



June 30, 2021

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of the Next Phase of the Gas System
Modernization Program and Associated Cost
Recovery Mechanism ("GSMP II")
(June 2021 GSMP II Rate Filing)

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of petitioner Public Service Electric and Gas Company is the Petition, Testimony of Wade Miller, Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

Please be advised that workpapers are being provided via electronic version only.

Consistent with the Order issued by the Board in connection with In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being filed electronically with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", with a long, sweeping flourish extending from the end.

C Attached service list (via e-mail)

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF THE NEXT)BPU DOCKET NO. _____
PHASE OF THE GAS SYSTEM MODERNIZATION)
PROGRAM AND ASSOCIATED COST)
RECOVERY MECHANISM (“GSMP II”))
(JUNE 2021 GSMP II RATE FILING)

VERIFIED PETITION

Public Service Electric and Gas Company (PSE&G, the Company, or Petitioner), a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully petitions the New Jersey Board of Public Utilities (Board or BPU) pursuant to *N.J.S.A. 48:2-21* as follows:

INTRODUCTION AND OVERVIEW

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service (BGS), and distribution of gas and the provision of Basic Gas Supply Service (BGSS), for residential, commercial and industrial purposes within the State of New Jersey. PSE&G provides service to approximately 2.3 million electric and 1.8 million gas customers in an area having a population in excess of six million persons and that extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton and south to Camden, New Jersey.

2. Petitioner is subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution and natural gas distribution service pursuant to *N.J.S.A. 48:2-13, et seq.*

3. PSE&G is filing this Petition seeking Board approval for gas base rate changes to provide for cost recovery associated with the extension of the Company's Gas System Modernization Program (GSMP II or the Program) as approved by the Board Order dated May 22, 2018 in GR17070776 (GSMP II Order). In that Order the Board adopted a Stipulation (the Stipulation) that explicitly authorizes this rate filing in December 2020 for rates to be effective June 1, 2021.

4. Paragraph 35 of the Stipulation provides: To effectuate the cost recovery process for the GSMP II Rate Mechanism investments, PSE&G shall proceed on the below schedule following public notice and public hearing, recognizing that the prudence of the investments will be determined in the base rate case following the placement of the investments into service. The schedule below anticipates semi-annual notice, public hearings, and rate adjustments to cover all rate changes for the GSMP II Rate Mechanism investments. The effective dates for the adjustments may be revised by agreement of the Parties in the Company's 2018 base rate case.

5. Paragraph 36 of the Stipulation provides the following proposed schedule of Rates Effective, Initial Filing, Investment as of, and True-up Filing dates for all rate roll-ins as reflected below, subject to the requirement that at least 10% of Program investment be in-service for each roll-in:

GSMP II Rate Roll-in Schedule				
Roll-in #	Rates Effective	Initial Filing	Investment as of	True-up Filing
1 ¹	12/1/19	6/30/19	8/31/19	9/15/19
2	6/1/20	12/31/19	2/29/20	3/15/20
3	12/1/20	6/30/20	8/31/20	9/15/20
4	6/1/21	12/31/20	2/28/21	3/15/21
5	12/1/21	6/30/21	8/31/21	9/15/21
6	6/1/22	12/31/21	2/28/22	3/15/22
7	12/1/22	6/30/22	8/31/22	9/15/22
8	6/1/23	12/31/22	2/28/23	3/15/23
9	12/1/23	6/30/23	8/31/23	9/15/23
Final ²	10/1/24	4/31/24	6/30/24	7/15/24

BACKGROUND

6. On July 27, 2017 Public Service petitioned the Board in BPU Docket No. GR17070776 for approval of GSMP II. The Program as filed is an extension of PSE&G's Gas System Modernization Program (GSMP), and was designed to replace cast iron (CI) mains and unprotected steel (US) mains and services; address the abandonment of district regulators associated with this cast iron and unprotected steel plant; rehabilitate large diameter elevated pressure cast iron; upgrade utilization pressure (UP) portions of the system to elevated pressure (EP); replace limited amounts of protected steel and plastic mains; and relocate inside meter sets. The proposed Program would result in the replacement of approximately 250 miles of main per year, with estimated investment of approximately \$2.68 billion for the full five years, or approximately \$536 million per year.

7. Public comment hearings on the petition were held in afternoons and evenings in New Brunswick, New Jersey on January 17, 2018; in Mt. Holly, New Jersey on January 18, 2018; and in Hackensack, New Jersey on January 25, 2018. While the petition proposed no

rate increases, the projected rate impacts of the program in the petition appeared in the public notice for those public comment hearings.

8. The Stipulation approved in the GSMP II Order provided that the GSMP II program shall include an investment level of up to \$1.575 billion, which excludes the costs associated with any allowance for funds used during construction (AFUDC). The Stipulation also required that the Company make certain investments not eligible for accelerated recovery (Stipulated Base), which are described in more detail below, as well as maintain baseline capital expenditures at a minimum of \$155 million per year from 2019 through 2023. The Program investment is eligible for recovery through rate adjustments in accordance with the Alternative Rate Mechanism set forth in the Stipulation. Recovery of GSMP II program type investments beyond \$1.575 billion may be sought through a base rate case. Costs recoverable under the accelerated rate mechanism shall not exceed \$1.80 million per mile. Costs incurred by the Company in excess of the \$1.80 million/mile on its replacements will be credited toward the baseline capital expenditure requirement for the year in which the cost is incurred. Recovery of costs in excess of \$1.80 million per mile may be sought through a base rate case.

9. GSMP II investments include: the costs to replace PSE&G's Utilization Pressure Cast Iron (UPCI) mains and associated services, and Unprotected Steel mains and associated services; the costs required to uprate the UPCI systems (including the uprating of associated protected steel and plastic mains and associated services) to higher pressures; and costs associated with the installation of excess flow valves and the elimination of district regulators, where applicable. The program investment excludes: the costs to replace elevated pressure cast iron (EPCI), plastic and cathodically protected steel mains, costs to reinforce

EPCI joints and meters, and the additional costs associated with the relocation of inside meter sets to outdoor locations.

10. During the five years 2019 through 2023, the Company will be required to make certain capital expenditures, known as the Stipulated Base, that is not recoverable through the Alternative Rate Mechanism set forth in the Stipulation. The Stipulated Base is required to be at least \$300 million during the five-year Program, with no less than \$20 million expended in each calendar year on certain capital projects. Stipulated Base expenditures include: the replacement of UPCI or EPCI cast iron and unprotected steel mains and associated services; the costs required to uprate the UPCI system if applicable (including the uprating of associated protected steel and plastic mains and services) to higher pressures; the elimination, where applicable, of district regulators, and the installation of excess flow valves associated with the Stipulated Base; the additional costs related to the relocation of inside meter sets associated with Stipulated Base projects; reinforcement of EPCI joints; and replacement of plastic and cathodically protected steel main, as well as the Program main replacements. The Stipulated Base does not include the costs of replacement meters or expenditures related to leak repairs.

11. The GSMP II Order outlined the Minimum Filing Requirements (MFRs) for the GSMP II rate recovery petitions such as this. A matrix setting forth the location of each MFR is provided in Appendix A to this Petition.

REQUEST FOR COST RECOVERY

12. Consistent with the GSMP II Order, PSE&G is seeking BPU approval to recover the revenue requirements associated with certain capitalized investment costs of

GSMP II through August 31, 2021. The annualized increase in gas revenue requirement associated with those investment costs is approximately \$33.765 million in revenue and is supported by Attachment 2, Schedule SS-GSMP-2 attached hereto. The rate adjustments in this filing are for recovery of costs associated with GSMP II Program investment that is anticipated to be in service by August 31, 2021. The projected amounts of plant placed in service from June 1, 2021 through August 31, 2021 will be updated for actual results by September 15, 2021.

13. As required by the GSMP II Order and Stipulation, the proposed gas rate adjustments are structured consistent with the rate design methodology used to set rates in the most recent base rate case. The Company has utilized weather normalized annualized billing determinants from the latest approved base rate case. The detailed calculation supporting the gas rate design is shown in Attachment 2, Schedule SS-GSMPII-5.

14. Attachment 1 is the testimony of Wade E. Miller, Director – Gas Transmission & Distribution Engineering addressing the progress of the GSMP II and anticipated plant in-service at the end of August 31, 2021. Attachment 2 is the testimony of Stephen Swetz supporting the revenue requirement and rate calculations.

15. The annual average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-GSMPII-6. The annual impact of the proposed rates to the typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually is an increase in the annual bill from \$895.42 to \$914.00 or \$18.58 or approximately 2.08% (based upon Delivery Rates and BGSS-RSG charges in effect as of June 1, 2021, and assuming that the customer receives BGSS service from PSE&G).

16. Attachment 3 is a draft Form of Notice of Filing and of Public Hearings (Form of Notice). This Form of Notice will be placed in newspapers having a circulation within the Company's gas service territory upon scheduling of public hearings. A Notice will be served on the County Executives and Clerks of all municipalities within the Company's gas service territory upon scheduling of public hearings.

17. In accordance with the Board's Covid-19 order,^[1] notice of this filing, the Petition, testimony, and schedules will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street 4th Floor, Trenton, N.J. 08625 by electronic mail. Electronic copies of the Petition, testimony, and schedules will also be sent to the persons identified on the service list provided with this filing.

18. Attachments 4 and 5 are the income statement and balance sheet required by the Minimum Filing Requirements in the GSMP II Order.

19. PSE&G requests that the Board find that the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule SS-GSMP II-5, are just and reasonable, and that PSE&G should be authorized to implement the proposed rates as set forth herein, effective December 1, 2021 upon issuance of a written BPU order.

20. Any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of *N.J.S.A.* 48:2-21 and for other

^[1] See, In the Matter of the New Jersey Board of Public Utilities' Response to the Covid-19 Pandemic for a Temporary Waiver of the Requirements for Certain Non-Essential Obligations, Docket No. EO20030254, dated March 19, 2020.

good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the average percentage changes in final rates may increase or decrease compared to the proposed rates based upon the Board's decision.

COMMUNICATIONS

21. Communications and correspondence related to the Petition should be sent as follows:

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CONCLUSION AND REQUESTS FOR APPROVAL

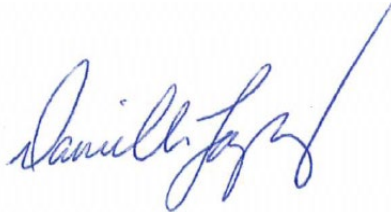
For all the foregoing reasons, PSE&G respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

22. PSE&G is authorized to recover all costs identified herein associated with GSMP II Program costs incurred through August 31, 2021, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and

23. The rates as calculated in the proof of revenue, Attachment 2, Schedule SS-GSMPII-5, are just and reasonable and may be implemented for service rendered on and after December 1, 2021.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



By _____
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DATED: June 30, 2021

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF THE NEXT)BPU DOCKET NO. _____
PHASE OF THE GAS SYSTEM MODERNIZATION)
PROGRAM AND ASSOCIATED COST)
RECOVERY MECHANISM ("GSMP II"))
(JUNE 2021 GSMP II RATE FILING)

CERTIFICATION

I, David J. Zarra, of full age, certifies as follows:

1. I am Manager of Revenue Requirements of PSEG Services Corporation.
2. I have read the contents of the foregoing Petition, and the information contained therein are true and correct to the best of my knowledge, information, and belief.

Dated: June 30, 2021

BY



David J. Zarra

PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Gas System Modernization Program II	
MINIMUM FILING REQUIREMENT(MFR)	LOCATION IN FILING
1. PSE&G's income statement for the most recent 12 month period, as filed with the BPU	Attachment 4
2. PSE&G's balance sheet for the most recent 12 month period, as filed with the BPU	Attachment 5
3. A calculation of the proposed rate adjustment based on details related to Program projects included in Plant in Service.	Attachment 2, Schedule SS-GSMPII-5
3a. A calculation of the associated depreciation expense, based on those projects closed to Plant in Service during the period	Attachment 2, Schedule SS-GSMPII-2
4. A revenue requirement calculation showing the actual capital expenditures for the period for which the filing is made, as well as supporting calculations.	Attachment 2, Schedule SS-GSMPII-2
5. Copies of the current and all previously filed Monthly Reports.	Attachment 1, Schedule WEM-GSMPII-2

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of the Next Phase of the Gas
System Modernization Program and Associated Cost
Recovery Mechanism (“GSMP II”)
(June 2021 GSMP II Rate Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

**WADE E. MILLER
DIRECTOR – GAS TRANSMISSION &
DISTRIBUTION ENGINEERING**

June 30, 2021

ATTACHMENT 1

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
2 **DIRECT TESTIMONY**
3 **OF**
4 **WADE E. MILLER**
5 **DIRECTOR – GAS TRANSMISSION & DISTRIBUTION ENGINEERING**

6 **Q. Please state your name and title.**

7 A. My name is Wade E. Miller. I am the Director – Gas Transmission & Distribution
8 Engineering for Public Service Electric and Gas Company (“PSE&G”, “the Company”, or
9 “Petitioner”). I am responsible for gas system planning and reliability as well as the safe and
10 efficient engineering, design, and operating procedures of PSE&G’s gas transmission and
11 distribution assets. I am also responsible for the management of the gas Transmission and
12 Distribution Integrity Management Programs, operation and maintenance of 58 metering and
13 regulating stations, four gas plants, and gas control to PSE&G’s gas customers. My credentials
14 are set forth in the attached Schedule WEM-GSMPII-1.

15 **Q. What is the purpose of your testimony?**

16 A. This testimony provides information on the status of certain projects and expenditures
17 related to PSE&G’s Next Phase of the Gas System Modernization Program and Associated Cost
18 Recovery Mechanism (“GSMP II”), which was approved in an Order of the New Jersey Board of
19 Public Utilities (“BPU” or “Board”) dated May 22, 2018 in BPU Docket No. GR17070776
20 (“GSMP II Order”).

