, excluding fire places, on the premises. Solar energy collection devices may be used to supplement customer's water and/or space heating requirements.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$9.00	\$9.00
(2) <u>Distribution Charge</u>		
<u>Peak</u> All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday @	8.240 ¢ per kWh	7.392 ¢ per kWh
<u>Off-Peak</u> All other kWh @	2.968 ¢ per kWh	2.968 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

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**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charge

(a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Peak</u>		
All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday@		
	1.515 ¢ per kWh	1.515 ¢ per kWh
<u>Off-Peak</u>		
All other kWh@		
	1.515 ¢ per kWh	1.515 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

All kWh@	1.121 ¢ per kWh	1.121 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

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**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY

(1) Distribution and Transmission Charges

(a) Distribution Luminaire Charges

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
<u>Street Lighting Luminaires</u>				
5,800	Sodium Vapor	70	108	\$10.09
9,500	Sodium Vapor	100	142	10.95
16,000	Sodium Vapor	150	199	13.32
27,500	Sodium Vapor	250	311	17.01
46,000	Sodium Vapor	400	488	27.58
3,000	LED	15-29	23	9.27
3,900	LED	30-39	35	9.08
5,000	LED	40-59	50	9.11
7,250	LED	60-89	68	9.50
12,000	LED	90-129	103	10.67
16,000	LED	130-169	140	11.20
22,000	LED	170-220	200	16.40
<u>Flood Lighting Luminaires</u>				
15,500	LED	100-159	125	\$12.90
27,000	LED	160-249	205	16.45
37,500	LED	250-320	290	17.92

The following luminaires will no longer be installed. Charges are for existing luminaires only.

Street Lighting Luminaires

1,000	Open Bottom Incandescent	92	92	\$6.67
4,000	Mercury Vapor	100	127	9.04
7,900	Mercury Vapor	175	211	10.65
12,000	Mercury Vapor	250	296	13.85
22,500	Mercury Vapor	400	459	17.58
40,000	Mercury Vapor	700	786	26.74
59,000	Mercury Vapor	1,000	1,105	33.79

(Continued)

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Revised Leaf No. 102
 Superseding Revised Leaf No. 102

**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(a) Distribution Luminaire Charges (Continued)

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
<u>Street Lighting Luminaires (Continued)</u>				
3,400	Induction	40	45	\$10.56
5,950	Induction	70	75	10.75
8,500	Induction	100	110	12.14
5,890	LED	70	74	11.56
9,365	LED	100	101	14.19
<u>Post-Top Luminaires</u>				
4,000	Mercury Vapor	100	130	\$13.75
7,900	Mercury Vapor	175	215	16.85
7,900	Merc. Vapor-Offset	175	215	19.78
16,000	Sodium Vapor-Offset	150	199	26.92

(b) Transmission Charges

A Transmission Charge of 1.223 ¢ per kWh will apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.000 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

Transmission Charges shall be applied to the kWh estimate in the following manner:

$$\text{kWh} = (\text{Total Wattage divided by } 1,000) \text{ times Monthly Burn Hours}^*$$

*See Monthly Burn Hours Table

(Continued)

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**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

- (2) Additional Charge
 - (a) An additional \$23.02 per luminaire per month will be charged for existing Underground Service where the Company owns and maintains the entire facilities.
 - (b) An additional \$5.60 per luminaire per month will be charged for existing underground service where the customer has installed, owns and maintains the duct system complete, but not the aluminum standard or luminaire.
 - (c) An additional \$0.63 per bracket per month will be charged for a fifteen foot bracket when installed.

- (3) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 36, and 37 respectively shall be assessed on all kWh delivered hereunder.

The charges shall be applied to the kWh estimate in the following manner:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

* See Monthly Burn Hours Table.

(Continued)

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SERVICE CLASSIFICATION NO. 5

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**SERVICE CLASSIFICATION NO. 6
 PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY

(1) Distribution and Transmission Charges

(a) Luminaire Charges for Service Types A and B

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
<u>Power Bracket Luminaires</u>				
5,800	Sodium Vapor	70	108	\$7.31
9,500	Sodium Vapor	100	142	8.79
16,000	Sodium Vapor	150	199	9.43
3,950	LED	25-39	35	8.54
5,550	LED	45-55	50	8.67
7,350	LED	56-70	65	8.75
<u>Street Lighting Luminaires</u>				
5,800	Sodium Vapor	70	108	\$10.17
9,500	Sodium Vapor	100	142	11.16
16,000	Sodium Vapor	150	199	13.72
27,500	Sodium Vapor	250	311	17.59
46,000	Sodium Vapor	400	488	29.03
3,000	LED	15-29	23	9.27
3,900	LED	30-39	35	9.08
5,000	LED	40-59	50	9.11
7,250	LED	60-89	68	9.50
12,000	LED	90-129	103	10.67
16,000	LED	130-169	140	11.20
22,000	LED	170-220	200	16.40
<u>Flood lighting Luminaires</u>				
46,000	Sodium Vapor	400	488	29.03
15,500	LED	100-159	125	12.90
27,000	LED	160-249	205	16.45
37,500	LED	250-320	290	17.92

(Continued)

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**SERVICE CLASSIFICATION NO. 6
 PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(a) Luminaire Charges for Service Types A and B (Continued)

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
-----------------------	-----------------------	--------------	----------------------	----------------------------

The following luminaires will no longer be installed. Charges are for existing luminaires only.

Power Bracket Luminaires

4,000	Mercury Vapor	100	127	\$11.34
7,900	Mercury Vapor	175	215	13.11
22,500	Mercury Vapor	400	462	20.92

Post Top Luminaires

16,000	Sodium Vapor-Offset	150	199	\$27.00
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Street Lighting Luminaires

4,000	Mercury Vapor	100	127	\$12.48
7,900	Mercury Vapor	175	211	14.26
22,500	Mercury Vapor	400	459	22.16
1,000	Incandescent	-	92	10.14
3,400	Induction	40	45	10.94
5,950	Induction	70	75	11.18
8,500	Induction	100	110	12.60
5,890	LED	70	74	11.98
9,365	LED	100	101	14.75

Flood lighting Luminaires

12,000	Mercury Vapor	250	296	\$17.93
40,000	Mercury Vapor	700	786	32.47
59,000	Mercury Vapor	1,000	1,105	40.43

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**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(b) Distribution Charges for Service Type C

Metered Service - Customer Charge at \$16.00 per month plus
Distribution Charge at 6.444 ¢ per kWh; or

Unmetered Service - Customer Charge at \$4.00 per month plus
Distribution Charge at 6.444 ¢ per kWh.

(c) Transmission Charges for Service Types A, B, and C

A Transmission Charge of 1.223 ¢ per kWh will apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.000 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

(2) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 36, and 37 respectively shall be assessed on all kWh delivered hereunder. For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

* See Monthly Burn Hours Table.

