

**Rockland Electric Company**  
**Fact Sheet for Electric Rate Case (Docket ER06060483)**  
**Effective April 1, 2007**

In March 2007, the New Jersey Board of Public Utilities (NJBPU) approved a new three-year electric base rate plan for RECO that went into effect on April 1, 2007.

**Settlement Highlights:**

- Base Rate Increase \$6.4 million (equivalent to 3.4% overall)
- Rate Base --- \$131 million
- Effective date of new rates--- April 2007
- Test year---12 months ended December 31, 2006
- Return on equity ---9.75%
- Equity ratio ---46.5%
- Overall rate of return --- 7.83%
- Three-year term (i.e., no new rates before April 2010)

**Settlement Details:**

- \$6.4 million rate increase that reflected the following:
  - 9.75% ROE, Capital Structure – 46.5% Equity;
  - Actual operating costs for calendar year 2006 and adjustments for 2007 pension, OPEB, wage and benefit increases;
  - Recovery of major plant additions through June 30, 2007 (Cresskill Substation);
  - Recovery of incremental tree trimming program costs \$0.325 million;
  - Recovery of deferred removal costs and changes to current rate allowance for removal \$0.4 million;

**Last rate case**

- Rate decrease---\$7.2 million (effective August 2003)
- Phase II increase---\$2.7 million (effective August 2004)
- 9.75% allowed ROE