OVERVIEW OF GAS SYSTEM MODERNIZATION PROGRAM

Q. Please describe the Company's GSMP II.

A. The Stipulation approved in the GSMP II Order allowed PSE&G to seek accelerated recovery on certain investments, referred to as "Program Investment" along with base spend requirements on similar work referred to as "Stipulated Base". The Program allowed for investment up to \$1.575 billion—representing replacement of 875 miles of main—which excludes the costs associated with the Stipulated Base and any allowance for funds used during construction ("AFUDC").

Q. Please describe the GSMP II Program Investments eligible for accelerated recovery.

A. Program investments include the costs to replace PSE&G's Utilization Pressure Cast Iron ("UPCI") mains and associated services and Unprotected Steel ("US") mains and associated services, the costs required to uprate the UPCI systems (including the uprating of associated protected steel and plastic mains and associated services) to higher pressures, and costs associated with the installation of excess flow valves and the elimination of district regulators, where applicable. The Program investment excludes: costs to replace elevated pressure cast iron ("EPCI"), plastic and cathodically protected steel mains; costs to reinforce EPCI joints; cost of replaced meters; and the additional costs associated with the relocation of inside meter sets to outdoor locations.

Q. Is there a cost per mile cap for accelerated recovery?

A. Yes. Per the GSMP II Order, for purposes of accelerated recovery only, cost recoverable under the accelerated mechanism shall not exceed \$1.80 million per mile.

ATTACHMENT 1

1 However, the \$1.80 million per mile is only a limit for accelerated cost recovery. Costs
2 incurred in excess of the \$1.80 million per mile can be credited toward the Company's baseline
3 capital expenditure requirement, which will be described in more detail below, in the year
4 incurred. Recovery of costs in excess of the \$1.80 million per mile can be sought in a base rate
5 case.

6 **Q. Please describe the Stipulated Base part of this program.**

7 A. During the five years 2019 through 2023, the Company is required to spend \$300
8 million over the five-year program period—with no less than \$20 million expended in each
9 calendar year. If the Company spends less than \$30 million in a year or less than \$100 million
10 by the end of 2021, the Company must notify Board Staff and Rate Counsel and schedule a
11 conference within 30 days of the date the Company provides such notice. An exemption can
12 be granted based on extraordinary circumstances.

13 **Q. Please describe the investments that can be included as Stipulated Base.**

14 A. Stipulated Base expenditures include the replacement of cast iron (Utilization Pressure
15 and Elevated Pressure) and unprotected steel mains and associated services, as well as the costs
16 required to uprate the UPCI system if applicable (including the uprating of associated protected
17 steel and plastic mains and services) to higher pressures and the elimination, where applicable,
18 of district regulators, the installation of excess flow valves associated with the Stipulated Base,
19 reinforcement of EPCI joints, replacement of plastic and cathodically protected steel main, and
20 the additional costs associated with the relocation of inside meter sets that is associated with
21 the Stipulated Base as well as the Program main replacements. The Stipulated Base does not
22 include the costs of replacement meters or expenditures related to leak repairs.

ATTACHMENT 1

1 **Q. Is there a baseline capital expenditure requirement?**

2 A. Yes. Per the GSMP II Order, the Company is required to maintain baseline capital
3 expenditures levels from 2019 through 2023 of at least \$155 million per year. As noted above,
4 any costs exceeding the \$1.80 million per mile cap for accelerated recovery can be included
5 toward the \$155 million baseline expenditure requirement.

6 **Q. Did the Company agree to reduce its leak inventory as part of the GSMP II Order?**

7 A. Yes. The Company agreed to reduce its year-end open leak inventory by one percent
8 each year of the Program, except under extraordinary circumstances as specified in the GSMP
9 II Order.

10 **Q. Was the Company required to conduct a methane leak survey?**

11 A. Yes. The Company agreed to conduct a methane leak survey of approximately 280
12 miles of UPCI during the planning period of the Program and report the results in accordance
13 with Attachment D of the GSMP II Order.

14 **GSMPII STATUS UPDATE**

15 **Q. Can you provide details on the implementation of the Program to date and**
16 **particularly the projects in-service that are a part of this rate filing?**

17 A. Yes. All aspects of the Program are proceeding well. Through May 31, 2021 the
18 Company has replaced over 638.4 miles of main and 44,054 services. The rate adjustments in
19 this filing are for recovery of costs associated with gas plant anticipated to be in service by August
20 31, 2021, but that were not placed in service in a prior rate adjustment. A breakdown of this work
21 on investment proposed to be in rates is provided in the monthly reports provided in Schedule
22 WEM-GSMPII-2.

ATTACHMENT 1

1 The expenditures are listed in Schedule WEM-GSMPII-3 and include actual expenditures
2 through May 31, 2021 and a forecast of gas capital expenditures from June 1, 2021 through
3 August 31, 2021 associated with gas plant that is anticipated to be in service by August 31, 2021.

4 **Q. Has the Company included contingency in its forecasted expenditures?**

5 A. Yes. To address the possibility that PSE&G may experience higher plant in service
6 amounts and/or higher expenditures than currently anticipated by August 31, 2021, this forecast
7 is inclusive of contingency for this rate filing. Pursuant to the GSMP II Order, PSE&G will
8 update this filing with actual financial data through August 31, 2021 and adjust the rate impacts
9 accordingly, by September 15, 2021. PSE&G's update of this filing for actual data through
10 August 31, 2021 will assure that only plant in-service is included in rates implemented as a result
11 of this filing.

12 **Q. What are the projects expected to be in service by the end of the roll-in period?**

13 A. With regard to the Program investments, PSE&G anticipates having a total of 728.5 miles
14 of main installed and in-service, 52,433 services replaced and in-service, and 78 district regulators
15 abandoned as of August 31, 2021. Some trailing work associated with the main installed, such as
16 service replacements, district regulator abandonments and pavement restoration, may not be
17 completed by that date.

ATTACHMENT 1

1 **Q. What is the status of the Company's Stipulated Base expenditures?**

2 A. The Company currently expects Stipulated Base expenditures through December 31, 2021
3 of approximately \$53 million, exceeding the minimum annual required investment of \$20 million
4 for 2021, as well as the \$30 million minimum requiring a conference with Staff and Rate Counsel.

5 **Q. Does the Company anticipate meeting the \$155 million baseline expenditure**
6 **requirement?**

7 A. Yes. The Company anticipates meeting or exceeding the \$155 million baseline
8 requirement by the end of 2021.

9 **Q. What was the Company's 2020 open leak inventory and resulting 5-year average**
10 **leak inventory for 2014 – 2018?**

11 A. The Company's 2020 open leak inventory was 965. Based on the open leak inventory
12 from 2014 – 2018 as specified in paragraph 27 of the Stipulation approved in the GSMP II
13 Order, the 5 year average leak inventory is 1677 as set forth in the below chart.

yr	Open leaks YTD
2014	1710
2015	2314
2016	1649
2017	1481
2018	1230
5 yr avg	1677

14 **Q. What is the Company's cap on open leaks for 2021?**

15 A. For 2021, the Company's cap is reduced by 1% of the 5 year average leak inventory
16 specified above, or 1,660. Thereafter the cap continues to be reduced by 1% per year. The
17 Company anticipates reducing its leak inventory to or below the cap by the end of the year.

ATTACHMENT 1

1 **Q. Did the Company conduct the methane leak survey required in the GSMP II**
2 **Order?**

3 A. Yes. The Company conducted the survey in 2018 at a cost of \$50,000, submitted the
4 report to the BPU on March 1, 2019, and submitted the report with updated grid information
5 on February 26, 2021, as required by Attachment D of the GSMP II Order.

6 **Q. Does this complete your testimony at this time?**

7 A. Yes, it does.

ATTACHMENT 1

SCHEDULE INDEX

Schedule WEM-GSMPII-1	Credentials
Schedule WEM-GSMPII-2	Monthly Reports
Schedule WEM-GSMPII-3	GSMP II & Stipulated Base Forecast

**CREDENTIALS
OF
WADE E. MILLER
DIRECTOR – GAS TRANSMISSION &
DISTRIBUTION ENGINEERING**

I received a Bachelor of Science Degree in Mechanical Engineering from The College of New Jersey in 2000. I also received my Engineer-In-Training certification in 2000. I became licensed as a Professional Engineer with the State of New Jersey in 2006. I also received my certification as a Project Management Professional with the Project Management Institute in 2006. In 2007, I earned the designation of Registered Gas Distribution Professional from the Gas Technology Institute.

I was employed by PSE&G in June 2000 as an Associate Engineer in the Trenton Gas Distribution District where I began my training program and was mentored under a senior engineer. In 2001, I was relocated from Trenton District to Burlington District where I acted as the sole engineer. In 2003, I was promoted to the position of Lead Engineer. During my first four years, I provided engineering and managerial support for all phases of planning, design, construction, and maintenance of the gas distribution system while adhering to the established capital and O&M budgets.

In 2004, I was promoted to the position of Supervising Engineer in the Asset Management department and given the responsibility for the approval of all

1 engineering designs associated with new and replacement main requisitions, district
2 and pound to pound regulator installations, large volume meter sets, higher than normal
3 delivery pressure requests, gas load increase submittals, and written gas out procedures
4 covering six of the twelve gas districts. In addition, I was also responsible for
5 developing the replacement main plans for these same six districts including
6 identification and prioritization.

7 In 2007, I was promoted to the position of Planning & Design Manager
8 in the Asset Management department overseeing a team of engineers and given the
9 responsibility for developing and maintaining Company design standards for the Gas
10 system, maintaining system integrity, and providing technical support to gas field
11 operations. I was also responsible for developing the annual replacement main,
12 regulator, and system reinforcement programs for the Company.

13 In April 2014, I assumed my current position, which involves overall
14 responsibility for system planning and reliability as well as the safe and efficient
15 engineering, design, and operating procedures of PSE&G's gas transmission and
16 distribution assets. I am also responsible for the management of the Transmission and
17 Distribution Integrity Management Programs, operation and maintenance of 58
18 metering & regulating stations, four gas plants, and gas control to over 1.8 million
19 customers.

20 I am the Committee sponsor for PSE&G's Gas Engineering Committee

1 which is responsible for approval of action items due to regulatory changes and changes
2 to Company technical manuals, the Operator Qualification program, Integrity
3 Management programs, and new technology and materials.

4 I am a member of the Operations Safety Regulatory Action committee
5 and the Engineering committee of the American Gas Association. In addition, I am a
6 member of the Executive Committee of the Society of Gas Operators.



January 28, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – NOVEMBER 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for November 2020 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

The GSMP II was approved by a Board Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G is operating the Program. This report is filed pursuant to paragraph 43 of that Stipulation and is designed to address the first four items contained in Attachment C to that Stipulation.

The first three items are addressed in the attached materials. With regard to item 4, there were no funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the Program projects.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez".

Danielle Lopez

CC - E-Mail Only:

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

[illegible]

PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT

WEM-GSMP II-2
Page 4 of 27

1) PSE&G's overall approved GSMP II Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program
Replacement Main	\$ 1,087,400,000
Replacement Service	\$ 482,000,000
Regulator Elimination	\$ 5,600,000
Total	\$ 1,575,000,000

November PTD Budget	November PTD Actual
\$ 528,569,063	\$ 519,879,278
\$ 162,465,186	\$ 141,239,664
\$ 1,482,853	\$ 1,099,496
\$ 692,517,103	\$ 662,218,438

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 217,200,000
Replacement Service	\$ 34,800,000
Large Diameter HP Joints	\$ 18,000,000
GSMP Meter Reconstruction	\$ 30,000,000
Total	\$ 300,000,000

November PTD Budget	November PTD Actual
\$ 72,813,838	\$ 68,802,080
\$ 14,772,378	\$ 11,927,546
\$ -	\$ -
\$ 12,108,333	\$ 21,502,298
\$ 99,694,550	\$ 102,231,923

2) b. Expenditures incurred to date and amounts transferred to plant in-service, by project. Expenditures broken down by internal labor, materials, and other costs. Internal labor hours broken down by regular hours and overtime hours.