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**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

MINIMUM CHARGE

The minimum charge per luminaire for Service Type A or B shall be the sum of the monthly Distribution and Transmission Charges as specified in RATE – MONTHLY, Part (1a) times twelve. Should the monthly charge be revised during the initial term, the minimum charge per installation shall be prorated accordingly.

The minimum charge for Service Type C - Metered shall be \$16.00 per month and not less than \$192.00 for the initial term.

The minimum charge for Service Type C - Unmetered shall be \$4.00 per month and not less than \$48.00 for the initial term.

TERM

The Initial Term shall be one year. Service shall continue in effect thereafter until canceled by either party upon thirty days written notice. The Company shall require an Initial Term of one year for each luminaire for Service Types A or B.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

(Continued)

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**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

SPECIAL PROVISIONS

Special Provisions A, B, D, E, F, and J apply only to Service Types A and B. Special Provision K applies only to Service Type C. Special Provisions C, G, H, and I apply to Service Types A, B, and C.

- (A) Street lighting luminaires will normally be mounted on eight foot aluminum brackets. Fifteen foot brackets are available at an additional charge of \$0.71 per bracket per month.
- (B) Luminaires will be installed free of charge where all facilities necessary to serve a luminaire are present. Customer shall pay the cost of any additional facilities required, prior to the commencement of the construction of such facilities.
- (C) The customer shall furnish the Company with all easements or rights-of-way necessary to provide service to the desired location before any installation or construction will be started.
- (D) A customer may apply for service hereunder for a proposed residential subdivision in which all electric facilities will be underground. Such application shall be signed by the customer and builder or developer and when accepted by the Company, shall constitute an agreement between the Company, customer and builder or developer subject to the terms and provisions hereunder.

The builder or developer shall pay to the Company prior to the commencement of any construction all costs associated with the installation of the facilities to be serviced hereunder and shall prepay six times the total monthly charge for all luminaires installed. Said monthly charges shall be determined using the rates in effect at the time said costs and charges are determined. The Company shall not bill the customer for the first six months of service of the facilities installed under this special provision.

- (E) The Company shall not be obligated to repair or replace in kind any obsolete luminaire for which it cannot reasonably obtain the necessary parts. The Company will remove the obsolete luminaire or at the customer's request, replace it with any luminaire offered for service at that time for which the customer will be charged the appropriate rates.

(Continued)

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Superseding Revised Leaf No. 122

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to primary service customers who maintain a minimum demand of 1,000 kW during any two of the previous twelve months and provide all equipment required to take service at a primary voltage as designated by the Company. A primary customer who does not maintain a demand of at least 1,000 kW during any two of the previous twelve months, may, at the customer's option transfer to another Service Classification provided that such transfer shall only be made on an annual anniversary date that such customer began service hereunder.

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to high voltage distribution service customers with a minimum demand of 1,000 kW who provide all equipment required to take high voltage distribution service as designated by the Company. High voltage distribution service shall be made available at the sole discretion of the Company where conditions merit.

Customers with generators that meet the definition of distributed generation as defined in N.J.S.A. 48:2-21.37 shall be subject to the provisions of Service Classification Rider – Standby Service.

All service at one location shall be taken through one meter except that service taken under Special Provision A shall be separately metered.

CHARACTER OF SERVICE

Continuous, 60 cycles, A.C., single or three phase primary or high voltage distribution service as defined in General Information Section 26 and depending on the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Primary</u>	<u>High Voltage Distribution</u>
(1) <u>Customer Charge</u>	\$300.00	\$2,288.12

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**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE – MONTHLY (Continued)

(2) Distribution Charges

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$5.51 per kW	\$1.47 per kW
Period II	All kW @	1.35 per kW	0.34 per kW
Period III	All kW @	5.05 per kW	1.34 per kW
Period IV	All kW @	1.35 per kW	0.34 per kW
<u>Usage Charge</u>			
Period I	All kWh @	1.770 ¢ per kWh	0.203 ¢ per kWh
Period II	All kWh @	1.325 ¢ per kWh	0.151 ¢ per kWh
Period III	All kWh @	1.770 ¢ per kWh	0.203 ¢ per kWh
Period IV	All kWh @	1.325 ¢ per kWh	0.151 ¢ per kWh

(3) Transmission Charges

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

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**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE– MONTHLY (Continued)

(3) Transmission Charges (Continued)

(a) (Continued)

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$2.41 per kW	\$2.41 per kW
Period II	All kW @	0.64 per kW	0.64 per kW
Period III	All kW @	2.41 per kW	2.41 per kW
Period IV	All kW @	0.64 per kW	0.64 per kW
<u>Usage Charge</u>			
Period I	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh
Period II	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh
Period III	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh
Period IV	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

		<u>Primary</u>	<u>High Voltage Distribution</u>
All Periods	All kWh @	0.474 ¢ per kWh	0.474 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

(Continued)

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**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.973 ¢ per kWh during the billing months of October through May and 6.423 ¢ per kWh during the summer billing months, a Transmission Charge of 0.404 ¢ per kWh and a Transmission Surcharge of 0.404 ¢ per kWh during all billing months. The applicability of Transmission Charges and the Transmission Surcharge is described in Part (3) of RATE – MONTHLY.

When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.87 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (4), (5), and (6) of RATE – MONTHLY. This Special Provision is not available to those customers taking high voltage distribution service.

This special provision is closed to new customers effective August 1, 2014.

(B) Budget Billing Plan

Any condominium association or cooperative housing corporation who takes service hereunder and any other customer taking service under Special Provision B of this Service Classification may, upon request, be billed monthly in accordance with the budget billing plan provided for in General Information Section 8 of this tariff.

(Continued)

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GENERAL INFORMATION

No. 31 BASIC GENERATION SERVICE (“BGS”)

- (1) Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP)
Applicable to Service Classification Nos. 1, 2, 3, 4, ~~5~~ and 6

Applicable to Service Classification Nos. 1, 2 (Non-Demand Billed), 3, 4, ~~5~~, and 6
Charges per kilowatthour:

<u>Service Classification</u>	<u>Summer Months*</u>	<u>Other Months</u>
1 – First 600 kWh	5.975¢	8.125¢
1 – Over 600 kWh	9.968¢	8.125¢
2 - (Non-Demand Billed) – All kWh	7.146¢	6.258¢
3 – Peak	12.816¢	11.415¢
3 – Off-Peak	5.150¢	4.866¢
4 – All kWh	5.266¢	5.036¢
5 – First 600 kWh	5.975¢	8.125¢
5 – Over 600 kWh	9.968¢	8.125¢
6 – All kWh	5.258¢	5.022¢

Applicable to Service Classification No. 2 Demand Billed customers who do not take BGS-CIEP service in accordance with General Information Section No. 31(2):

	<u>Summer Months*</u>	<u>Other Months</u>
Demand Charges		
First 5 kW (\$/kW)	1.69	1.44
Over 5 kW (\$/kW)	5.82	5.07
Usage Charges		
All kWh (¢/kWh)	5.864¢	5.321¢

The above Basic Generation Service Charges reflect costs for Energy, Generation Capacity, and Ancillary Services (including ISO Administrative Charges).

