

MURPHY
McKEON P.C.
COUNSELLORS-AT-LAW

ROBERT H. OOSTDYK, JR.
ANTHONY M. BUCCO
JAMES T. BRYCE
CHRISTOPHER I. WOODS¹
DAVID J. RUITENBERG
SHARON L. WEINER²

JAMES M. PARISI¹

OF COUNSEL:
MARTIN F. MURPHY¹
JAMES L. McKEON, III¹
DIANA WALSH
SERENE M. HENNION

¹NEW JERSEY & NEW YORK BAR
²NEW JERSEY, NEW YORK & PENNSYLVANIA BAR

RIVERDALE SOUTH
51 ROUTE 23 SOUTH, P.O. BOX 70, RIVERDALE, NEW JERSEY 07457
TELEPHONE: (973) 835-0100 · FACSIMILE: (973) 835-1732
www.murphymckeonlaw.com

NEW YORK: 25 WEST STREET, WARWICK, NY 10990 · (845) 987-1577

Writer's Direct:
Tel. (973) 835-0100 ext. 1226
roostdyk@murphymckeonlaw.com

October 13, 2022

**In the Matter of the Petition of Butler Electric
for Approval of a Zero Emission Certificate Recovery Charge**

BPU Docket No. EO22100629

VIA ELECTRONIC MAIL ONLY

Carmen Diaz, Acting Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Acting Secretary Diaz:

Enclosed for filing by Butler Electric (the "Company"), please find an electronic copy of the Company's filing in accordance with the Board of Public Utilities' ("Board") Order in Docket Nos. EO18080899 and EO21111214, dated April 6, 2022.¹

The legislation establishing the Zero Emissions Certificate Recovery Charge ("ZECRC") directs the New Jersey Electric Distribution Companies ("EDCs") to return excess monies in each EDC's separate, interest bearing account to its retail distribution customers at the end of each energy year. In this filing, Butler Electric is proposing to set its Refund of Excess Collections Credit Rate ("RECCR") to \$0.000073 (a charge above the established \$0.00400 regular rate) as of January 1, 2023 to prevent further under-collection.

In October 2021, the Company filed to increase the RECCR (that is, to reduce the credit rate) from (-\$0.000149) per kilowatt-hour (w/o SUT) to (-\$0.000083) per kilowatt-hour (w/o SUT). The Company designed that proposed rate to return Energy Year 2021 over-collections of \$8,730.86 over a twelve-month period commencing January 1, 2022. However, the proposed rate did not become effective until May 1, 2022, resulting in an excess return of over collection to customers. As a result, the Company estimates an under-collected balance, including interest, of \$11,139.54 as of January 2023. Additionally, during Energy Year 2022, the Company's ZECRC over-collections totaled \$3,379.70. As a result, the estimated net balance for Energy years 2021 and 2022 would be an under-collected balance of \$7,754.89. Given this under-recovery, the Company is proposing to set the RECCR to \$0.000073 beginning January 1, 2023. Any remaining balance due to customers, including interest, will be carried over to the next year's RECCR filing.

¹ In re the Implementation of L. 2018, C. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants, and In re the Petition of Public Service Electric and Gas Company for Approval of a Zero Emission Certificate Recovery Charge, BPU Docket Nos. EO18080899 and EO21111214, Order dated April 6, 2022 (the "April 2022 Order").

Any delay in approval of setting the RECCR to \$0.000073 beyond January 1, 2023 could result in a further under-collection. Last year's delay has resulted in a rate increase above the initially noticed ZECRC of \$0.004000 per kilowatt-hour (w/o SUT). Given the sensitivities around timing and potential for an additional under-collection and resulting rate increase, the Company also requests that the Board allow this and future RECCR filings to be handled similarly to BGS reconciliation filings each year through 30-day-notice compliance filings with provisional rates subject to additional examination by the Board.² Going forward, this will allow the Company to most efficiently handle the ZECRC collection balances. It would also help reduce regulatory expenses related to notice requirements.

This filing includes the following:

- Attachment A – Calculation of Return of Excess Collections Credit Rate
- Attachment B – Redlined and Clean Electric Tariff Sheets

Furthermore, as directed by the Board's Order in Docket No. EO20030254, dated March 19, 2020, the Company hereby submits this filing via electronic delivery only to the Board Secretary, and will suspend submitting such filings as paper documents until the Board directs otherwise.

Thank you for your attention and consideration in this matter. If you have any questions regarding this filing, do not hesitate to contact me.

Very truly yours,

MURPHY McKEON, P.C.

Robert H. Oostdyk, Jr.
Robert H. Oostdyk, Jr.

cc: Service List

² Butler Electric made this same request in its October 2021 RECCR filing reference above, but the Board declined to rule on that request in the April 2022 Order. See April 2022 Order at pg. 3 ("The Board declines at this time to predetermine that Butler's future RECCR adjustment filings will not require, or will not otherwise justify according to the Board's discretion, the holding of public hearings.").