Expenditures Incurred To Date GSMP II Projects	November PTD Actual Internal Labor \$	November PTD Actual Material \$	November PTD Actual Other \$	November PTD Actual Total \$
Replacement Main	\$ 90,269,372	\$ 33,981,525	\$ 395,628,381	\$ 519,879,278
Replacement Service	\$ 28,818,041	\$ 14,931,925	\$ 97,489,698	\$ 141,239,664
Regulator Elimination	\$ 200,981	\$ 156,094	\$ 943,402	\$ 1,099,496
Total	\$ 119,288,394	\$ 49,069,544	\$ 494,061,481	\$ 662,218,438
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	1,278,333			
Internal Labor - Overtime Hours	440,573			

Amount to Plant In-Service
\$ 503,137,606
\$ 141,102,988
\$ 310,872
\$ 644,551,466

Expenditures Incurred To Date Stipulated Base II Projects	November PTD Actual Internal Labor \$	November PTD Actual Material \$	November PTD Actual Other \$	November PTD Actual Total \$
Replacement Main	\$ 8,906,104	\$ 5,874,425	\$ 54,021,551	\$ 68,802,080
Replacement Service	\$ 2,309,841	\$ 499,777	\$ 9,117,927	\$ 11,927,546
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 8,113,358	\$ 1,184,364	\$ 12,204,576	\$ 21,502,298
Total	\$ 19,329,302	\$ 7,558,567	\$ 75,344,053	\$ 102,231,923
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	219,755			
Internal Labor - Overtime Hours	77,425			

Amount to Plant In-Service
\$ 65,034,918
\$ 11,913,145
\$ -
\$ 21,502,298
\$ 98,450,361

Page 5 of 27

		Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	Projected Quantity Jan 2020	Actual Quantity Jan 2020	Projected Quantity Feb 2020	Actual Quantity Feb 2020	Projected Quantity Mar 2020	Actual Quantity Mar 2020	Projected Quantity Apr 2020	Actual Quantity Apr 2020	Projected Quantity May 2020	Actual Quantity May 2020	Projected Quantity Jun 2020	Actual Quantity Jun 2020	Projected Quantity Jul 2020	Actual Quantity Jul 2020	Projected Quantity Aug 2020	Actual Quantity Aug 2020	Projected Quantity Sep 2020	Actual Quantity Sep 2020	Projected Quantity Oct 2020	Actual Quantity Oct 2020	Projected Quantity Nov 2020	Actual Quantity Nov 2020	2020 Estimating Quantity	2020 Quantity Completed	Total Program Quantity Completed To Date	
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	6,800	93,763	2,700	81,745	7,600	87,207	13,000	92,356	72,000	119,187	130,000	135,877	80,000	95,608	100,000	96,882	74,480	104,839	70,000	108,022	40,000	73,325	646,580	1,088,811	1,835,556
					4"	Plastic	246,779	2,100	39,197	1,000	18,642	1,300	21,250	6,000	28,676	32,000	32,560	50,000	27,592	37,000	30,997	58,000	36,852	40,000	19,078	25,000	18,536		317,400	305,647	552,426	
					6"	Plastic	80,521	1,100	13,556	500	8,340	1,400	5,240	2,400	5,081	9,000	15,418	8,400	20,384	13,000	2,532	22,000	10,680	24,000	10,407	24,000	4,671	10,000	8,974	120,800	105,283	185,804
					8"	Plastic	34,576	-	3,140	-	201	2,800	2,002	800	5,899	3,800	4,439	1,300	1,158	1,400	7,517	3,000	8,460	4,000	4,738	6,500	1,383	2,700	906	29,300	39,843	74,419
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16" & 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	10,000	149,656	4,200	108,928	13,100	115,699	22,200	132,012	116,800	171,604	189,700	191,518	131,400	139,633	183,000	150,296	147,480	160,104	140,500	136,548	77,700	105,374	1,114,080	1,561,372	2,669,993
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤2"	Plastic	14,653	1,000	1,905	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	2,000	1,964	1,200	1,898	14,500	16,173	30,826
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	1,000	1,906	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	2,000	1,965	1,200	1,898	14,500	16,175	30,830
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	-	10	-	2	-	2	-	2	-	4	-	-	-	2	-	2	2	-	2	-	2	-	3	31	53	
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	-	10	-	2	-	2	-	2	-	4	-	-	-	2	-	2	2	-	2	-	2	-	3	31	53	
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	1,000	3,673	400	2,619	1,000	9,962	3,400	3,455	4,000	7,356	3,500	11,211	6,000	8,742	6,000	5,564	5,000	7,429	2,813	8,225	2,000	4,010	39,113	72,246	151,372
					4"	Plastic	30,415	500	2,985	500	1,100	2,000	860	1,700	-	3,000	1,050	2,800	1,416	2,300	4,576	5,000	1,397	7,000	1,875	4,000	2,362	1,500	878	-	33,300	18,499



February 26, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – DECEMBER 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for December 2020 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

The GSMP II was approved by a Board Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G is operating the Program. This report is filed pursuant to paragraph 43 of that Stipulation and is designed to address the first four items contained in Attachment C to that Stipulation.

The first three items are addressed in the attached materials. With regard to item 4, there were no funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the Program projects.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez".

Danielle Lopez

CC - E-Mail Only:

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**PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT**

WEM-GSMP II-2
Page 8 of 27

1) PSE&G's overall approved GSMP II Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	December PTD Budget	December PTD Actual
Replacement Main	\$ 1,087,400,000	\$ 541,462,960	\$ 543,494,731
Replacement Service	\$ 482,000,000	\$ 171,818,692	\$ 149,735,577
Regulator Elimination	\$ 5,600,000	\$ 1,570,080	\$ 1,223,680
Total	\$ 1,575,000,000	\$ 714,851,732	\$ 694,453,988

Stipulated Base II Major Project Categories	Overall Approved Program	December PTD Budget	December PTD Actual
Replacement Main	\$ 217,200,000	\$ 75,542,088	\$ 70,730,847
Replacement Service	\$ 34,800,000	\$ 15,007,144	\$ 12,410,327
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 12,700,000	\$ 22,645,431
Total	\$ 300,000,000	\$ 103,249,232	\$ 105,786,605

2) b. Expenditures incurred to date and amounts transferred to plant in-service, by project. Expenditures broken down by internal labor, materials, and other costs. Internal labor hours broken down by regular hours and overtime hours.

Expenditures Incurred To Date GSMP II Projects	December PTD Actual Internal Labor \$	December PTD Actual Material \$	December PTD Actual Other \$	December PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 92,970,378	\$ 36,139,897	\$ 414,384,456	\$ 543,494,731	\$ 525,531,021
Replacement Service	\$ 30,437,780	\$ 15,437,622	\$ 103,860,175	\$ 149,735,577	\$ 149,598,901
Regulator Elimination	\$ 249,551	\$ 156,538	\$ 1,067,142	\$ 1,223,680	\$ 406,903
Total	\$ 123,657,709	\$ 51,734,057	\$ 519,311,772	\$ 694,453,988	\$ 675,536,825
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	1,326,672				
Internal Labor - Overtime Hours	454,608				

Expenditures Incurred To Date Stipulated Base II Projects	December PTD Actual Internal Labor \$	December PTD Actual Material \$	December PTD Actual Other \$	December PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 9,209,949	\$ 5,977,344	\$ 55,543,554	\$ 70,730,847	\$ 66,811,369
Replacement Service	\$ 2,334,731	\$ 501,656	\$ 9,573,940	\$ 12,410,327	\$ 12,385,698
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 8,325,798	\$ 1,194,382	\$ 13,125,251	\$ 22,645,431	\$ 22,645,431
Total	\$ 19,870,479	\$ 7,673,382	\$ 78,242,745	\$ 105,786,605	\$ 101,842,498
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	225,497				
Internal Labor - Overtime Hours	79,628				

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		Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	Projected Quantity Jan 2020	Actual Quantity Jan 2020	Projected Quantity Feb 2020	Actual Quantity Feb 2020	Projected Quantity Mar 2020	Actual Quantity Mar 2020	Projected Quantity Apr 2020	Actual Quantity Apr 2020	Projected Quantity May 2020	Actual Quantity May 2020	Projected Quantity Jun 2020	Actual Quantity Jun 2020	Projected Quantity Jul 2020	Actual Quantity Jul 2020	Projected Quantity Aug 2020	Actual Quantity Aug 2020	Projected Quantity Sep 2020	Actual Quantity Sep 2020	Projected Quantity Oct 2020	Actual Quantity Oct 2020	Projected Quantity Nov 2020	Actual Quantity Nov 2020	Projected Quantity Dec 2020	Actual Quantity Dec 2020	2020 Estimated Quantity	2020 Quantity Completed	Total Program Quantity Committed To Date	
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	6,800	93,763	2,700	81,745	7,600	87,207	13,000	92,356	72,000	119,187	130,000	135,877	80,000	95,608	100,000	96,882	74,480	104,839	70,000	108,022	40,000	73,325	50,000	77,745	646,580	1,166,556	1,913,301
					4"	Plastic	246,779	2,100	39,197	1,000	18,642	1,300	21,250	6,000	28,676	32,000	32,560	50,000	27,592	37,000	30,997	58,000	32,267	45,000	36,852	40,000	19,078	25,000	18,536	20,000	29,683	317,400	335,330	582,109
					6"	Plastic	80,521	1,100	13,556	500	8,340	1,400	5,240	2,400	5,081	9,000	15,418	8,400	20,384	13,000	2,532	22,000	10,680	24,000	10,407	24,000	4,671	10,000	8,974	5,000	10,017	120,800	115,300	195,821
					8"	Plastic	34,576	-	3,140	-	201	2,800	2,002	800	5,899	3,800	4,439	1,300	1,158	1,400	7,517	3,000	8,460	4,000	4,738	6,500	1,383	2,700	906	3,000	949	29,300	40,792	75,368
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16" & 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16" & 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16" & 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16" & 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	10,000	149,656	4,200	108,928	13,100	115,699	22,200	132,012	116,800	171,604	189,700	191,518	131,400	139,633	183,000	150,296	147,480	160,104	140,500	136,548	77,700	105,374	78,000	119,892	1,114,080	1,681,264	2,789,885	
Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	1,000	1,905	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	2,000	1,964	1,200	1,898	1,600	2,045	14,500	18,218	32,871	
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	> 2"	Plastic	2	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	4	6	
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	1,000	1,906	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	2,000	1,965	1,200	1,898	1,600	2,047	14,500	18,222	32,877	
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22</																												

[illegible]



March 30, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – JANUARY 2021**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for January 2021 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

The GSMP II was approved by a Board Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G is operating the Program. This report is filed pursuant to paragraph 43 of that Stipulation and is designed to address the first four items contained in Attachment C to that Stipulation.

The first three items are addressed in the attached materials. With regard to item 4, there were no funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the Program projects.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a light blue circular stamp.

Danielle Lopez

CC - E-Mail Only:

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

**PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT**

WEM-GSMP II-2
Page 13 of 27

1) PSE&G's overall approved GSMP II Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	January PTD Budget	January PTD Actual
Replacement Main	\$ 1,087,400,000	\$ 608,898,291	\$ 567,770,983
Replacement Service	\$ 482,000,000	\$ 126,767,241	\$ 159,118,187
Regulator Elimination	\$ 5,600,000	\$ 1,690,017	\$ 1,258,762
Total	\$ 1,575,000,000	\$ 737,355,549	\$ 728,147,932

Stipulated Base II Major Project Categories	Overall Approved Program	January PTD Budget	January PTD Actual
Replacement Main	\$ 217,200,000	\$ 87,367,622	\$ 71,677,846
Replacement Service	\$ 34,800,000	\$ 15,739,582	\$ 13,046,335
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 13,258,333	\$ 23,715,488
Total	\$ 300,000,000	\$ 116,365,538	\$ 108,439,669

2) b. Expenditures incurred to date and amounts transferred to plant in-service, by project. Expenditures broken down by internal labor, materials, and other costs. Internal labor hours broken down by regular hours and overtime hours.

Expenditures Incurred To Date GSMP II Projects	January PTD Actual Internal Labor \$	January PTD Actual Material \$	January PTD Actual Other \$	January PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 97,250,466	\$ 37,878,746	\$ 432,641,771	\$ 567,770,983	\$ 548,353,408
Replacement Service	\$ 32,420,956	\$ 16,200,823	\$ 110,496,407	\$ 159,118,187	\$ 158,981,511
Regulator Elimination	\$ 267,801	\$ 156,538	\$ 1,102,224	\$ 1,258,762	\$ 421,152
Total	\$ 129,939,224	\$ 54,236,108	\$ 544,240,402	\$ 728,147,932	\$ 707,756,071
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	1,384,552				
Internal Labor - Overtime Hours	473,837				

Expenditures Incurred To Date Stipulated Base II Projects	January PTD Actual Internal Labor \$	January PTD Actual Material \$	January PTD Actual Other \$	January PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 9,467,887	\$ 6,035,757	\$ 56,174,201	\$ 71,677,846	\$ 67,661,154
Replacement Service	\$ 2,431,452	\$ 510,089	\$ 10,104,794	\$ 13,046,335	\$ 13,021,706
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 8,555,702	\$ 1,200,161	\$ 13,959,625	\$ 23,715,488	\$ 23,715,488
Total	\$ 20,455,041	\$ 7,746,007	\$ 80,238,620	\$ 108,439,669	\$ 104,398,348
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	230,922				
Internal Labor - Overtime Hours	81,589				

PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT

REPORT DATE: December 2020
2a - Description of projects
2c - Projected and actual miles of main installed
2d - Projected and actual number of services installed

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	2020 Quantity Completed	Projected Quantity Jan 2021	Actual Quantity Jan 2021	2021 Estimated Quantity	2021 Quantity Completed	Total Program Quantity Completed To Date
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	1,166,556	6,800	83,089	972,100	83,089	1,996,390
					4"	Plastic	246,779	335,330	2,100	29,020	442,400	29,020	611,129
					6"	Plastic	80,521	115,300	1,100	11,479	136,894	11,479	207,300
					8"	Plastic	34,576	40,792	-	2,115	29,300	2,115	77,483
					12"	Plastic	-	-	-		-	-	-
					12"	Steel	-	17,397	-		-	-	17,397
					16"& 20"	Steel	-	5,889			-	-	5,889
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	1,681,264	10,000	125,703	1,580,694	125,703	2,915,588
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	18,218	1,500	2,135	19,298	2,135	35,006
					>2"	Plastic	2	4	-		-	-	6
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	18,222	1,500	2,135	19,298	2,135	35,012
STIPULATED BASE	Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	32		2		2	56
	Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	32		2		2	56
	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	78,746	1,000	7,748	40,113	7,748	165,620
					4"	Plastic	30,415	19,023	500	417	47,117	417	49,855
					6"	Plastic	9,773	3,061	500		10,800	-	12,834
					8"	Plastic	277	284	250		7,200	-	561
					8"	Steel	-	-			-	-	-
					12"	Plastic	2	-	-		900	-	2
					12"	Steel	171	12,487	500		16,651	-	12,658
					16"	Steel	100	-			12,400	-	100
					20"	Steel	-	-	-		-	-	-
					42"	Steel	700	597	-		-	-	1,297
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	114,198	2,750	8,165	135,181	8,165	242,927
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	1,107	60	97	1,711	97	2,597
					>2"	Plastic	-	-	-		-	-	-
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	1,107	60	97	1,711	97	2,597
	Large Diameter High Pressure Joints	Joints	Dec-23	HP Joints Encapsulated	N/A	N/A	-	-			-	-	-
	Large Diameter High Pressure Joints	Joints	N/A	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-

[illegible]



April 30, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – FEBRUARY 2021**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for February 2021 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

The GSMP II was approved by a Board Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G is operating the Program. This report is filed pursuant to paragraph 43 of that Stipulation and is designed to address the first four items contained in Attachment C to that Stipulation.

The first three items are addressed in the attached materials. With regard to item 4, there were no funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the Program projects.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a light blue circular stamp.