*Definition of Summer Billing Months - June through September

(Continued)

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Revised Leaf No. 51
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GENERAL INFORMATION

No. 31 BASIC GENERATION SERVICE ("BGS") (Continued)

- (1) Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) (Continued)
Applicable to Service Classification Nos. 1, 2, 3, 4, ~~5~~ and 6

Service Classification No. 2 metered customers who are not required to take BGS-CIEP service in accordance with General Information Section No. 31(2) and are located in the Company's Eastern Division may elect to take BGS-CIEP service on a voluntary basis. Such customers must notify the Company no later than the second business day in the month of January of each year to elect BGS-CIEP service for the annual period commencing June 1 of that year. Customers voluntarily taking BGS-CIEP service who, during the applicable annual period, elect to purchase Competitive Energy Supply from a Third-Party Supplier and then return to the Company's BGS, shall be required to take BGS-CIEP service for the remainder of the annual period. Customers voluntarily taking BGS-CIEP service who wish to transfer to BGS-RSCP service as their default supply service must notify the Company no later than the second business day of the month of January in order to effectuate such transfer for service commencing on the following June 1. Customers who do not provide such notification to the Company shall remain on BGS-CIEP service for the twelve-month period commencing the following June 1.

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.

(Continued)

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Revised Leaf No. 56
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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”); ~~and~~
- (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 **0.6811** 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	0.3051	0.3253
Universal Service Fund	0.2315	0.2468
Lifeline	0.0738	0.0787
<u>Uncollectible Expense</u>	0.0284	0.0303
Total SBC	0.6388	0.6811

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.

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GENERAL INFORMATION

No. 33 SOCIETAL BENEFITS CHARGE (“SBC”) (Continued)

On April 1 of each year, the Company shall file with the Board the SBC rate components listed in (a) and (b) above for inclusion in the SBC effective for the twelve-month period commencing the following August 1. Such rate components shall be set to amortize any over- or under-recovered balances, including interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, and to provide current program cost recovery over the twelve-month period commencing the following August 1.

On July 1 of each year, the Company shall file with the Board the Universal Service Fund and Lifeline rate components for inclusion in the SBC effective for the twelve-month period commencing the following October 1. Such rate components shall be set to recovery any under recovered balances, including interest, calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455, and to provide current program cost recovery over the twelve-month period commencing the following October 1, consistent with the Board’s Universal Service Fund and Lifeline directives.

On April 1 of each year, the Company shall file with the Board the Uncollectible Expense rate component for inclusion in the SBC effective for the twelve-month period commencing the following August 1. The Uncollectible Expense rate component filing each year shall include: (1) the true-up of prior periods’ actual customer uncollectible bad debt expense with revenues recovered through the surcharge; and (2) a forecast of the customer uncollectible bad debt expense for the 12-month period ending July 31 of the following year. Interest on any over- or under-recovered balances shall be calculated as determined by the Board in its Order dated October 21, 2008 in Docket Number ER08060455.

ISSUED:

EFFECTIVE:

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

GENERAL INFORMATION

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~~No. 35 - SECURITIZATION CHARGES~~

~~On May 26, 2004, the Board issued a Bondable Stranded Costs Rate Order in Docket No. EF02110852 ("Financing Order") authorizing the issuance and sale of transition bonds in the amount of \$46.3 million to provide the Company recovery of bondable stranded costs.~~

~~The Financing Order also authorized the implementation of a non-bypassable Transition Bond Charge ("TBC") and TBC Tax. The TBC has been established, and will be adjusted periodically, in accordance with the methodology approved in the Financing Order to recover ongoing bondable stranded costs as defined in the Financing Order. The TBC Tax has been set, and will be adjusted periodically, in accordance with the methodology approved in the Financing Order to recover federal income taxes and state corporate business taxes associated with the taxable net revenue from the TBC and the TBC Tax.~~

~~The TBC and TBC Tax shall be applied to the kWh usage on the bills of all customers served under this Schedule. The TBC and TBC Tax to be effective on and after the date indicated below are as follows:~~

	Rate Component (¢ per kWh)	
	<u>Excluding SUT</u>	<u>Including SUT</u>
TBC	0.000	0.000
TBC Tax	0.000	0.000

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 66
Superseding Revised Leaf No. 66

**GENERAL INFORMATION
SERVICE CLASSIFICATION RIDER**

NET METERING AND INTERCONNECTION STANDARDS FOR CLASS I RENEWABLE ENERGY SYSTEMS

Applicable to Service Classification Nos. 1, 2, 3, ~~5~~ and 7

Eligibility

A customer operating a qualifying class I renewable energy system as defined at N.J.A.C. 14:8-1.2 ("Customer-generator") located on the customer's side of the electric meter, used at the customer's residence or facility is eligible for service hereunder, provided that (1) the generating capacity of the Customer-generator's facility does not exceed the amount of electricity supplied by the electric power supplier or basic generation service provider to the customer over a historical 12-month period; (2) the Customer-generator's annual peak demand is less than ten megawatts; and (3) the Customer-generator complies with the provisions of this Rider.

The Customer-generator will be required to submit an application for service under this Rider and pay an application processing fee as defined in N.J.A.C. 14:8-5 at the time of application. The Customer-generator will also be required to submit a signed Net Metering Agreement to the Company and the Company's execution of such Net Metering Agreement shall constitute approval for the Customer-generator to receive service hereunder.

Interconnection with the Company's system will be in accordance with the terms and conditions set forth in the Net Metering Agreement. Interconnection costs shall be paid as defined in N.J.A.C. 14:8-5 and shall be in addition to any line extension charge required to meet service requirements.

Net metering shall be available to eligible Customer-generators on a first-come, first-served basis. The Company may be authorized by the Board to cease offering net metering whenever the total rated generating capacity owned and operated by net metering Customer-generators Statewide equals 2.5 percent of the State's peak electricity demand.

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 71
Superseding Revised Leaf No. 71

**GENERAL INFORMATION
SERVICE CLASSIFICATION RIDER (Continued)**

CORPORATE BUSINESS TAX (CBT)

Applicable to Service Classifications 1, 2, 3, 4, ~~5~~-6, and 7

In accordance with P.L. 1997, c. 192 (the "energy tax reform statute"), provision for the New Jersey Corporation Business Tax has been included in all customer charges, distribution charges and, where applicable, per luminaire charges applicable under this tariff. The energy tax reform statute exempts the following customers from the CBT provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this tariff shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:

- (1) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
- (2) Cogenerators in operation, or which have filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 et seq.) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
- (3) Special contract customers for which a customer-specific tax classification was approved by a written Order of the Board prior to January 1, 1998.