ATTACHMENT A

Butler Electric Zero Emission Certificate Recovery Charge (ZECRC) Calculation of Refund of Excess Collections Credit Rate (RECCR)

December 31, 2022 Ending Balance/Deficit for EY 2021	(\$11,134.59)
Balance for Energy Year 2022 Including Interest through December 2022	\$3,379.70
Total Refund due Customers	<u>-\$7,754.89</u>
 kWh Sales Forecast (January - December 2023)	 <u>106,700,670</u>
 Calculation of Proposed ZEC Refund Rate (Refund Due/Forecast kWh)	 <u>-0.000073</u>
 <u>ZEC Rate</u>	
Current as of December 2022	
Charge	0.004000
Return of Excess Collections	<u>-0.000083</u>
Total Charge	0.003917
 <u>Proposed as of January 2023</u>	
Charge	0.004000
Return(Charge) of Excess Collections	<u>0.000073</u>
Total Charge	0.004073

EY 2022 Zec Revenue Overcollection Refund

Month	kWh	Rate	Amount Refunded	Balance
<i>Dec-21</i>				(\$111.33)
<i>Jan-22</i>	9,436,471	0.000149	\$1,406.03	(\$1,517.36)
<i>Feb-22</i>	9,159,226	0.000149	\$1,364.72	(\$2,882.09)
<i>Mar-22</i>	7,013,223	0.000149	\$1,044.97	(\$3,927.06)
<i>Apr-22</i>	7,226,017	0.000149	\$1,076.68	(\$5,003.74)
<i>May-22</i>	7,026,776	0.000083	\$583.22	(\$5,586.96)
<i>Jun-22</i>	9,212,581	0.000083	\$764.64	(\$6,351.60)
<i>Jul-22</i>	11,892,701	0.000083	\$987.09	(\$7,338.70)
<i>Aug-22</i>	13,297,197	0.000083	\$1,103.67	(\$8,442.36)
<i>Sep-22</i>	10,354,422	0.000083	\$859.42	(\$9,301.78)
<i>Oct-22</i>	7,300,605	0.000083	\$605.95	(\$9,907.73)
<i>Nov-22</i>	7,221,984	0.000083	\$599.42	(\$10,507.16)
<i>Dec-22</i>	7,559,468	0.000083	\$627.44	(\$11,134.59)

January 2022 - September 2022 kWh are actuals

October - December 2022 based on 2021 usage

EY 2022 Zec Revenue Collection with Interest through December 31, 2022

Month	kWh	kWh * \$0.004	ZEC Paid Out	Interest Rate	Days in Month	Month End Balance	Monthly Interest	Cumulative	
								Interest on Billings	Cumulative Total
Jun-21	9,547,928	\$38,191.71		0.25%	30	\$38,191.71	\$7.85	\$7.85	\$38,199.56
Jul-21	11,976,697	\$47,906.79		0.25%	31	\$86,098.50	\$18.28	\$26.13	\$86,124.63
Aug-21	11,387,349	\$45,549.39		0.25%	31	\$131,647.89	\$27.95	\$54.08	\$131,701.98
Sep-21	10,349,623	\$41,398.49		0.25%	30	\$173,046.39	\$35.56	\$89.64	\$173,136.03
Oct-21	7,300,605	\$29,202.42		0.25%	31	\$202,248.81	\$42.94	\$132.58	\$202,381.39
Nov-21	7,221,984	\$28,887.94		0.25%	30	\$231,136.74	\$47.49	\$180.08	\$231,316.82
Dec-21	7,559,468	\$30,237.87		0.25%	31	\$261,374.61	\$55.50	\$235.57	\$261,610.19
Jan-22	9,436,471	\$37,745.88		0.25%	31	\$299,120.50	\$63.51	\$299.09	\$299,419.58
Feb-22	9,159,226	\$36,636.90		0.25%	28	\$335,757.40	\$64.39	\$363.48	\$336,120.88
Mar-22	7,013,223	\$28,052.89		0.25%	31	\$363,810.29	\$77.25	\$440.72	\$364,251.02
Apr-22	7,226,017	\$28,904.07		0.25%	30	\$392,714.36	\$80.69	\$521.42	\$393,235.78
May-22	7,026,776	\$28,107.10		0.25%	31	\$420,821.46	\$89.35	\$610.77	\$421,432.23
Jun-22				0.25%	30	\$420,821.46	\$86.47	\$697.24	\$421,518.70
Jul-22				0.25%	31	\$420,821.46	\$89.35	\$786.59	\$421,608.06
Aug-22			\$418,232.67	0.25%	29	\$3,375.39	\$83.59	\$870.18	\$3,458.97
Sep-22				0.25%	30	\$3,375.39	\$0.69	\$2.19	\$3,377.58
Oct-22				0.25%	31	\$3,375.39	\$0.72	\$2.91	\$3,378.29
Nov-22				0.25%	30	\$3,375.39	\$0.69	\$3.60	\$3,378.99
Dec-22				0.25%	31	\$3,375.39	\$0.72	\$4.32	\$3,379.70