Danielle Lopez

CC - E-Mail Only:

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT

WEM-GSMP II-2
Page 19 of 27

1) PSE&G's overall approved GSMP II Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program
Replacement Main	\$ 1,087,400,000
Replacement Service	\$ 482,000,000
Regulator Elimination	\$ 5,600,000
Total	\$ 1,575,000,000

February PTD Budget	February PTD Actual
\$ 626,809,309	\$ 579,514,406
\$ 131,857,971	\$ 164,917,073
\$ 1,809,953	\$ 1,319,721
\$ 760,477,233	\$ 745,751,200

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 217,200,000
Replacement Service	\$ 34,800,000
Large Diameter HP Joints	\$ 18,000,000
GSMP Meter Reconstruction	\$ 30,000,000
Total	\$ 300,000,000

February PTD Budget	February PTD Actual
\$ 88,580,193	\$ 71,803,620
\$ 16,252,964	\$ 13,282,022
\$ -	\$ -
\$ 13,816,667	\$ 24,271,443
\$ 118,649,824	\$ 109,357,084

2) b. Expenditures incurred to date and amounts transferred to plant in-service, by project. Expenditures broken down by internal labor, materials, and other costs. Internal labor hours broken down by regular hours and overtime hours.

Expenditures Incurred To Date GSMP II Projects	February PTD Actual Internal Labor \$	February PTD Actual Material \$	February PTD Actual Other \$	February PTD Actual Total \$
Replacement Main	\$ 99,732,592	\$ 38,853,031	\$ 440,928,783	\$ 579,514,406
Replacement Service	\$ 33,704,735	\$ 16,684,419	\$ 114,527,919	\$ 164,917,073
Regulator Elimination	\$ 275,139	\$ 156,538	\$ 1,163,183	\$ 1,319,721
Total	\$ 133,712,466	\$ 55,693,987	\$ 556,619,885	\$ 745,751,200
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	1,424,918			
Internal Labor - Overtime Hours	481,974			

Amount to Plant In-Service
\$ 559,020,021
\$ 164,780,397
\$ 473,341
\$ 724,273,759

Expenditures Incurred To Date Stipulated Base II Projects	February PTD Actual Internal Labor \$	February PTD Actual Material \$	February PTD Actual Other \$	February PTD Actual Total \$
Replacement Main	\$ 9,481,161	\$ 6,066,682	\$ 56,255,777	\$ 71,803,620
Replacement Service	\$ 2,503,061	\$ 513,014	\$ 10,265,946	\$ 13,282,022
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 8,660,054	\$ 1,201,797	\$ 14,409,592	\$ 24,271,443
Total	\$ 20,644,277	\$ 7,781,493	\$ 80,931,314	\$ 109,357,084
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	233,101			
Internal Labor - Overtime Hours	82,027			

Amount to Plant In-Service
\$ 67,774,418
\$ 13,257,012
\$ -
\$ 24,271,443
\$ 105,302,873

[illegible]



May 27, 2021

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – MARCH 2021**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for March 2021 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

The GSMP II was approved by a Board Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G is operating the Program. This report is filed pursuant to paragraph 43 of that Stipulation and is designed to address the first four items contained in Attachment C to that Stipulation.

The first three items are addressed in the attached materials. With regard to item 4, there were no funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the Program projects.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written over a light blue circular stamp.

Danielle Lopez

CC - E-Mail Only:

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

**PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT**

WEM-GSMP II-2
Page 25 of 27

1) PSE&G's overall approved GSMP II Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program
Replacement Main	\$ 1,087,400,000
Replacement Service	\$ 482,000,000
Regulator Elimination	\$ 5,600,000
Total	\$ 1,575,000,000

March PTD Budget	March PTD Actual
\$ 646,099,036	\$ 608,958,096
\$ 139,577,559	\$ 177,540,665
\$ 1,929,890	\$ 1,380,907
\$ 787,606,485	\$ 787,879,668

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 217,200,000
Replacement Service	\$ 34,800,000
Large Diameter HP Joints	\$ 18,000,000
GSMP Meter Reconstruction	\$ 30,000,000
Total	\$ 300,000,000

March PTD Budget	March PTD Actual
\$ 90,199,847	\$ 72,915,518
\$ 16,860,464	\$ 14,069,443
\$ -	\$ -
\$ 14,375,000	\$ 25,783,863
\$ 121,435,311	\$ 112,768,824

2) b. Expenditures incurred to date and amounts transferred to plant in-service, by project. Expenditures broken down by internal labor, materials, and other costs. Internal labor hours broken down by regular hours and overtime hours.

Expenditures Incurred To Date GSMP II Projects	March PTD Actual Internal Labor \$	March PTD Actual Material \$	March PTD Actual Other \$	March PTD Actual Total \$
Replacement Main	\$ 105,412,391	\$ 39,368,790	\$ 464,176,915	\$ 608,958,096
Replacement Service	\$ 35,723,788	\$ 17,511,697	\$ 124,305,180	\$ 177,540,665
Regulator Elimination	\$ 294,006	\$ 156,943	\$ 1,223,964	\$ 1,380,907
Total	\$ 141,430,185	\$ 57,037,429	\$ 589,706,059	\$ 787,879,668
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	1,498,919			
Internal Labor - Overtime Hours	508,650			

Amount to Plant In-Service
\$ 587,020,928
\$ 177,403,414
\$ 510,916
\$ 764,935,257

Expenditures Incurred To Date Stipulated Base II Projects	March PTD Actual Internal Labor \$	March PTD Actual Material \$	March PTD Actual Other \$	March PTD Actual Total \$
Replacement Main	\$ 9,770,238	\$ 6,137,308	\$ 57,007,971	\$ 72,915,518
Replacement Service	\$ 2,574,140	\$ 514,494	\$ 10,980,809	\$ 14,069,443
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 9,007,562	\$ 1,212,635	\$ 15,563,666	\$ 25,783,863
Total	\$ 21,351,941	\$ 7,864,437	\$ 83,552,446	\$ 112,768,824
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	239,962			
Internal Labor - Overtime Hours	84,985			

Amount to Plant In-Service
\$ 68,861,419
\$ 14,044,434
\$ -
\$ 25,783,863
\$ 108,689,716

WEM-GSMPII-2
Page 26 of 27

2d - Projected and actual number of services installed

[illegible]

[illegible]

Attachment 1
Schedule WEM-GSMPII-3

Roll-In	5	5	5	5	5	5			
	Actual 2021 Mar-21	Actual 2021 Apr-21	Actual 2021 May-21	Forecast 2021 Jun-21	Forecast 2021 Jul-21	Forecast 2021 Aug-21	Program Total	YTD 2020 Total	Roll-In 5 Total
Miles of Main Replaced	29	25	27	23	37	31	730	318	170
<u>GSMP II Total Program</u>									
Direct Install	\$40,661,203	\$43,066,598	\$42,198,453	\$58,156,089	\$66,879,503	\$63,002,430	\$1,038,134,811	\$396,287,219	\$313,964,276
COR (less Salvage)	\$1,467,735	\$1,714,528	\$1,807,630	\$1,843,911	\$2,120,497	\$1,997,570	\$32,522,567	\$10,604,253	\$10,951,871
Total	\$42,128,938	\$44,781,126	\$44,006,083	\$60,000,000	\$69,000,000	\$65,000,000	\$1,070,657,378	\$406,891,472	\$324,916,147
<u>GSMP II Program - Mains</u>									
Direct Install	\$13,832,560	\$18,525,157	\$13,813,824	\$28,134,372	\$32,354,528	\$30,478,903	\$423,794,700	\$190,892,827	\$137,139,345
COR (less Salvage)	\$1,441,865	\$1,671,995	\$1,676,126	\$1,773,087	\$2,039,050	\$1,920,844	\$31,145,038	\$10,107,203	\$10,522,968
Total	\$15,274,426	\$20,197,152	\$15,489,950	\$29,907,459	\$34,393,578	\$32,399,748	\$454,939,738	\$201,000,030	\$147,662,313
<u>GSMP II Program - Services</u>									
Direct Install	\$25,839,046	\$24,004,784	\$26,936,166	\$29,482,362	\$33,904,716	\$31,939,225	\$606,395,142	\$199,668,447	\$172,106,300
COR (less Salvage)	\$25,870	\$42,532	\$131,504	\$70,824	\$81,447	\$76,726	\$1,377,529	\$497,050	\$428,903
Total	\$25,864,916	\$24,047,316	\$27,067,670	\$29,553,186	\$33,986,164	\$32,015,951	\$607,772,670	\$200,165,497	\$172,535,203
<u>GSMP II Program - Regulators</u>									
Direct Install	\$989,596	\$536,658	\$1,448,462	\$539,355	\$620,258	\$584,301	\$7,944,970	\$5,725,945	\$4,718,631
COR (less Salvage)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$989,596	\$536,658	\$1,448,462	\$539,355	\$620,258	\$584,301	\$7,944,970	\$5,725,945	\$4,718,631
<u>Stipulated Base Spend</u>									
Direct Install	\$3,259,437	\$2,378,199	\$3,233,776	\$2,981,215	\$5,481,589	\$6,250,934	\$128,710,385	\$44,944,202	\$23,585,150
COR (less Salvage)	\$152,301	\$238,190	\$92,635	\$118,785	\$218,411	\$249,066	\$5,301,204	\$1,305,028	\$1,069,388
Total	\$3,411,738	\$2,616,389	\$3,326,411	\$3,100,000	\$5,700,000	\$6,500,000	\$134,011,589	\$46,249,230	\$24,654,538
<u>Baseline Spend</u>									
Direct Install	\$18,511,955	\$18,666,560	\$16,330,994	\$18,601,000	\$18,690,000	\$19,580,000	\$511,499,550	\$181,393,190	\$110,380,509
COR (less Salvage)	\$1,830,096	\$2,824,413	\$2,496,963	\$2,299,000	\$2,310,000	\$2,420,000	\$65,160,988	\$20,891,125	\$14,180,472
Total	\$20,342,051	\$21,490,973	\$18,827,957	\$20,900,000	\$21,000,000	\$22,000,000	\$576,660,539	\$202,284,315	\$124,560,981
	<u>Amount</u>	<u>Percentage</u>							
Total GSMP II Program	\$1,575,000,000								
10% Minimum Filing Requirement	\$157,500,000	10%							
Roll-In # 5 (Actual/Forecast)	\$324,916,147	21%							

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of the Next Phase of the Gas
System Modernization Program and Associated Cost
Recovery Mechanism (“GSMP II”)
(June 2021 GSMP II Rate Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

**STEPHEN SWETZ
SR. DIRECTOR – CORPORATE RATES AND
REVENUE REQUIREMENTS**

June 30, 2021

ATTACHMENT 2

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
STEPHEN SWETZ
SR. DIRECTOR – CORPORATE RATES AND REVENUE REQUIREMENTS**

Q. Please state your name, affiliation and business address.

A. My name is Stephen Swetz, and I am the Sr. Director – Corporate Rates and Revenue Requirements for PSEG Services Corporation. My credentials are set forth in the attached Schedule SS-GSMPII-1.

Q. Please describe your responsibilities as the Sr. Director – Corporate Rates and Revenue Requirements for PSEG Services Corporation.

A. As Sr. Director of Corporate Rates and Revenue Requirements, I plan, develop and direct Public Service Electric and Gas Company's ("PSE&G", "the Company") electric and gas retail pricing strategies, retail rate design, embedded and marginal cost studies, and tariff provisions. I also direct the calculation of revenue requirements for PSE&G's base rates as well as all cost recovery clauses. Acting as a key regulatory resource to PSE&G on regulatory matters, strategies and policies, I have testified in many cases and negotiated settlements on rate design, cost of service, recovery clauses including renewable and energy efficiency cost recovery, and base rates.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support PSE&G's proposed change in base rates to recover the revenue requirement associated with its Gas System Modernization Program II ("GSMP II" or "Program") through the GSMP II Rate Mechanism approved by the Board of Public Utilities ("Board" or "BPU") as described in paragraphs 29 and 38 of the Stipulation of

ATTACHMENT 2

Settlement approved by the Board in Docket No. GR17070776 on May 22, 2018 (“GSMP II Order”). The proposed GSMP II revenue requirements are based upon the actual costs of engineering, design and construction, cost of removal (net of salvage) and property acquisition, including actual labor, materials, overhead, and any capitalized Allowance for Funds Used During Construction (“AFUDC”) on GSMP II projects. As specified in more detail below, the Board-approved revenue requirement formula for the GSMP II Rate Mechanism allows the Company to recover a return of and on its GSMP II investment costs, less an agreed upon expense reduction adjustment and any tax adjustment for flow-through items or any tax law changes codified by the IRS, the State of New Jersey or any other taxing authority. This testimony provides an overview of the cost recovery mechanism along with a description of the revenue requirement calculations and rate design mechanism.

COST RECOVERY MECHANISM

Q. Please briefly describe PSE&G’s proposed cost recovery.

A. PSE&G is proposing to recover the annual revenue requirement associated with the Program consistent with the GSMP II Rate Mechanism approved in the GSMP II Order. The revenue requirement is based on expected plant in-service and cost of removal expenditures that have not been included in a prior rate adjustment. The plant in-service and cost of removal expenditures are based on actual results through May 31, 2021 and a forecast through August 31, 2021. The forecast from June 1, 2021 through August 31, 2021 will be trued-up with actual results and filed by September 15, 2021.

ATTACHMENT 2

1 **Q. What is the forecasted annual revenue requirement increase being proposed for**
2 **this GSMP II roll-in filing?**

3 A. The Company is proposing a forecasted annual revenue requirement increase of
4 \$33.765 million based upon the actual and forecasted expenditures discussed above and
5 assuming adjusted base rates go into effect December 1, 2021. The revenue requirement
6 increase is calculated in Schedule SS-GSMPII-2.