ISSUED:

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

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Revised Leaf No. 72
Superseding Revised Leaf No. 72

**GENERAL INFORMATION
SERVICE CLASSIFICATION RIDER (Continued)**

SALES AND USE TAX (SUT)

Applicable to Service Classifications 1, 2, 3, 4, ~~5~~-6, and 7

In accordance with P.L. 1997, c. 192 (the "energy tax reform statute"), as amended by P.L. 2016, c. 57, provision for the New Jersey Sales and Use Tax ("SUT") has been included in all charges applicable under this tariff by multiplying the charges that would apply before application of the SUT by the factor 1.06625.

- (1) The energy tax reform statute exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable under this tariff shall be reduced by the provision for the SUT included therein:
 - (a) Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the State of New Jersey.
 - (b) Cogenerators in operation, or which have filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, c. 212 (C.26:2C-1 et seq.) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
 - (c) Special contract customers for which a customer-specific tax classification was approved by a written Order of the Board prior to January 1, 1998.
 - (d) Agencies or instrumentalities of the federal government.
 - (e) International organizations of which the United States of America is a member.
- (2) The Business Retention and Relocation Assistance Act (P.L. 2004, c. 65) and subsequent amendment (P.L. 2005, c.374) exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the provision for the SUT included therein:
 - (a) A qualified business that employs at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process, for the exclusive use or consumption of such business within an enterprise zone, and

(Continued)

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

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Revised Leaf No. 82
 Superseding Revised Leaf No. 82

**SERVICE CLASSIFICATION NO. 1
 RESIDENTIAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers. All service at each residence shall be taken through one meter. Service will also be furnished hereunder to a church and adjacent buildings (other than school buildings which substitute for public education), owned by the church and operated in connection therewith; provided, however, that if the buildings of any such church group are separated by a highway or highways, then the electricity delivered to each group so separated shall not be combined with the electricity delivered to other buildings of the church group but shall be billed separately under this rate.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$5.75	\$5.75
(2) <u>Distribution Charge</u>		
First 600 kWh	@ 6.062 ¢ per kWh	6.062 ¢ per kWh
Over 600 kWh	@ 7.633 ¢ per kWh	6.062 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 83
Superseding Revised Leaf No. 83

SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)

RATE – MONTHLY (Continued)

(3) Transmission Charges

(a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.515 ¢ per kWh	1.515 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

All kWh @	1.466 ¢ per kWh	1.466 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, ~~35~~, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

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

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Revised Leaf No. 84
Superseding Revised Leaf No. 84

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION

\$5.75 monthly, not less than **\$34.50** per contract.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

TERM

Terminable at any time unless a specified period is required under a line extension agreement.

EXTENSION OF FACILITIES

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

(Continued)

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Mahwah, New Jersey 07430

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Revised Leaf No. 87
Superseding Revised Leaf No. 87

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to general secondary or primary service customers.

A customer taking primary service whose demand exceeds 1,000 kW during any two of the previous twelve months shall not be eligible for this rate and shall be transferred to Service Classification No. 7. A customer so transferred shall only be eligible for transfer back to Service Classification No. 2 on the annual anniversary of the transfer to Service Classification No. 7 and only if said customer has not exceeded 1,000 kW during any two of the previous twelve months.

All service at one location shall be taken through one meter except that service under Special Provision B shall be separately metered.

Demand billed customers with on-site generation that meet the definition of distributed generation as defined in N.J.S.A. 48:2-21.37 shall be subject to the provisions of Service Classification Rider – Standby Service.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., single or three phase secondary, at approximately 120/208, 120/240 volts, and 277/480 volts where available; or three phase primary at approximately 2400/4160 and 7620/13200 volts Wye, 13000 and 34500 volts Delta, 69000 volts Wye, and in limited areas 2400 or 4800 volts Delta, depending upon the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>		
(a) Secondary Service (Non-Demand Billed)		
Unmetered Service	\$14.00	\$14.00
Metered Service	\$16.00	\$16.00
(b) Secondary Service (Demand Billed)	\$24.00	\$24.00
(c) Primary Service	\$100.00	\$100.00

* Definition of Summer Billing Months - June through September

(Continued)

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

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Revised Leaf No. 88
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**SERVICE CLASSIFICATION NO. 2
 GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

		<u>Summer Months*</u>	<u>Other Months</u>
(2)	<u>Distribution Charges</u>		
(a)	<u>Secondary Service (Non-Demand Billed)</u>		
	<u>Usage Charge</u>		
	All kWh @	4.938 ¢ per kWh	4.474 ¢ per kWh
(b)	<u>Secondary Service (Demand Billed)</u>		
	<u>Demand Charge</u>		
	First 5 kW @	\$5.94 per kW	\$4.95 per kW
	Over 5 kW @	\$8.15 per kW	\$6.83 per kW
	<u>Usage Charge</u>		
	First 4,920 kWh @	3.141 ¢ per kWh	2.982 ¢ per kWh
	Over 4,920 kWh @	2.830 ¢ per kWh	2.763 ¢ per kWh
(c)	<u>Primary Service</u>		
	<u>Demand Charge</u>		
	All kW @	\$10.15 per kW	\$8.68 per kW
	<u>Usage Charge</u>		
	All kWh @	1.485 ¢ per kWh	1.485 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 90
Superseding Revised Leaf No. 90

SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)

RATE – MONTHLY (Continued)

(3) Transmission Charges (Continued)

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Secondary Voltage Service Only</u>		
All kWh@	0.753 ¢ per kWh	0.753 ¢ per kWh
<u>Primary Voltage Service Only</u>		
All kWh@	0.784 ¢ per kWh	0.784 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Surcharges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, ~~35~~, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 91
Superseding Revised Leaf No. 91

**SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)**

RATE – MONTHLY (Continued)

(5) CIEP Standby Fee

In accordance with General Information Section No. 32, a CIEP Standby Fee shall be assessed on all kWh of customers eligible for BGS-CIEP service.

(6) Basic Generation Service

Customers taking Basic Generation Service from the Company will be billed for such service in accordance with General Information Section No. 31.

In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.

MINIMUM MONTHLY CHARGE

Secondary Service (Non-Demand Billed)	
Unmetered Service	\$14.00
Metered Service	\$16.00
Secondary Service (Demand Billed)	\$24.00 Plus the demand charge.
Primary Service	\$100.00 Plus the demand charge.