Payments made August 29, 2022

PSERT	\$305,196.89
Exelon	\$113,035.78
Total	\$418,232.67

TOTAL Amount to be Refunded to Customers

\$3,379.70

2023 Energy Usage Forecast For Butler Electric

Jan-23	9,436.471	MWH
Feb-23	9,159.226	MWH
Mar-23	7,013.223	MWH
Apr-23	7,226.017	MWH
May-23	7,026.776	MWH
Jun-23	9,212.581	MWH
Jul-23	11,892.701	MWH
Aug-23	13,297.197	MWH
Sep-23	10,354.422	MWH
Oct-23	7,300.605	MWH
Nov-23	7,221.984	MWH
Dec-23	7,559.468	MWH
Total	106,700.670	MWH

Jan-Sept 2023 based on actuals through September 2022.

Oct - Dec 2023 estimate based on 2021 usage

APPENDIX B

Revised Sheet No. 23

**Borough of Butler Electric Utility
BPU No. 1 Electricity
Rate Schedule No. 7
Sales and Use Tax
Zero Emission Certificate Charge**

In accordance with P.L. 1997, c. 162, all charges for electricity supplied are subject to the New Jersey Sales and Use Tax ("SUT") as computed by multiplying the charges that would apply before application of the SUT by 0.06625

The New Jersey Board of Public Utilities issued a Zero Emission Certificate (ZEC) Charge Order in connection with BPU Docket No. EO18080899 and ~~?????~~ _____ authorizing implementation of a non-bypassable, irrevocable charge of .004 dollars per KWH. The ZEC charge reflects the emission avoidance benefits of the continued operation of selected nuclear plants.

Also in accordance with the ZEC Law, the proceeds of the ZEC Charge are placed in a separate, interest-bearing account and will be used solely to purchase ZECs. Refunds will be provided to the customers served under each of the Company's rate schedules in proportion to the ZEC Charge revenues contributed by the rate schedule. The ZEC Reconciliation Charge for the period beginning ~~(May 1, 2022)~~ **January 1, 2023** will be ~~(\$0.000083)~~**\$0.000073** per kilowatt-hour (w/o SUT).

ZERO EMISSION CERTIFICATE RECOVERY CHARGE:

Charge.....	\$ 0.004000
Return of Excess Collections.....	(\$0.000083) \$ 0.000073
Total Charge.....	\$0.003917 \$ 0.004073
 Charge including New Jersey Sales and Use Tax (SUT)	 \$0.004176 \$ 0.004327

The ZEC Charge shall be applied to the KWH usage on the bills of all customers outside of the Borough of Butler served under this schedule.

Issued:

Effective for service rendered on or
after ~~M~~**January 1, 2023**

Issued by James P. Lampmann
Borough Administrator
Butler, New Jersey

Filed pursuant to Order of the Board of Public Utilities

Dated April 6, 2022

in Docket No. EO18080899 and EO21111214

**Borough of Butler Electric Utility
BPU No. 1 Electricity
Rate Schedule No. 7
Sales and Use Tax
Zero Emission Certificate Charge**

In accordance with P.L. 1997, c. 162, all charges for electricity supplied are subject to the New Jersey Sales and Use Tax ("SUT") as computed by multiplying the charges that would apply before application of the SUT by 0.06625

The New Jersey Board of Public Utilities issued a Zero Emission Certificate (ZEC) Charge Order in connection with BPU Docket No. EO18080899 and EO21111214 authorizing implementation of a non-bypassable, irrevocable charge of .004 dollars per KWH. The ZEC charge reflects the emission avoidance benefits of the continued operation of selected nuclear plants.

Also in accordance with the ZEC Law, the proceeds of the ZEC Charge are placed in a separate, interest-bearing account and will be used solely to purchase ZECs. Refunds will be provided to the customers served under each of the Company's rate schedules in proportion to the ZEC Charge revenues contributed by the rate schedule. The ZEC Reconciliation Charge for the period beginning January 1, 2023 will be \$0.000073 per kilowatt-hour (w/o SUT).

ZERO EMISSION CERTIFICATE RECOVERY CHARGE:

Charge.....	\$ 0.004000
Return of Excess Collections.....	\$ <u>0.000073</u>
Total Charge.....	\$ 0.004073
 Charge including New Jersey Sales and Use Tax (SUT)	 \$ 0.004327

The ZEC Charge shall be applied to the KWH usage on the bills of all customers outside of the Borough of Butler served under this schedule.

Issued:

**Effective for service rendered on or
after January 1, 2023**

**Issued by James P. Lampmann
Borough Administrator
Butler, New Jersey**

Filed pursuant to Order of the Board of Public Utilities

Dated _____ in Docket No. _____