7 **Q. How is the revenue requirement calculated?**

8 A. The GSMP II revenue requirement is calculated using the following formula approved
9 by the Board in the GSMP II Order:

10 Revenue Requirements = ((GSMP II Rate Mechanism Rate Base * After Tax
11 WACC) + Depreciation Expense (net of tax) + Expense Adjustment + Tax
12 Adjustments) * Revenue Factor

13 **Q. How is the GSMP II Rate Base calculated?**

14 A. Per the GSMP II Order, the GSMP II Rate Base is calculated as the GSMP II Investment
15 Costs less Accumulated Depreciation and less Accumulated Deferred Income Taxes (“ADIT”).
16 The GSMP II Investment Costs consist of actual plant placed into service from Program
17 inception through May 31, 2021 (less the amounts already recovered or pending recovery in
18 rates) and a forecast of capital expenditures through August 31, 2021 for projects expected to
19 be in service by August 31, 2021. For details on the GSMP II Investment Costs, see Schedule
20 WEM-GSMPII-3. Accumulated Depreciation is the sum of the depreciation expense incurred
21 from the date the GSMP II projects are placed into service and the effective date of the base
22 rate change. The GSMP II Order anticipates the fifth roll in filing to result in rates effective

ATTACHMENT 2

1 December 1, 2021, so the Accumulated Depreciation in the filing is through November 30,
2 2021. Consistent with the calculation of Accumulated Depreciation, ADIT is calculated
3 through November 30, 2021.

4 **Q. What is the Weighted Average Cost of Capital (“WACC”) utilized in the**
5 **calculation of the revenue requirement?**

6 A. Per the GSMP II Order, the WACC for the GSMP II Rate Mechanism will be based
7 upon the authorized return on equity (“ROE”) and capital structure including income tax effects
8 decided by the Board in the most recently approved base rate case. In October 2018, the Board
9 approved the Company’s 2018 base rate case¹, which set the WACC at 6.99%, or 6.48% on an
10 after-tax basis, based on a return on equity of 9.60% and a cost of debt of 3.96%. This WACC
11 is utilized in the GSMPII Rate Mechanism consistent with the GSMP II Order. For the
12 calculation of the WACC and after-tax WACC, see Schedule SS-GSMPII-3.

13 **Q. How is the depreciation expense net of tax calculated?**

14 A. Depreciation expense is calculated as Gross Plant in-Service multiplied by the
15 applicable annual depreciation rate for the assets being placed into service. The GSMP II Order
16 specified the depreciation rates would be based on the depreciation rates applied to the same
17 asset in current base rates. The Company’s 2018 base rate case established new depreciation
18 rates by asset class. The asset classes expected to be applicable to the GSMP II investment are
19 mains, services and regulators. The depreciation rates for mains, services, and regulators will
20 be 1.39%, 1.81%, and 3.27% respectively, as established in the 2018 base rate case, and will

¹ In the Matter of the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 16 Electric and B.P.U.N.J. No. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030.

ATTACHMENT 2

1 be applicable to the GSMP II plant placed into service. Since the net revenue requirement for
2 the roll-in will be grossed up by the revenue factor in the revenue requirement formula
3 approved by the Board, the depreciation expense must be calculated net of tax. The tax basis
4 associated with the depreciation expense is calculated as direct in-service expenditures plus
5 any CWIP capital expenditures transferred into service, plus the debt component of any
6 AFUDC transferred into service. The depreciation expense net of tax is calculated as the
7 annual depreciation expense less the tax associated with the depreciation expense as described
8 above. The equity portion of the AFUDC transferred into service is not recognized in the tax
9 basis of the plant transferred into service. As a result, there is no tax depreciation expense
10 associated with that portion of Plant in-Service. Therefore, the depreciation expense net of tax
11 must be multiplied by the revenue factor to recover the tax gross-up related to the AFUDC-
12 equity. The Company currently does not anticipate any CWIP associated with the GSMP II.

13 **Q. What is the Expense Adjustment?**

14 A. The Expense Adjustment is an adjustment to capture the estimated O&M savings
15 related to leak reduction, partially offset by the expenses related to leak detection surveying.
16 In accordance with paragraph 33a of the Stipulation approved in the GSMP II Order, the
17 replacement of 875 miles of main will have an O&M saving of \$3.3 million for the entire
18 program, which is \$3,771 per mile. This cost per mile will be applied to the miles of main
19 replaced during this roll-in period, which is estimated to be 170 miles for an O&M savings of
20 approximately \$643,000. In accordance with paragraph 33b, the Company conducted leak
21 detection surveying. The total leak detection surveying cost for the GSMP II program was
22 \$50,000 and was amortized over five years in the first rate adjustment filing. There are no

ATTACHMENT 2

1 future additional leak detection surveying costs to be recovered in this program. For the
2 calculation of the Expense Adjustment and after-tax Expense Adjustment, see Schedule SS-
3 GSMPII-2.

4 **Q. What is the Tax Adjustment?**

5 A. The Tax Adjustment is an adjustment to capture the effects of any flow through items
6 associated with the GSMPII investment that is not included in the Company's Tax Adjustment
7 Credit and any tax law changes codified by the IRS, the State of New Jersey, or any other
8 taxing authority.

9 **Q. Does the Company anticipate a Tax Adjustment in this GSMP II Rate**
10 **Mechanism?**

11 A. There are currently no flow-through items or tax law changes applicable to the GSMP
12 II Program.

13 **Q. What is the Revenue Factor?**

14 A. The Revenue Factor adjusts the revenue requirement net of tax for federal and state
15 income taxes and the costs associated with the BPU and Division of Rate Counsel (RC) Annual
16 Assessments and Gas Revenue Uncollectibles. The BPU/RC Assessment Expenses consist of
17 payments, based upon a percentage of revenues collected (updated annually), to the State based
18 on the electric and gas intrastate operating revenues for the utility. The Company has utilized
19 the respective BPU/RC assessment rates based on the 2021 fiscal year assessment, which are
20 0.22% and 0.05%, respectively, and the Gas Revenue Uncollectible rate of 1.60%, which was
21 set in the Company's 2018 base rate case. See Schedule SS-GSMPII-4 for the calculation of
22 the revenue factor.

ATTACHMENT 2

1 **Q. Have you provided the detailed calculations supporting the revenue**
2 **requirements?**

3 A. Yes. The detailed calculations supporting the revenue requirement calculation
4 described above are provided in electronic workpapers WP-SS-GSMPII-1.xlsx.

5 **RATE DESIGN**

6 **Q. What rate design is the Company proposing to use for this base rate adjustment?**

7 A. The proposed gas base rate adjustments use the rate design methodology corresponding
8 to the latest Board approved electric and gas base rate case approved. In accordance with
9 paragraph 39 of the Stipulation approved in the GSMP II Order, the billing determinants utilize
10 the weather normalized annualized billing determinants from the latest Board approved gas
11 base rate case, which are based on July 2017 through June 2018.

12 The detailed calculations supporting the rate design are shown in Schedule SS-
13 GSMPII-5. This schedule contains the proposed base rates as a result of the GSMP II base rate
14 adjustment effective for December 1, 2021.

15 **Q. What are the annual rate impacts to the typical residential customer?**

16 A. Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG)
17 charges in effect as of June 1, 2021, the annual average bill impacts of the rates requested are
18 set forth in Schedule SS-GSMPII-6.

19 The annual impact of the proposed rates to the typical residential gas heating customers
20 using 172 therms in a winter month and 1,040 therms annually would be an increase in the
21 annual bill from \$895.42 to \$914.00 or \$18.58 or approximately 2.08% (based upon Delivery

ATTACHMENT 2

1 Rates and BGSS-RSG charges in effect as of June 1, 2021, and assuming that the customer
2 receives BGSS service from PSE&G).

3 **Q. Are there additional criteria required for the Company to request a rate**
4 **adjustment?**

5 A. Yes. In footnote 6 to paragraph 36, the Parties agreed that a rate adjustment is “only
6 applicable if at least 10% of GSMP II Rate Mechanism investment is in-service.” In addition,
7 while not part of the GSMP II Order, the Infrastructure Investment Program (IIP) regulations
8 require an earnings test with a cost recovery request.

9 **Q. Does the Company anticipate meeting the at least 10% of GSMP Rate Mechanism**
10 **investment threshold?**

11 A. Yes. The GSMP Rate Mechanism was approved for \$1.575 billion per paragraph 17
12 of the Stipulation approved in the GSMP II Order, and thus the 10% threshold is \$157.5
13 million. As shown in Schedule WEM-GSMPII-3, the Company anticipates plant in-service of
14 \$324.9 million, exceeding the \$157.5 million threshold.

15 **Q. What is the earnings test for IIP programs?**

16 A. The IIP states in paragraph 14:3-2A.6(i): “For any Infrastructure Investment Program
17 approved by the Board, if the calculated ROE exceeds the allowed ROE from the utility's last
18 base rate case by 50 basis points or more, accelerated recovery shall not be allowed for the
19 applicable filing period.”

20 **Q. Does the IIP specify how the earnings test should be calculated?**

21 A. Yes. In paragraph 14:3-2A.6(h), the IIP states: “An earnings test shall be required,
22 where Return on Equity (ROE) shall be determined based on the actual net income of the utility

ATTACHMENT 2

1 for the most recent 12-month period divided by the average of the beginning and ending
2 common equity balances for the corresponding period.”

3 **Q. How was common equity calculated for the earnings test?**

4 A. The Company will use the common equity balance from its financial statements filed
5 with FERC and/or the BPU, on the same basis that it prepares its annual audited FERC Form
6 I. Since the Company’s common equity balance is for all of PSE&G, the Company will
7 calculate the Gas allocation of common equity as the percentage of Gas Net Plant, calculated
8 in the same manner as used for the WNC earnings test, compared to total PSE&G Net Plant,
9 excluding Construction Work in Progress, from the same financial statements used to
10 determine PSE&G common equity.

11 **Q. How is Net Income calculated for the earnings test?**

12 A. Net Income is calculated as the Company’s operating expenses less Interest Expense,
13 which is included in Operating Income. The Net Income calculation excludes earnings from
14 the Company’s Green Programs, which are also excluded from the Company’s rate base.

15 **Q. What time period is utilized for the earnings test?**

16 A. The earnings test for this filing is based on the 12 month period of July 2020 through
17 June 2021. Given the Company will update its filing for actual results through August 31,2021,
18 the April through June Common Equity and Net Income represent estimates. The estimates
19 will be replaced with actual results through June 30, 2021 as soon as possible after the 2021
20 final financials are submitted to the Board.

ATTACHMENT 2

1 **Q. What are the results of your earnings test?**

2 A. The Company estimates its ROE for purposes of the earnings test is 8.43%. This is
3 below the ROE threshold in the IIP of 10.1%, and therefore the Company's earnings do not
4 preclude the rate roll-in in this case. The Company will update the earnings test for actual
5 results as soon as possible after the 2021 final financials are submitted to the Board. Please
6 see Schedule SS-GSMPII-7 for the earnings test calculation.

7 **Q. Does this conclude your testimony?**

8 A. Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

Schedule SS-GSMPII-1	Credentials
Schedule SS-GSMPII-2	Gas Revenue Requirement Calculation
Schedule SS-GSMPII-3	Weighted Average Cost of Capital (WACC)
Schedule SS-GSMPII-4	Revenue Factor Calculation
Schedule SS-GSMPII-5	Gas Proof of Revenue
Schedule SS-GSMPII-6	Gas Typical Residential Annual Bill Impacts
Schedule SS-GSMPII-7	Earnings Test

ELECTRONIC WORKPAPER INDEX

WP-SS-GSMPII-1.xlsx

**CREDENTIALS
OF
STEPHEN SWETZ
SR. DIRECTOR-CORPORATE RATES AND REVENUE REQUIREMENTS**

My name is Stephen Swetz and I am employed by PSEG Services Corporation. I am the Sr. Director - Corporate Rates and Revenue Requirements where my main responsibility is to contribute to the development and implementation of electric and gas rates for Public Service Electric and Gas Company (PSE&G, the Company).

WORK EXPERIENCE

I have over 30 years of experience in Rates, Financial Analysis and Operations for three Fortune 500 companies. Since 1991, I have worked in various positions within PSEG. I have spent most of my career contributing to the development and implementation of PSE&G electric and gas rates, revenue requirements, pricing and corporate planning with over 20 years of direct experience in Northeastern retail and wholesale electric and gas markets.

As Sr. Director of Corporate Rates and Revenue Requirements, I have submitted pre-filed direct cost recovery testimony as well as oral testimony to the New Jersey Board of Public Utilities and the New Jersey Office of Administrative Law for base rate cases, as well as a number of clauses including infrastructure investments, renewable energy, and energy efficiency programs. A list of my prior testimonies can be found on pages 3 and 4 of this document. I have also contributed to other filings including

1 unbundling electric rates and Off-Tariff Rate Agreements. I have had a leadership role in
2 various economic analyses, asset valuations, rate design, pricing efforts and cost of service
3 studies.

4 I am an active member of the American Gas Association's Rate and Strategic
5 Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs Committee
6 and the New Jersey Utility Association (NJUA) Finance and Regulatory Committee.

7 **EDUCATIONAL BACKGROUND**

8 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic
9 Institute and an MBA from Fairleigh Dickinson University.