DETERMINATION OF DEMAND

The monthly billing demand in kW shall be either the greatest connected load or the greatest 15-minute integrated demand, determined as follows:

- (1) Billing demand may be on a connected load basis when
 - (a) demand meter would not reduce the billing demand, or
 - (b) the installation is temporary, or
 - (c) the device has a large instantaneous or highly fluctuating demand.
- (2) Billing shall be on a demand meter basis in all other cases and shall be billed at not less than 90% of the kVA demand. The billing demand for the billing months of October through May inclusive shall not be less than 70% of the highest metered demand for the preceding billing months of June through September inclusive.

(Continued)

ISSUED:

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

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Revised Leaf No. 93
Superseding Revised Leaf No. 93

SERVICE CLASSIFICATION NO. 2
GENERAL SERVICE (Continued)

SPECIAL PROVISIONS

(A) Short Term Secondary Service

When short term service is requested, the Company reserves the right to require a deposit of the estimated bill for the period service is desired. The minimum charge for such short term service shall be an amount equal to six times the minimum monthly charge, payable in advance. When construction is necessary, the cost of installation and removal of all equipment, less salvage value, shall be borne by the customer, and a sufficient amount to cover these charges shall be paid in advance. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.679 ¢/kWh during the billing months of October through May and 6.129 ¢/kWh during the summer billing months. When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.87 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (3), (4), and (6) of RATE – MONTHLY.

This special provision is closed to new customers effective August 1, 2014.

(Continued)

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EFFECTIVE:

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

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Revised Leaf No. 95
 Superseding Revised Leaf No. 95

**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers where an approved electric storage heater is used for customer's entire water heating requirements and/or permanently installed electric space heating equipment is the sole source of space heating, excluding fire places, on the premises. Solar energy collection devices may be used to supplement customer's water and/or space heating requirements.

CHARACTER OF SERVICE

Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:

- (1) Single phase at approximately 120,120/208 or 120/240 volts.
- (2) Three phase four wire at approximately 120/208 volts in limited areas.

RATE – MONTHLY

	<u>Summer Months*</u>	<u>Other Months</u>
(1) <u>Customer Charge</u>	\$9.00	\$9.00
(2) <u>Distribution Charge</u>		
<u>Peak</u> All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday @	8.240 ¢ per kWh	7.392 ¢ per kWh
<u>Off-Peak</u> All other kWh @	2.968 ¢ per kWh	2.968 ¢ per kWh

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

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Revised Leaf No. 96
 Superseding Revised Leaf No. 96

**SERVICE CLASSIFICATION NO. 3
 RESIDENTIAL TIME-OF-DAY HEATING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(3) Transmission Charge

(a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

	<u>Summer Months*</u>	<u>Other Months</u>
<u>Peak</u> All kWh measured between 10:00 a.m. and 10:00 p.m., Monday through Friday@	1.515 ¢ per kWh	1.515 ¢ per kWh
<u>Off-Peak</u> All other kWh@	1.515 ¢ per kWh	1.515 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

All kWh@	1.121 ¢ per kWh	1.121 ¢ per kWh
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(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, ~~35~~, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

* Definition of Summer Billing Months - June through September

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 101
 Superseding Revised Leaf No. 101

**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY

(1) Distribution and Transmission Charges

(a) Distribution Luminaire Charges

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
<u>Street Lighting Luminaires</u>				
5,800	Sodium Vapor	70	108	\$10.09
9,500	Sodium Vapor	100	142	10.95
16,000	Sodium Vapor	150	199	13.32
27,500	Sodium Vapor	250	311	17.01
46,000	Sodium Vapor	400	488	27.58
3,000	LED	15-29	23	9.27
3,900	LED	30-39	35	9.08
5,000	LED	40-59	50	9.11
7,250	LED	60-89	68	9.50
12,000	LED	90-129	103	10.67
16,000	LED	130-169	140	11.20
22,000	LED	170-220	200	16.40
<u>Flood Lighting Luminaires</u>				
15,500	LED	100-159	125	\$12.90
27,000	LED	160-249	205	16.45
37,500	LED	250-320	290	17.92

The following luminaires will no longer be installed. Charges are for existing luminaires only.

Street Lighting Luminaires

1,000	Open Bottom Incandescent	92	92	\$6.67
4,000	Mercury Vapor	100	127	9.04
7,900	Mercury Vapor	175	211	10.65
12,000	Mercury Vapor	250	296	13.85
22,500	Mercury Vapor	400	459	17.58
40,000	Mercury Vapor	700	786	26.74
59,000	Mercury Vapor	1,000	1,105	33.79

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 102
 Superseding Revised Leaf No. 102

**SERVICE CLASSIFICATION NO. 4
 PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(a) Distribution Luminaire Charges (Continued)

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
<u>Street Lighting Luminaires (Continued)</u>				
3,400	Induction	40	45	\$10.56
5,950	Induction	70	75	10.75
8,500	Induction	100	110	12.14
5,890	LED	70	74	11.56
9,365	LED	100	101	14.19
<u>Post-Top Luminaires</u>				
4,000	Mercury Vapor	100	130	\$13.75
7,900	Mercury Vapor	175	215	16.85
7,900	Merc. Vapor-Offset	175	215	19.78
16,000	Sodium Vapor-Offset	150	199	26.92

(b) Transmission Charges

A Transmission Charge of 1.223 ¢ per kWh will apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.000 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

Transmission Charges shall be applied to the kWh estimate in the following manner:

$$\text{kWh} = (\text{Total Wattage divided by } 1,000) \text{ times Monthly Burn Hours}^*$$

*See Monthly Burn Hours Table

(Continued)

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EFFECTIVE:

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

DRAFT

Revised Leaf No. 103
Superseding Revised Leaf No. 103

**SERVICE CLASSIFICATION NO. 4
PUBLIC STREET LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

- (2) Additional Charge
 - (a) An additional \$23.02 per luminaire per month will be charged for existing Underground Service where the Company owns and maintains the entire facilities.
 - (b) An additional \$5.60 per luminaire per month will be charged for existing underground service where the customer has installed, owns and maintains the duct system complete, but not the aluminum standard or luminaire.
 - (c) An additional \$0.63 per bracket per month will be charged for a fifteen foot bracket when installed.

- (3) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, ~~35~~, 36, and 37 respectively shall be assessed on all kWh delivered hereunder.