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	GR21060882	written	Jun-21	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER21050859	written	May-21	Community Solar Cost Recovery
Public Service Electric & Gas Company	G	GR20120771	written	Dec-20	Gas System Modernization Program II (GSMP-II) - Forth Roll-In
Public Service Electric & Gas Company	E/G	GR20120763	written	Dec-20	Remediation Adjustment Charge-RAC 28
Public Service Electric & Gas Company	E	ER20120736	written	Nov-20	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Oct-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Oct-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER20060467 & GR20060468	written	Jun-20	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR20060464	written	Jun-20	Gas System Modernization Program II (GSMP-II) - Third Roll-In
Public Service Electric & Gas Company	E	ER20060454	written	Jun-20	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR20060470	written	Jun-20	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR20060384	written	Jun-20	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER20040324	written	Apr-20	Transitional Renewable Energy Certificate Program (TREC)
Public Service Electric & Gas Company	E/G	GR20010073	written	Jan-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	Gas System Modernization Program II (GSMP-II) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302 & GR19091303	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMP-II) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	Apr-19	Madison 4kV Substation Project (Madison & Marshall)
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	E	EO18101115	written	Oct-18	Clean Energy Future - Energy Cloud Program (EC)
Public Service Electric & Gas Company	E	EO18101111	written	Oct-18	Clean Energy Future-Electric Vehicle And Energy Storage Programs (EVES)
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 - GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP-II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E/G	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

PSE&G Gas System Modernization Program II
Gas Roll-in Calculation
Roll-in Filing

Attachment 2
Schedule SS-GSMPII-2

in (\$000)

Rate Effective Date 12/1/2021
Plant In Service as of Date 8/31/2021
Rate Base Balance as of Date 11/30/2021

RATE BASE CALCULATION

	Total	Notes
1 Gross Plant	\$313,964	= In 17
2 Accumulated Depreciation	\$8,489	= In 20
3 Net Plant	\$322,453	= In 1 + In 2
4 Accumulated Deferred Taxes	(\$5,209)	= See "Roll-In Detail" Wkps
5 Rate Base	\$317,244	= In 3 + In 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-GSMPII-3
7 Return Requirement (After Tax)	\$20,563	= In 5 * In 6
8 Depreciation Exp, net	\$3,719	= In 26
9 Expense Adjustment (After Tax)	(\$462)	= In 35
10 Tax Adjustment	\$0	N/A
11 Revenue Factor	1.4175	See Schedule SS-GSMPII-4
12 Roll-in Revenue Requirement	\$33,765	= (In 7 + In 8 + In 9 + In 10) * In 11

SUPPORT

Gross Plant

13 Plant in-service	\$313,964	= See "Roll-In Detail" Wkps
14 CWIP Transferred into Service	\$0	= See "Roll-In Detail" Wkps
15 AFUDC on CWIP Transferred Into Service - Debt	\$0	= See "Roll-In Detail" Wkps
16 AFUDC on CWIP Transferred Into Service - Equity	\$0	= See "Roll-In Detail" Wkps
17 Total Gross Plant	\$313,964	= In 15 + In 16 + In 17 + In 18

Accumulated Depreciation

18 Accumulated Depreciation	(\$2,463)	= See "Roll-In Detail" Wkps
19 Cost of Removal	\$10,952	= See "Roll-In Detail" Wkps
20 Net Accumulated Depreciation	\$8,489	= In 20 + In 21

Depreciation Expense (Net of Tax)

21 Depreciable Plant (xAFUDC-E)	\$313,964	= In 15 + In 16 + In 17
22 AFUDC-E	\$0	= In 18
23 Depreciation Rate	1.65%	= See "Roll-In Detail" Wkps
24 Depreciation Expense	\$5,174	= (In 23 + In 24) * In 25
25 Tax @28.11%	\$1,454	= In 23 * In 25 * Tax Rate
26 Depreciation Expense (Net of Tax)	\$3,719	= In 26 - In 27

Expense Adjustments

27 Miles of Main Replaced	170	= See "Roll-In Detail" Wkps = \$3.3M / 875 miles (See Approved)
28 Agreed O&M Savings/ Mile	(\$3.77)	Stipulation)
29 O&M Savings	(\$643)	= In 29 * In 30
30 GSMPII related methane mapping expenses	\$0	= See "Roll-In Detail" Wkps
31 Amortization period (years)	5	program period
32 Annul methane mapping amortization expense	\$0	= In 32 / In 33
33 Expense Adjustment	(\$643)	= In 31 + In 34
34 Tax @28.11%	(\$181)	= In 35 * Tax Rate
35 Expense Adjustment (Net of Tax)	(\$462)	= In 35 - In 36

PSE&G Gas System Modernization Program II
Weighted Average Cost of Capital (WACC)

Attachment 2
Schedule SS-GSMPII-3

November 2018 Forward

	<u>Percent</u>	<u>Embedded Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>	<u>After-Tax Weighted Cost</u>
Common Equity	54.00%	9.60%	5.18%	7.21%	5.18%
Customer Deposits	0.47%	0.87%	0.00%	0.00%	0.00%
Long-Term Debt	45.53%	3.96%	1.80%	1.80%	1.30%
Total	100.00%		6.99%	9.02%	6.48%

Income Tax Rates

Federal Income Tax	21.00%
State NJ Business Incm Tax	9.00%
Tax Rate	28.11%

PSE&G Gas System Modernization Program II
Revenue Factor Calculation

Attachment 2
Schedule SS-GSMPII-4

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		1.6000	2018 Base Rate Case
BPU Assessment Rate	0.2154	0.2154	2021 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0535</u>	<u>0.0535</u>	2021 RC Assessment
Income before State of NJ Bus. Tax	99.7312	98.1312	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9758</u>	<u>8.8318</u>	
Income Before Federal Income Taxes	90.7554	89.2994	
Federal Income Taxes @ 21%	<u>19.0586</u>	<u>18.7529</u>	
Return	<u>71.6967</u>	<u>70.5465</u>	
Revenue Factor	<u>1.3948</u>	<u>1.4175</u>	

Gas Revenue Requirement Allocation Explanation of Format

Pages 2 through 5 presented in Schedule SS-GSMPII-5 are the 4 relevant pages from the complete cost of service and revenue requirement allocation methodology based on the 2018 Base Rate Case Settlement, approved by the Board on October 29, 2018. Page 2 Part 1 shows the "Final" revenue requirement allocation to the each rates class and its associated functions as defined in the 2018 PSE&G Base Rate Case (Rate Case). Part 2 allocates the GSMP II Revenue Increase in accordance with the Rate Case Board Order. Pages 3 and 4 provide the interclass revenue allocations based upon the rate rules approved in the Rate Case. Page 5 provides the service charges calculations for each rate class by which are calculated in accordance with the Rate Case Board Order.

Gas Rate Design (Proof of Revenue by Rate Class) Explanation of Format

The summary provides by rate schedule the Annualized Weather Normalized (all customers assumed to be on BGSS) revenue based on current tariff rates and the proposed initial rate change. Pages 6 through 16 presented in Schedule SS-GSMPII-5 are the 11 relevant pages from the complete rate change workpapers from the Company's 2018 Gas Base Rate Case and have been appropriately modified per my testimony to reflect this GSMP II Program Roll-In.

Annualized Weather Normalized (all customers assumed to be on BGSS) and the Proposed Detailed Rate Design.

In the detailed rate design pages, all the components are separated into Delivery and Supply. In addition to the Distribution components of Delivery, also included in the schedule are lines for Balancing, Societal Benefits Charge, Margin Adjustment Charge, Weather Normalization Charge, Green Programs Recovery Charge, Tax Adjustment Credit, Miscellaneous items, and Unbilled Revenue.

Column (1) shows the annualized weather normalized billing units. Column (2) shows present Delivery rates (without Sales and Use Tax, SUT) effective June 1, 2021. The commodity rates in the Column (2) reflects July 2020 through December 2020 and January 2021 through June 2021's class-weighted averages (BGSS-RSG uses the rate as of 6/1/2021. Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGSS provision. Column (4) repeats the billing units of Column (1). Column (5) shows the proposed rates without SUT that result in the proposed revenues shown in Column (6). Columns (7) and (8) show the proposed base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on pages 15 and 16 of this schedule.

Cost of Service and Rate Design Sync

Notes:

Part 1: 2018 Base Rate Case Final Revenue Allocation

1	Requested increase in Revenue Requirements								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 16
2	Total Target Distribution Revenue Requirements								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 17
3	Sum of Initial Sync Revenue Requirements								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 18
4	Final Sync Adjustment Factor								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 19
		Total	RSG	GSG	LVG	SLG			
5	Distribution Access	\$ 348,181,228	\$ 285,567,880	\$ 40,848,700	\$ 21,728,392	\$ 36,257			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 20
6	Distribution Delivery	\$ 362,951,052	\$ 231,037,735	\$ 42,604,570	\$ 89,282,536	\$ 26,211			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 21
7	Streetlighting Fixtures	\$ 417,670	\$ 0	\$ 0	\$ 0	\$ 417,670			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 22
8	Customer Service	\$ 80,199,946	\$ 72,101,419	\$ 6,313,852	\$ 1,783,392	\$ 1,284			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 23
9	Measurement	\$ 96,710,544	\$ 70,884,585	\$ 16,046,249	\$ 9,779,669	\$ 41			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 24
10	Total	\$ 888,460,440	\$ 659,591,618	\$ 105,813,371	\$ 122,573,988	\$ 481,463			

Part 2: GSMP Roll-In Revenue Allocation

11	Requested increase in Revenue Requirements								Schedule SS-GSMP II-5
12	Total Target Distribution Revenue Requirements								= line 11 + page 3, col 2
13	Rate Case Minus Streetlight Fixtures								= line 10 - line 7
14	Target Minus Streetlight Fixtures								= line 12 - line 7
15	Final Sync Adjustment Factor								= line 14 / line 13
		Total	RSG	GSG	LVG	SLG			
16	Distribution Access	\$ 404,316,459	\$ 331,608,325	\$ 47,434,498	\$ 25,231,534	\$ 42,102			= line 5 * line 15
17	Distribution Delivery	\$ 421,467,535	\$ 268,286,603	\$ 49,473,457	\$ 103,677,039	\$ 30,436			= line 6 * line 15
18	Streetlighting Fixtures	\$ 417,670	\$ 0	\$ 0	\$ 0	\$ 417,670			= line 7
19	Customer Service	\$ 93,130,116	\$ 83,725,910	\$ 7,331,797	\$ 2,070,917	\$ 1,491			= line 8 * line 15
20	Measurement	\$ 112,302,622	\$ 82,312,894	\$ 18,633,292	\$ 11,356,387	\$ 48			= line 9 * line 15
21	Total	\$1,031,634,403	\$ 765,933,733	\$ 122,873,044	\$ 142,335,878	\$ 491,748			

Inter Class Revenue Allocations

Calculation of Increase Limits

line #		(in \$1,000)	Notes:
	Requested Revenue Increase to be		
1	recovered from rate schedule charges =	\$ 33,765	Schedule SS-GSMPII-5
2	Present Distribution Revenue =	\$ 997,869 from RSG, GSG, LVG & SLG	Page 4, col 3, line 11
3	Present Total Customer Bills (all on BGSS) =	\$ 2,035,783	Page 4, col 5, line 11
4	Average Distribution Increase =	3.384%	= Line 1 / Line 2
5	Average Total Bill Increase =	1.659%	= Line 1 / Line 3
6	Lower Distribution increase limit =	1.692% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 =	5.076% in Distribution charges	= 1.5 * Line 4
8	Upper Bill increase limit #2 =	3.318% in Bill Increase	= 2.0 * Line 5
	all rounded to 0.001%		

Inter Class Revenue Allocations

Calculation of Increases

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
line #	Rate Schedule	Proposed Distribution Revenue Requirement (from COS) (in \$1,000)	Present Distribution Revenue (in \$1,000)	Unlimited COS Distribution Charge \$ Increase (in \$1,000)	Present Total Bill Revenue (all on BGSS) (in \$1,000)	Unlimited Distribution Charge Increase (%)	Change in MAC & BGSS credits (in \$1,000)	Limited Final Distribution Charge Increase (%)	Proposed Total Bill Increase (%)	Proposed Distribution Revenue Increase (in \$1,000)
<u>Calculation of TSG-F Increase</u>										
1	TSG-F	\$ 3,304.030	\$ 3,504.069	\$ (200.039)	\$ 16,490.841	-5.709%	\$ (3.902)	1.692%	0.336%	\$ 59.289
<u>Calculation of TSG-NF & CIG Increase</u>										
2	TSG-NF	----	\$ 11,251	----	\$ 93,125	----	\$ -	3.384%	0.409%	\$ 381
3	CIG	----	\$ 3,278	----	\$ 19,251	----	\$ -	3.384%	0.577%	\$ 111
4	CSG ¹	----	\$ 7,427	----	\$ 7,753	----		----	0.310%	\$ 24
<u>Calculation of Margin Rates (RSG, GSG, LVG & SLG) Increase</u>										
5	RSG	\$ 765,934	\$ 740,896	\$ 25,038	\$ 1,213,342	3.379%	\$ (372)	3.385%	2.036%	\$ 25,079
6	GSG	\$ 122,873	\$ 118,856	\$ 4,017	\$ 283,480	3.380%	\$ (59)	3.385%	1.399%	\$ 4,024
7	LVG	\$ 142,336	\$ 137,682	\$ 4,654	\$ 537,891	3.380%	\$ (142)	3.386%	0.840%	\$ 4,661
8	SLG	\$ 491,748	\$ 435,075		\$ 1,069.942					
9	Distribution Only	\$ 74.078	\$ 20.483	\$ 53.595		261.656%	\$ (0.145)	5.076%	0.084%	\$ 1.040
10	Fixtures	\$ 417.670	\$ 414.592	\$ 3.078		0.742%		0.000%	0.000%	\$ -
11	Total for Margin Rates	\$ 1,031,634	\$ 997,869	\$ 33,765	\$ 2,035,783	3.384%	\$ (573.145)	3.384%	1.630%	\$ 33,765

¹ CSG Credits all flow back through BGSS

Notes:	for TSG-F - from 2018 Rate Case Schedule SS-G7 R-2, pg 1, col 6, line 6	SS-GSMP-1 workpapers	= (2) - (3)	Page 6	= (4) / (3)	SS-GSMP-1 workpapers	calculated on limits	= (Col 10 + Col 7) / Col 5	= (3) * (8)
	for RSG, GSG, LVG & SLG from page 1, line 21								