The charges shall be applied to the kWh estimate in the following manner:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 108
Superseding Revised Leaf No. 108

SERVICE CLASSIFICATION NO. 5

~~This leaf intentionally left blank.
RESIDENTIAL SPACE HEATING SERVICE~~

~~APPLICABLE TO USE OF SERVICE FOR~~

~~Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to residential customers, where electricity is a source of space heating subject to the conditions specified in "Special Provisions". All service at each residence shall be taken through one meter.~~

~~CHARACTER OF SERVICE~~

- ~~_____ Continuous, 60 cycle, A.C., from any of the following systems as designated by the Company:~~
- ~~_____ (1) _____ Single phase at approximately 120,120/208 or 120/240 volts.~~
- ~~_____ (2) _____ Three phase four wire at approximately 120/208 volts in limited areas.~~

~~RATE – MONTHLY~~

	<u>Summer Months*</u>	<u>Other Months</u>
(1) _____ <u>Customer Charge</u>	_____ \$5.41	_____ \$5.41
(2) _____ <u>Distribution Charge</u>		
_____ First 600 kWh@	_____ 5.340 ¢ per kWh	_____ 5.340 ¢ per kWh
_____ Over 600 kWh@	_____ 6.725 ¢ per kWh	_____ 5.340 ¢ per kWh

~~_____ *Definition of Summer Billing Months – June through September~~

~~_____ (Continued)~~

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 109
Superseding Revised Leaf No. 109

SERVICE CLASSIFICATION NO. 5

This leaf intentionally left blank.

~~RESIDENTIAL SPACE HEATING SERVICE (Continued)~~

~~RATE – MONTHLY (Continued)~~

~~(3) — Transmission Charge~~

~~(a) — These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.~~

	<u>Summer Months*</u>	<u>Other Months</u>
All kWh @	1.515 ¢ per kWh	1.515 ¢ per kWh

~~(b) — Transmission Surcharge — This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.~~

All kWh @	1.348 ¢ per kWh	1.348 ¢ per kWh
-----------------	-----------------	-----------------

~~(4) — Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.~~

~~The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, Securitization Charges, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, 35, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.~~

~~* Definition of Summer Billing Months — June through September~~

~~(Continued)~~

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 110
Superseding Revised Leaf No. 110

SERVICE CLASSIFICATION NO. 5

~~This leaf intentionally left blank.
RESIDENTIAL SPACE HEATING SERVICE (Continued)~~

~~**RATE – MONTHLY (Continued)**~~

~~_____~~
~~_____ (5) _____ Basic Generation Service~~

~~_____ Customers taking Basic Generation Service from the Company will be billed for such service
_____ in accordance with General Information Section No. 31.~~

~~In accordance with Riders CBT and SUT, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein.~~

~~**MINIMUM CHARGE EACH CONTRACT EACH LOCATION**~~

~~_____~~
~~_____ \$5.41 monthly, not less than \$32.46 per contract.~~

~~**TERMS OF PAYMENT**~~

~~_____ Bills are due in accordance with General Information Section No. 10.~~

~~**TERM**~~

~~_____ Terminable at any time unless a specified period is required under a line extension agreement.~~

~~**EXTENSION OF FACILITIES**~~

~~_____ Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.~~

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 111
Superseding Revised Leaf No. 111

SERVICE CLASSIFICATION NO. 5

~~This leaf intentionally left blank.
RESIDENTIAL SPACE HEATING SERVICE (Continued)~~

SPECIAL PROVISIONS

~~(A) Resistance Heating Equipment~~

~~No new residential customers with electric resistance space heating equipment will be provided hereunder unless one of the following conditions is met:~~

~~(a) The electric resistance heating equipment is supplementary to a heat pump system, energy storage system, or a system for which a renewable resource is the primary energy input;~~

~~(b) The customer established that heat requirements will be seasonal in nature and thus electric resistance is the most economic heat source for the customer.~~

~~(B) Religious Houses of Worship~~

~~Service will also be furnished to a religious house of worship and adjacent buildings (other than school buildings which substitute for public education), owned by the customer and operated in connection therewith, provided, however, that if the buildings of any such customer are separated by a highway or highways, then the electricity delivered to each so separated shall not be combined with the electricity delivered to other buildings but shall be billed separately under rates as specified in the applicable service classification.~~

~~(C) Short Term Service~~

~~Customers desiring service under this schedule for less than six months, where service is already installed, shall pay in advance the contract minimum as specified under "Minimum Charge Each Contract Each Location" or under an applicable line extension agreement, or, if the estimated bill for two months or such shorter period as service may be desired exceeds the contract minimum, the Company reserves the right to request a deposit equal to this estimated bill. A part of a month shall be considered a full month for computing all charges hereunder.~~

~~(D) Budget Billing Plan~~

~~Any customer taking service hereunder may, upon request, be billed monthly in accordance with the budget billing plan as provided for in General Information Section 8 of this tariff.~~

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 114
 Superseding Revised Leaf No. 114

**SERVICE CLASSIFICATION NO. 6
 PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY

(1) Distribution and Transmission Charges

(a) Luminaire Charges for Service Types A and B

<u>Nominal Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Total Wattage</u>	<u>Distribution Charge</u>
<u>Power Bracket Luminaires</u>				
5,800	Sodium Vapor	70	108	\$7.31
9,500	Sodium Vapor	100	142	8.79
16,000	Sodium Vapor	150	199	9.43
3,950	LED	25-39	35	8.54
5,550	LED	45-55	50	8.67
7,350	LED	56-70	65	8.75
<u>Street Lighting Luminaires</u>				
5,800	Sodium Vapor	70	108	\$10.17
9,500	Sodium Vapor	100	142	11.16
16,000	Sodium Vapor	150	199	13.72
27,500	Sodium Vapor	250	311	17.59
46,000	Sodium Vapor	400	488	29.03
3,000	LED	15-29	23	9.27
3,900	LED	30-39	35	9.08
5,000	LED	40-59	50	9.11
7,250	LED	60-89	68	9.50
12,000	LED	90-129	103	10.67
16,000	LED	130-169	140	11.20
22,000	LED	170-220	200	16.40
<u>Flood lighting Luminaires</u>				
46,000	Sodium Vapor	400	488	29.03
15,500	LED	100-159	125	12.90
27,000	LED	160-249	205	16.45
37,500	LED	250-320	290	17.92

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 115
 Superseding Revised Leaf No. 115

**SERVICE CLASSIFICATION NO. 6
 PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(a) Luminaire Charges for Service Types A and B (Continued)

<u>Nominal</u>			<u>Total</u>	<u>Distribution</u>
<u>Lumens</u>	<u>Luminaire Type</u>	<u>Watts</u>	<u>Wattage</u>	<u>Charge</u>

The following luminaires will no longer be installed. Charges are for existing luminaires only.

Power Bracket Luminaires

4,000	Mercury Vapor	100	127	\$11.34
7,900	Mercury Vapor	175	215	13.11
22,500	Mercury Vapor	400	462	20.92

Post Top Luminaires

16,000	Sodium Vapor-Offset	150	199	\$27.00
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Street Lighting Luminaires

4,000	Mercury Vapor	100	127	\$12.48
7,900	Mercury Vapor	175	211	14.26
22,500	Mercury Vapor	400	459	22.16
1,000	Incandescent	-	92	10.14
3,400	Induction	40	45	10.94
5,950	Induction	70	75	11.18
8,500	Induction	100	110	12.60
5,890	LED	70	74	11.98
9,365	LED	100	101	14.75

Flood lighting Luminaires

12,000	Mercury Vapor	250	296	\$17.93
40,000	Mercury Vapor	700	786	32.47
59,000	Mercury Vapor	1,000	1,105	40.43

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 116
Superseding Revised Leaf No. 116

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

RATE – MONTHLY (Continued)

(1) Distribution and Transmission Charges (Continued)

(b) Distribution Charges for Service Type C

Metered Service - Customer Charge at \$16.00 per month plus
Distribution Charge at 6.444 ¢ per kWh; or

Unmetered Service - Customer Charge at \$4.00 per month plus
Distribution Charge at 6.444 ¢ per kWh.

(c) Transmission Charges for Service Types A, B, and C

A Transmission Charge of 1.223 ¢ per kWh will apply to all customers taking Basic Generation Service from the Company. Transmission charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. Transmission charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1. A Transmission Surcharge, to recover Reliability Must Run Charges, of 0.000 ¢ per kWh will also apply to all customers taking Basic Generation Service from the Company.

For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

(2) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, ~~35~~, 36, and 37 respectively shall be assessed on all kWh delivered hereunder. For service type A, B, or C if not metered, the charges shall be applied to the kWh estimated as follows:

kWh = (Total Wattage divided by 1,000) times Monthly Burn Hours*

* See Monthly Burn Hours Table.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 118
Superseding Revised Leaf No. 118

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

MINIMUM CHARGE

The minimum charge per luminaire for Service Type A or B shall be the sum of the monthly Distribution and Transmission Charges as specified in RATE – MONTHLY, Part (1a) times twelve. Should the monthly charge be revised during the initial term, the minimum charge per installation shall be prorated accordingly.

The minimum charge for Service Type C - Metered shall be \$16.00 per month and not less than \$192.00 for the initial term.

The minimum charge for Service Type C - Unmetered shall be \$4.00 per month and not less than \$48.00 for the initial term.

TERM

The Initial Term shall be one year. Service shall continue in effect thereafter until canceled by either party upon thirty days written notice. The Company shall require an Initial Term of one year for each luminaire for Service Types A or B.

TERMS OF PAYMENT

Bills are due in accordance with General Information Section No. 10.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 119
Superseding Revised Leaf No. 119

**SERVICE CLASSIFICATION NO. 6
PRIVATE OVERHEAD LIGHTING SERVICE (Continued)**

SPECIAL PROVISIONS

Special Provisions A, B, D, E, F, and J apply only to Service Types A and B. Special Provision K applies only to Service Type C. Special Provisions C, G, H, and I apply to Service Types A, B, and C.

- (A) Street lighting luminaires will normally be mounted on eight foot aluminum brackets. Fifteen foot brackets are available at an additional charge of **\$0.71** per bracket per month.
- (B) Luminaires will be installed free of charge where all facilities necessary to serve a luminaire are present. Customer shall pay the cost of any additional facilities required, prior to the commencement of the construction of such facilities.
- (C) The customer shall furnish the Company with all easements or rights-of-way necessary to provide service to the desired location before any installation or construction will be started.
- (D) A customer may apply for service hereunder for a proposed residential subdivision in which all electric facilities will be underground. Such application shall be signed by the customer and builder or developer and when accepted by the Company, shall constitute an agreement between the Company, customer and builder or developer subject to the terms and provisions hereunder.

The builder or developer shall pay to the Company prior to the commencement of any construction all costs associated with the installation of the facilities to be serviced hereunder and shall prepay six times the total monthly charge for all luminaires installed. Said monthly charges shall be determined using the rates in effect at the time said costs and charges are determined. The Company shall not bill the customer for the first six months of service of the facilities installed under this special provision.

- (E) The Company shall not be obligated to repair or replace in kind any obsolete luminaire for which it cannot reasonably obtain the necessary parts. The Company will remove the obsolete luminaire or at the customer's request, replace it with any luminaire offered for service at that time for which the customer will be charged the appropriate rates.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 122
Superseding Revised Leaf No. 122

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE**

APPLICABLE TO USE OF SERVICE FOR

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to primary service customers who maintain a minimum demand of 1,000 kW during any two of the previous twelve months and provide all equipment required to take service at a primary voltage as designated by the Company. A primary customer who does not maintain a demand of at least 1,000 kW during any two of the previous twelve months, may, at the customer's option transfer to another Service Classification provided that such transfer shall only be made on an annual anniversary date that such customer began service hereunder.

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an electric generation supplier under the Company's Retail Access Program to high voltage distribution service customers with a minimum demand of 1,000 kW who provide all equipment required to take high voltage distribution service as designated by the Company. High voltage distribution service shall be made available at the sole discretion of the Company where conditions merit.

Customers with generators that meet the definition of distributed generation as defined in N.J.S.A. 48:2-21.37 shall be subject to the provisions of Service Classification Rider – Standby Service.

All service at one location shall be taken through one meter except that service taken under Special Provision A shall be separately metered.

CHARACTER OF SERVICE

Continuous, 60 cycles, A.C., single or three phase primary or high voltage distribution service as defined in General Information Section 26 and depending on the magnitude and characteristics of the load and the circuit from which service is supplied.

RATE – MONTHLY

	<u>Primary</u>	<u>High Voltage Distribution</u>
(1) <u>Customer Charge</u>	\$300.00	\$2,288.12

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 123
 Superseding Revised Leaf No. 123

**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE – MONTHLY (Continued)

(2) Distribution Charges

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$5.51 per kW	\$1.47 per kW
Period II	All kW @	1.35 per kW	0.34 per kW
Period III	All kW @	5.05 per kW	1.34 per kW
Period IV	All kW @	1.35 per kW	0.34 per kW
<u>Usage Charge</u>			
Period I	All kWh @	1.770 ¢ per kWh	0.203 ¢ per kWh
Period II	All kWh @	1.325 ¢ per kWh	0.151 ¢ per kWh
Period III	All kWh @	1.770 ¢ per kWh	0.203 ¢ per kWh
Period IV	All kWh @	1.325 ¢ per kWh	0.151 ¢ per kWh

(3) Transmission Charges

- (a) These charges apply to all customers taking Basic Generation Service from the Company. These charges are also applicable to customers located in the Company's Central and Western Divisions and obtaining Competitive Energy Supply. These charges are not applicable to customers located in the Company's Eastern Division and obtaining Competitive Energy Supply. The Company's Eastern, Central and Western Divisions are defined in General Information Section No. 1.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 124
 Superseding Revised Leaf No. 124

**SERVICE CLASSIFICATION NO. 7
 LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

RATE– MONTHLY (Continued)

(3) Transmission Charges (Continued)

(a) (Continued)

		<u>Primary</u>	<u>High Voltage Distribution</u>
<u>Demand Charge</u>			
Period I	All kW @	\$2.41 per kW	\$2.41 per kW
Period II	All kW @	0.64 per kW	0.64 per kW
Period III	All kW @	2.41 per kW	2.41 per kW
Period IV	All kW @	0.64 per kW	0.64 per kW
<u>Usage Charge</u>			
Period I	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh
Period II	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh
Period III	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh
Period IV	All kWh @	0.404 ¢ per kWh	0.404 ¢ per kWh

(b) Transmission Surcharge – This charge is applicable to all customers taking Basic Generation Service from the Company and includes surcharges related to Reliability Must Run, EL05-121 Settlement and Transmission Enhancement Charges.

		<u>Primary</u>	<u>High Voltage Distribution</u>
All Periods	All kWh @	0.474 ¢ per kWh	0.474 ¢ per kWh

(4) Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge.

The provisions of the Company's Societal Benefits Charge, Regional Greenhouse Gas Initiative Surcharge, ~~Securitization Charges~~, Temporary Tax Act Credit, and Zero Emission Certificate Recovery Charge as described in General Information Section Nos. 33, 34, ~~35~~, 36, and 37 respectively, shall be assessed on all kWh delivered hereunder.

(Continued)

ISSUED:

EFFECTIVE:

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

DRAFT

Revised Leaf No. 127
Superseding Revised Leaf No. 127

**SERVICE CLASSIFICATION NO. 7
LARGE GENERAL TIME-OF-DAY SERVICE (Continued)**

SPECIAL PROVISIONS

(A) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use shall be billed at a Distribution Charge of 3.973 ¢ per kWh during the billing months of October through May and 6.423 ¢ per kWh during the summer billing months, a Transmission Charge of 0.404 ¢ per kWh and a Transmission Surcharge of 0.404 ¢ per kWh during all billing months. The applicability of Transmission Charges and the Transmission Surcharge is described in Part (3) of RATE – MONTHLY.

When this option is requested it shall apply for at least 12 months and shall be subject to a minimum charge of \$26.87 per year per kW of space heating capacity. This provision applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit.

All usage under this Special Provision shall also be subject to Parts (4), (5), and (6) of RATE – MONTHLY. This Special Provision is not available to those customers taking high voltage distribution service.

This special provision is closed to new customers effective August 1, 2014.

(B) Budget Billing Plan

Any condominium association or cooperative housing corporation who takes service hereunder and any other customer taking service under Special Provision B of this Service Classification may, upon request, be billed monthly in accordance with the budget billing plan provided for in General Information Section 8 of this tariff.

(Continued)

ISSUED:

EFFECTIVE:

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



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION-
SETTLEMENT

OAL DKT. NO. PUC 05218-21

AGENCY DKT. NO. EO21030675

**In the Matter of the Verified Petition of
ROCKLAND ELECTRIC COMPANY for
the Approval of a Final Settlement of its
Transition Bond Transaction; and Other
Relief**

**In the Matter of the Verified Petition of
ROCKLAND ELECTRIC COMPANY for
Approval of Changes in Electric Rates, its
Tariff for Electric Service, and its
Depreciation Rates; and for Other
Relief**

OAL DKT. NO. PUC 05219-21

AGENCY DKT. NO. ER21050823

James C. Meyer, Esq., (Riker, Danzig, Scherer, Hyland & Perretti, LLP, attorneys) and **John L. Carley**, Esq., Associate General Counsel, for the Petitioner, Rockland Electric Company

T. David Wand, Esq., Managing Attorney, **Brian Weeks**, Deputy Rate Counsel, **Christine M. Juarez**, Esqs., **Robert Glover**, Esq. and **Bethany Rocque-Romaine**, Esq., Assistant Deputies Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

Terel Klein, Deputy Attorney General, **Meliha Arnautovic**, Deputy Attorney General and **Pamela Owen**, Deputy Attorney General, for Respondent Board of Public Utilities Staff (Andrew J. Bruck, Acting Attorney General of New Jersey, attorney)

Record Closed: December 3, 2021

Decided: December 8, 2021

BEFORE **THOMAS R. BETANCOURT**, ALJ:

STATEMENT OF THE CASE AND PROCEDURAL HISTORY

Petitioner filed a Verified Petition, with the Board of Public Utilities for approval of a final settlement of its transition bond transaction and the matter was transferred to the Office of Administrative Law (OAL) as a contested matter on June 14, 2021, bearing docket number PUC 05218-21. In addition, Petitioner filed a second Verified Petition, with the Board of Public Utilities seeking approval of amendments to its tariff to provide for an increase in rates and charges for electric service pursuant to N.J.S.A. 48:2-21 and for other relief, and the matter was transferred to the OAL as a contested matter on June 14, 2021 bearing docket number PUC 05219-21.

On July 6, 2021, Petitioner filed a Motion to admit John L. Carley, Esq., admitted to the New York and Connecticut bars, pro hac vice. On this same date, the undersigned entered an Order admitting John L. Carley, Esq., pro hac vice.

Pursuant to N.J.A.C. 1:1-13.1, et seq. a telephone prehearing conference was held on July 7, 2021 and a Prehearing Order and Consolidation Order were issued.

On July 12, 2021, an Amended Prehearing Order and an Amended Consolidation Order was issued to remove a duplicate Verified Petition that had been filed and reflect the correct caption listing the parties. The Amended Prehearing Order established a procedural schedule, including evidentiary hearings on January 5, 6, 11, 14 and 18, 2022. No motions to intervene or participate were filed.

On September 24, 2021, two public session hearings were held on the within matters.¹ On October 14, 2021, the undersigned granted the Parties' request to suspend the procedural schedule because agreement in principle had been reached on revenue requirements and to work on a Stipulation of Settlement. Prior to any further scheduled proceedings, the undersigned received electronically and via hand delivery the Stipulation of Settlement. That agreement more completely sets forth the terms and conditions of the settlement of all issues raised by the filings of the Company. The Stipulation is attached hereto and fully incorporated herein. The Stipulation was signed by Petitioner, the Board of Public Utilities Staff and the Division of Rate Counsel.

I have reviewed the record and terms of the Stipulations and **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with law.

I **CONCLUDE** that the Stipulation of Settlement meets the requirements of N.J.A.C. 1:1-19.1, and hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

¹ Due to the COVID-19 pandemic, the public hearings were conducted virtually, via Zoom with a dial-in option.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.



December 8, 2021
DATE

THOMAS R. BETANCOURT, ALJ

Date Received at Agency: _____

Date Mailed to Parties: _____

db