Service Charge Calculations

line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Notes:
1		Average Distribution Increase =			3.384%					page 3, line 4
	Rate Schedule	Distribution Access Rev Req (in \$1,000)	Customer Service Rev Req (in \$1,000)	Measurement Rev Req (in \$1,000)	COS Indicated Total Rev Req (in \$1,000)	# of Customers	Cost Based Monthly Service Charge (\$/month)	Current Monthly Service Charge (\$/month)	Proposed Limited Monthly Service Charge (\$/month)	
2	RSG	331,608	83,726	82,313	497,647.130	1,635,900	\$ 25.35	\$ 8.08	\$ 8.08	Fixed per 2018 Base Rate Case
3	GSG	47,434	7,332	18,633	73,400	140,771	\$ 43.45	\$ 16.65	\$ 17.50	move to costs, limited @ 1.5 times overall avg Distribution % increase
4	LVG	25,232	2,071	11,356	38,659	18,375	\$ 175.33	\$ 147.80	\$ 155.30	move to costs, limited @ 1.5 times overall avg Distribution % increase
5	TSG-F	530	400		930	37	\$ 2,095.57	\$ 791.61	\$ 831.79	move to costs, limited @ 1.5 times overall avg Distribution % increase
6	TSG-NF							\$ 791.61	\$ 831.79	set equal to new TSG-F Service Charge
7	CIG							\$ 182.37	\$ 188.54	increase current @ average Distribution % increase
8	CSG							\$ 791.61	\$ 831.79	set equal to new TSG-F Service Charge
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Notes:	values for RSG, GSG & LVG for Cols 2, 3, & 4 from page 2, lines 16, 19 & 20				= (2) + (3) + (4)	RSG, GSG & LVG from 2018 Rate Case Schedule SS-G7 R-2, page 2, line 1	= Col 5 * 1000 / Col 6 / 12 rounded to \$0.01	From Tariff	based on methodology described	
	values for TSG-F for Cols 2, 3 & 4 from 2018 Rate Case Schedule SS-G7 R-2, page 1, lines 1, 4 & 5					TSG-F from COS workpapers				

**GAS PROOF OF REVENUE
SUMMARY
GAS RATE INCREASE
Schedule SS-GSMP11-5**
(Therms & Revenue - Thousands, Rate - \$/Therm)

Rate Schedule		Annualized Weather Normalized		Proposed		Difference	
		<u>Therms</u> (1)	<u>Revenue</u> (2)	<u>Therms</u> (3)	<u>Revenue</u> (4)	<u>Revenue</u> (5)	<u>Percent</u> (6)
1	RSG	1,494,928	\$1,213,342	1,494,928	\$1,238,271	\$24,929	2.05
2	GSG	297,484	283,480	297,484	287,491	4,011	1.41
3	LVG	740,103	537,891	740,103	542,520	4,629	0.86
6	SLG	679	1,069.942	679	1,070.938	0.996	0.09
7	Subtotal	2,533,194	2,035,783	2,533,194	2,069,352	33,570	1.65
8							
9	TSG-F	25,950	16,490.841	25,950	16,550.130	59.289	0.36
10	TSG-NF	179,184	93,125	179,184	93,506	381	0.41
11	CIG	41,067	19,251	41,067	19,362	111	0.58
12	CSG	789,848	7,753	789,848	7,777	24	0.31
13	Subtotal	1,036,049	136,620	1,036,049	137,195	575	0.42
14							
15	Totals	3,569,243	2,172,403	3,569,243	2,206,548	\$34,145	1.57
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39	Notes:						
40	All customers assumed to be on BGSS.						
41	SLG units and revenues shown to 3 decimals.						
42	TSG-F revenues shown to 3 decimals.						
43	Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021						
44	plus applicable BGSS charges.						

Less change in MAC included above

\$380

Gas Revenue Requirement

\$33,765

Increase Before
Mac Adjustment

Increase
Above MAC
Adjustment

RSG	\$24,707	\$24,929	222
GSG	3,966	4,011	45
LVG	4,519	4,629	110
SLG	0.895	0.996	0.101
Subtotal	33,193	33,570	377
TSG-F	55.388	59.289	3.901
TSG-NF	381	381	0
CIG	111	111	0
CSG	24	24	0
Subtotal	571	575	4
Totals	\$33,765	\$34,145	380

RATE SCHEDULE RSG

RESIDENTIAL SERVICE

Schedule SS-GSMPII-5

(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	19,630.803	8.08	\$158,617	19,630.803	8.08	\$158,617	0	0.00
2 Distribution Charge	1,494,872	0.391767	585,642	1,494,872	0.408620	610,835	25,193	4.30
3 Off-Peak Dist	56	0.195884	11	56	0.204310	11	0	0.00
4 Balancing Charge	917,326	0.080397	73,750	917,326	0.080397	73,750	0	0.00
5 SBC	1,494,928	0.051496	76,983	1,494,928	0.051496	76,983	0	0.00
6 Margin Adjustment	1,494,928	(0.006519)	(9,745)	1,494,928	(0.006519)	(9,745)	0	0.00
7 Weather Normalization	917,326	0.000000	0	917,326	0.000000	0	0	0.00
8 Green Programs Recovery Charge	1,494,928	0.006923	10,349	1,494,928	0.006923	10,349	0	0.00
9 Tax Adjustment Credit	1,494,928	(0.082962)	(124,022)	1,494,928	(0.082962)	(124,022)	0	0.00
10 Green Enabling Mechanism	1,494,928	0.000000	0	1,494,928	0.000000	0	0	0.00
11 Facilities Charges			0			0	0	0.00
12 Minimum			0			0	0	0.00
13 Miscellaneous			(15)			(15)	0	0.00
14 Delivery Subtotal	1,494,928		\$771,570	1,494,928		\$796,763	\$25,193	3.27
15 Unbilled Delivery			(3,482)			(3,596)	(114)	3.27
16 Delivery Subtotal w unbilled			\$768,088			\$793,167	\$25,079	3.27
17								
18 <u>Supply</u>								
19 BGSS-RSG	1,494,872	0.300131	\$448,657	1,494,872	0.300131	\$448,657	\$0	0.00
20 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
21 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	1,494,928	(0.000101)	(151)	(151)	0.00
22 Off-Peak Comm. Charge	46	0.245923	11	46	0.245923	11	0	0.00
23								
24 Miscellaneous			(1)			(1)	0.00	0.00
25 Supply subtotal	1,494,918		\$448,667	1,494,918		\$448,516	(151.00)	(0.03)
26 Unbilled Supply			(3,413)			(3,412)	1.00	(0.03)
27 Supply Subtotal w unbilled			\$445,254			\$445,104	(150.00)	(0.03)
28								
29 Total Delivery + Supply	1,494,928		\$1,213,342	1,494,928		\$1,238,271	24,929.00	2.05
30								
31								
32								

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021

36 plus applicable BGSS charges.

37

**RATE SCHEDULE GSG
GENERAL SERVICE
Schedule SS-GSMPII-5**
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
Delivery								
1 Service Charge	1,689,246	16.65	\$28,126	1,689,246	17.50	\$29,562	\$1,436	5.11
2 Distribution Charge - Pre 7/14/97	2,183	0.304859	666	2,183	0.313519	684	18	2.70
3 Distribution Charge - All Others	295,256	0.304859	90,011	295,256	0.313519	92,568	2,557	2.84
4 Off-Peak Dist Charge - Pre 7/14/97	0	0.152430	0	0	0.156760	0	0	0.00
5 Off-Peak Dist Charge - All Others	45	0.152430	7	45	0.156760	7	0	0.00
6 Balancing Charge	173,170	0.080397	13,922	173,170	0.080397	13,922	0	0.00
7 SBC	297,484	0.051496	15,319	297,484	0.051496	15,319	0	0.00
8 Margin Adjustment	297,484	(0.006519)	(1,939)	297,484	(0.006519)	(1,939)	0	0.00
9 Weather Normalization	173,170	0.000000	0	173,170	0.000000	0	0	0.00
10 Green Programs Recovery Charge	297,484	0.006923	2,059	297,484	0.006923	2,059	0	0.00
11 Tax Adjustment Credit	297,484	(0.068844)	(20,480)	297,484	(0.068844)	(20,480)	0	0.00
12 Green Enabling Mechanism	297,484	0.000000	0	297,484	0.000000	0	0	0.00
13 Facilities Charges			0			0	0	0.00
14 Minimum			2			2	0	0.00
15 Miscellaneous			(313)			(312)	1	(0.32)
16 Delivery Subtotal	297,484		\$127,380	297,484		\$131,392	\$4,012	3.15
17 Unbilled Delivery			384			397	13	3.39
18 Delivery Subtotal w unbilled			\$127,764			\$131,789	\$4,025	3.15
19								
Supply								
21 BGSS	297,484	0.490231	\$145,836	297,484	0.490231	\$145,836	\$0	0.00
22 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
23 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	297,484	(0.000043)	(13)	(13)	0.00
24								
25 Miscellaneous			(51)			(51)	0	0.00
26 Supply subtotal	297,484		\$145,785	297,484		\$145,772	(13)	(0.01)
27 Unbilled Supply			9,931			9,930	(1)	(0.01)
28 Supply Subtotal w unbilled			\$155,716			\$155,702	(14)	(0.01)
29								
30 Total Delivery + Supply	297,484		\$283,480	297,484		\$287,491	\$4,011	1.41

31
32
33
34 Notes:
35 All customers assumed to be on BGSS.
36 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021
37 plus applicable BGSS charges.
38

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE
Schedule SS-GSMPII-5**

(Terms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
Delivery								
1 Service Charge	220,495	147.80	\$32,589	220,495	155.30	\$34,243	\$1,654	5.08
2 Demand Charge	18,017	4.0632	73,207	18,017	4.1794	75,300	2,093	2.86
3 Distribution Charge 0-1,000 pre 7/14/97	8,974	0.043725	392	8,974	0.039989	359	(33)	(8.42)
4 Distribution Charge over 1,000 pre 7/14/97	45,378	0.043078	1,955	45,378	0.045627	2,070	115	5.88
5 Distribution Charge 0-1,000 post 7/14/97	145,700	0.043725	6,371	145,700	0.039989	5,826	(545)	(8.55)
6 Distribution Charge over 1,000 post 7/14/97	540,051	0.043078	23,264	540,051	0.045627	24,641	1,377	5.92
7 Balancing Charge	361,999	0.080397	29,104	361,999	0.080397	29,104	0	0.00
8 SBC	740,103	0.051496	38,112	740,103	0.051496	38,112	0	0.00
9 Margin Adjustment	740,103	(0.006519)	(4,825)	740,103	(0.006519)	(4,825)	0	0.00
10 Weather Normalization	361,999	0.000000	0	361,999	0.000000	0	0	0.00
11 Green Programs Recovery Charge	740,103	0.006923	5,124	740,103	0.006923	5,124	0	0.00
12 Tax Adjustment Credit	740,103	(0.034494)	(25,529)	740,103	(0.034494)	(25,529)	0	0.00
13 Green Enabling Mechanism	740,103	0.000000	\$0	740,103	0.000000	\$0	0	0.00
14 Facilities Charges			1			1	0	0.00
15 Minimum			218			218	0	0.00
16 Miscellaneous			(279)			(278)	1	(0.20)
17 Delivery Subtotal	740,103		\$179,704	740,103		\$184,366	\$4,662	2.59
18 Unbilled Delivery			(46)			(47)	(1)	2.17
19 Delivery Subtotal w unbilled			\$179,658			\$184,319	\$4,661	2.59
20								
21								
Supply								
23 BGSS	740,103	0.482777	\$357,305	740,103	0.482777	\$357,305	\$0	0.00
24 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
25 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	740,103	(0.000043)	(32)	(32)	0.00
26								
27 Miscellaneous			(143)			(143)	0	0.00
28 Supply Subtotal	740,103		\$357,162	740,103		\$357,130	(\$32)	(0.01)
29 Unbilled Supply			1,071			1,071	0	0.00
30 Supply Subtotal w unbilled			\$358,233			\$358,201	(\$32)	(0.01)
31								
32 Total Delivery + Supply	740,103		\$537,891	740,103		\$542,520	\$4,629	0.86

36 Notes:

37 All customers assumed to be on BGSS.

38 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021

39 plus applicable BGSS charges.

RATE SCHEDULE SLG
STREET LIGHTING SERVICE
Schedule SS-GSMPII-5
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
Delivery								
1 Single	10.392	13.2351	\$137.539	10.392	13.2351	\$137.539	\$0.000	0.00
2 Double Inverted	0.108	13.2351	1.429	0.108	13.2351	1.429	0.000	0.00
3 Double Upright	0.588	13.2351	7.782	0.588	13.2351	7.782	0.000	0.00
4 Triple prior to 1/1/93	18.096	13.2351	239.502	18.096	13.2351	239.502	0.000	0.00
5 Triple on and after 1/1/93	0.420	67.4762	28.340	0.420	67.4762	28.340	0.000	0.00
6 Distribution Therm Charge	678.777	0.049343	33.493	678.777	0.050875	34.533	1.040	3.11
7 SBC	678.777	0.051496	34.954	678.777	0.051496	34.954	0.000	0.00
8 Margin Adjustment	678.777	(0.006519)	(4.425)	678.777	(0.006519)	(4.425)	0.000	0.00
9 Green Programs Recovery Charge	678.777	0.006923	4.699	678.777	0.006923	4.699	0.000	0.00
10 Tax Adjustment Credit	678.777	(0.129361)	(87.807)	678.777	(0.129361)	(87.807)	0.000	0.00
11 Green Enabling Mechanism	678.777	0.000000	0.000	678.777	0.000000	0.000	0.000	0.00
12 Facilities Charges			0.000			0.000	0.000	0.00
13 Minimum			0.000			0.000	0.000	0.00
14 Miscellaneous			(13.010)			(13.010)	0.000	0.00
15 Delivery Subtotal	678.777		\$382.496	678.777		\$383.536	\$1.040	0.27
16 Unbilled Delivery			0.000			0.000	0.000	0.00
17 Delivery Subtotal w unbilled			\$382.496			\$383.536	\$1.040	0.27
18								
Supply								
20 BGSS	678.777	0.481612	\$326.907	678.777	0.481612	\$326.907	\$0.000	0.00
21 Emergency Sales Service	0.000	0.000000	0.000	0.000	0.000000	0.000	0.000	0.00
22 BGSS Contrib. from TSG-F, TSG-NF & CIG	0.000	0.000000	0.000	678.777	(0.000043)	(0.029)	(0.029)	0.00
23 Miscellaneous			131.390			131.390	0.000	0.00
24 Supply Subtotal	678.777		\$458.297	678.777		\$458.268	(\$0.029)	(0.01)
25 Unbilled Supply			229.149			229.134	(0.015)	(0.01)
26 Supply Subtotal w unbilled			\$687.446			\$687.402	(\$0.044)	(0.01)
27								
28 Total Delivery + Supply	678.777		\$1,069.942	678.777		\$1,070.938	\$0.996	0.09
29								
30								
31								

32 Notes:

33 All customers assumed to be on BGSS.

34 SLG units and revenues shown to 3 decimals.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021

36 plus applicable BGSS charges.

RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
Schedule SS-GSMPII-5
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	0.166	182.37	\$30	0.166	188.54	\$31	\$1	3.33
2 Margin 0-600,000	32,835	0.081631	2,680	32,835	0.084333	2,769	89	3.32
3 Margin over 600,000	8,232	0.071631	590	8,232	0.074333	612	22	3.73
4 Extended Gas Service	0	0.150000	0	0	0.150000	0	0	0.00
5 SBC	41,067	0.051496	2,115	41,067	0.051496	2,115	0	0.00
6 Green Programs Recovery Charge	41,067	0.006923	284	41,067	0.006923	284	0	0.00
7 Tax Adjustment Credit	41,067	(0.014840)	(609)	41,067	(0.014840)	(609)	0	0.00
8 Green Enabling Mechanism	41,067	0.000000	0	41,067	0.000000	0	0	0.00
9 Facilities Charges			0			0	0	0.00
10 Minimum			0			0	0	0.00
11 Miscellaneous			0			0	0	0.00
12 Delivery Subtotal	41,067		\$5,090	41,067		\$5,202	\$112	2.20
13 Unbilled Delivery			(35)			(36)	(1)	2.86
14 Delivery Subtotal w unbilled			\$5,055			\$5,166	\$111	2.20
15								
<u>Supply</u>								
17 Commodity Component	41,067	0.281418	\$11,557	41,067	0.281418	\$11,557	\$0	0.00
18 Pilot Use	1,249	1.89	2,361	1,249	1.89	2,361	0	0.00
19 Penalty Use	0		0	0		0	0	0.00
20 Extended Gas Service	5		338	5		338	0	0.00
21 Miscellaneous			0			0	0	0.00
22 Supply Subtotal	42,321		\$14,256	42,321		\$14,256	\$0	0.00
23 Unbilled Supply			(60)			(60)	0	0.00
24 Supply Subtotal w unbilled			\$14,196			\$14,196	\$0	0.00
25								
26 Total Delivery + Supply	41,067		\$19,251	41,067		\$19,362	\$111	0.58

27
28
29
30 Notes:
31 All customers assumed to be on BGSS.
32 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021
33 plus applicable BGSS charges.
34

RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
Schedule SS-GSMPII-5
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
Delivery								
1 Service Charge	0.494	791.61	\$391.055	0.494	831.79	\$410.904	\$19.849	5.08
2 Demand Charge	487	2.1205	1,032.684	487	2.1468	1,045.492	12.808	1.24
3 Demand Charge, Agreements	0	0.0000	0.000	0	0.0000	0.000	0.000	0.00
4 Distribution Charge	25,950	0.081055	2,103.377	25,950	0.082061	2,129.483	26.106	1.24
5 Distribution Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
6 SBC	25,950	0.051496	1,336.321	25,950	0.051496	1,336.321	0.000	0.00
7 SBC, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
8 Margin Adjustment	25,950	(0.006519)	(169.168)	25,950	(0.006519)	(169.168)	0.000	0.00
9 Margin Adjustment, Agreements	0	(0.006519)	0.000	0	(0.006519)	0.000	0.000	0.00
10 Green Programs Recovery Charge	25,950	0.006923	179.652	25,950	0.006923	179.652	0.000	0.00
11 Green Programs Recovery Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
12 Tax Adjustment Credit	25,950	(0.027273)	(707.734)	25,950	(0.027273)	(707.734)	0.000	0.00
13 Green Enabling Mechanism	25,950	0.000000	0.000	25,950	0.000000	0.000	0.000	0.00
14 Facilities Charges			0.000			0.000	0.000	0.00
15 Minimum			0.000			0.000	0.000	0.00
16 Miscellaneous			(54.034)			(54.032)	0.002	0.00
17 Delivery Subtotal	25,950		4,112.153	25,950		4,170.918	58.765	1.43
18 Unbilled Delivery			36.688			37.212	0.524	1.43
19 Delivery Subtotal w unbilled			4,148.841			4,208.130	59.289	1.43
20								
Supply								
22 Commodity Charge, BGSS-F	25,950	0.475607	\$12,342.000	25,950	0.475607	\$12,342.000	\$0.000	0.00
23 Emergency Sales Service	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
24 Miscellaneous			0.000			0.000	0.000	0.00
25 Supply Subtotal	25,950		\$12,342.000	25,950		\$12,342.000	\$0.000	0.00
26 Unbilled Supply			0.000			0.000	0.000	0.00
27 Supply Subtotal w unbilled			\$12,342.000			\$12,342.000	\$0.000	0.00
28								
29 Total Delivery + Supply	25,950		\$16,490.841	25,950		\$16,550.130	\$59.289	0.36

33 Notes:

34 All customers assumed to be on BGSS.

35 TSG-F revenues shown to 3 decimals.

36 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021

37 plus applicable BGSS charges.

RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
Schedule SS-GSMPII-5
(Terms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	2,218	791.61	\$1,756	2,218	831.79	\$1,845	\$89	5.07
2 Dist Charge 0-50,000	99,839	0.090843	9,070	99,839	0.093743	9,359	289	3.19
3 Dist Charge 0-50,000, Agreements	600	0.023333	14	600	0.023333	14	0	0.00
4 Dist Charge over 50,000	67,427	0.090843	6,125	67,427	0.093743	6,321	196	3.20
5 Dist Charge over 50,000, Agreements	11,318	0.023502	266	11,318	0.023502	266	0	0.00
6 SBC	167,266	0.051496	8,614	167,266	0.051496	8,614	0	0.00
7 SBC, Agreements	11,918	0.042876	511	11,918	0.042876	511	0	0.00
8 Green Programs Recovery Charge	167,266	0.006923	1,158	167,266	0.006923	1,158	0	0.00
9 Green Programs Recovery Charge, Agreements	11,918	0.005370	64	11,918	0.005370	64	0	0.00
10 Tax Adjustment Credit	167,266	(0.010330)	(1,728)	167,266	(0.010330)	(1,728)	0	0.00
11 Green Enabling Mechanism	167,266	0.000000	0	167,266	0.000000	0	0	0.00
12 Facilities Charges			5			5	0	0.00
13 Minimum			0			0	0	0.00
14 Miscellaneous			(277)			(277)	0	0.00
15 Delivery Subtotal	179,184		\$25,578	179,184		\$26,152	\$574	2.24
16 Unbilled Delivery			(8,607)			(8,800)	(193)	2.24
17 Delivery Subtotal w unbilled			\$16,971			\$17,352	\$381	2.25
18								
<u>Supply</u>								
20 Commodity Charge, BGSS-I	179,184	0.439548	\$78,760	179,184	0.439548	\$78,760	\$0	0.00
21 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
22 Pilot Use	26	1.890000	49	26	1.890000	49	0	0.00
23 Penalty Use	19	0.473684	9	19	0.473684	9	0	0.00
24 Miscellaneous			2			2	0	0.00
25 Supply Subtotal	179,229		\$78,820	179,229		\$78,820	\$0	0.00
26 Unbilled Supply			(2,666)			(2,666)	0	0.00
27 Supply Subtotal w unbilled			\$76,154			\$76,154	\$0	0.00
28								
29 Total Delivery + Supply	179,184		\$93,125	179,184		\$93,506	\$381	0.41
30								
31								
32								

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021

36 plus applicable BGSS charges.

**RATE SCHEDULE CSG
CONTRACT SERVICES
Schedule SS-GSMP11-5**
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge - Power	0.0800	791.61	\$63	0.0800	831.79	\$67	\$4	6.35
2 Service Charge - Power- Non Firm	0.0120	791.61	9	0.0120	831.79	10	1	11.11
3 Service Charge - Other	0.1090	791.61	86	0.1090	831.79	91	5	5.81
4 Distribution Charge - Power	599,445	0.006051	3,627	599,445	0.006051	3,627	0	0.00
5 Distribution Charge - Power- Non Firm	4,755	0.090843	432	4,755	0.093743	446	14	3.24
6 Distribution Charge - Other	185,648	0.011904	2,210	185,648	0.011904	2,210	0	0.00
7 Maintenance - Power	599,445	0.000142	85	599,445	0.000142	85	0	0.00
8 Maintenance - Power- Non Firm	4,755	0.000000	0	4,755	0.000000	0	0	0.00
9 Maintenance - Other	185,648	0.000113	21	185,648	0.000113	21	0	0.00
10 Pilot Use	0	0.000000	0	0	0.000000	0	0	0.00
11 Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
12 Balancing Charge (applicable only if customer uses BGSS-F)	0	0.000000	0	0	0.000000	0	0	0.00
13 SBC	789,848	0.051496	980	789,848	0.051496	980	0	0.00
14 Green Programs Recovery Charge	789,848	0.006923	149	789,848	0.006923	149	0	0.00
15 Tax Adjustment Credit	789,848	(0.001073)	(848)	789,848	(0.001073)	(848)	0	0.00
16 Green Enabling Mechanism	789,848	0.000000	0	789,848	0.000000	0	0	0.00
17 Facilities Chg.			840			840	0	0.00
18 Minimum			271			271	0	0.00
19 Sales Tax Discount - Delivery			(428)			(428)	0	0.00
20 Misc.			300			300	0	0.00
21 Delivery Subtotal	789,848		7,797	789,848		7,821	24	0.31
22 Unbilled Delivery			(93)			(93)	0	0.00
23 Delivery Subtotal w/ Unbilled	789,848		7,704	789,848		7,728	24	0.31
Supply								
26 BGSS-Firm - Power	0	0.000000	0	0	0.000000	0	0	0.00
27 BGSS-Firm - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
28 BGSS-Firm - Other	0	0.000000	0	0	0.000000	0	0	0.00
29								
30 BGSS-Interruptible - Power	0	0.000000	0	0	0.000000	0	0	0.00
31 BGSS-Interruptible - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
32 BGSS-Interruptible - Other	0	0.000000	0	0	0.000000	0	0	0.00
33								
34 Emergency Sales Svc. - Power	0	0.000000	0	0	0.000000	0	0	0.00
35 Emergency Sales Svc. - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
36 Emergency Sales Svc - Other	0	0.000000	0	0	0.000000	0	0	0.00
37								
38 Pilot Use	26	1.89	49	26	1.89	49	0	0.00
39 Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
40 Misc.	19		0	19		0	0	0.00
41 Supply Subtotal	45		49	45		49.140	0	0.00
42 Unbilled Supply	0		0	0		0	0	0.00
43 Supply Subtotal w/ Unbilled	45		49	45		49.140	0	0.00
44								
45 Total Delivery & Supply	789,893		7,753	789,893		7,777	24.00	0.31
46								

47 Notes:

48 All customers assumed to be on BGSS.

49 Annualized Weather Normalized Revenue reflects Delivery rates as of 6/1/2021

50 plus applicable BGSS charges.

Gas Tariff Rates
Schedule SS-GSMPII-5

Rate Schedule	Description	Present		Proposed	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
RSG	Service Charge	\$8.08	\$8.62	\$8.08	\$8.62
	Distribution Charges	\$0.391767	\$0.417722	\$0.408620	\$0.435691
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723
	Off-Peak Use	\$0.195884	\$0.208861	\$0.204310	\$0.217846
GSG	Service Charge	\$16.65	\$17.75	\$17.50	\$18.66
	Distribution Charge - Pre July 14, 1997	\$0.304859	\$0.325056	\$0.313519	\$0.334290
	Distribution Charge - All Others	\$0.304859	\$0.325056	\$0.313519	\$0.334290
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.152430	\$0.162528	\$0.156760	\$0.167145
	Off-Peak Use Dist Charge - All Others	\$0.152430	\$0.162528	\$0.156760	\$0.167145
LVG	Service Charge	\$147.80	\$157.59	\$155.30	\$165.59
	Demand Charge	\$4.0632	\$4.3324	\$4.1794	\$4.4563
	Distribution Charge 0-1,000 pre July 14, 1997	\$0.043725	\$0.046622	\$0.039989	\$0.042638
	Distribution Charge over 1,000 pre July 14, 1997	\$0.043078	\$0.045932	\$0.045627	\$0.048650
	Distribution Charge 0-1,000 post July 14, 1997	\$0.043725	\$0.046622	\$0.039989	\$0.042638
	Distribution Charge over 1,000 post July 14, 1997	\$0.043078	\$0.045932	\$0.045627	\$0.048650
SLG	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723
	Single-Mantle Lamp	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Double-Mantle Lamp, inverted	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Double Mantle Lamp, upright	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Triple-Mantle Lamp, prior to January 1, 1993	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Triple-Mantle Lamp, on and after January 1, 1993	\$67.4762	\$71.9465	\$67.4762	\$71.9465
	Distribution Therm Charge	\$0.049343	\$0.052612	\$0.050875	\$0.054245

Gas Tariff Rates
Schedule SS-GSMPII-5

Rate Schedule	Description	Present		Proposed	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
TSG-F	Service Charge	\$791.61	\$844.05	\$831.79	\$886.90
	Demand Charge	\$2.1205	\$2.2610	\$2.1468	\$2.2890
	Distribution Charges	\$0.081055	\$0.086425	\$0.082061	\$0.087498
TSG-NF	Service Charge	\$791.61	\$844.05	\$831.79	\$886.90
	Distribution Charge 0-50,000	\$0.090843	\$0.096861	\$0.093743	\$0.099953
	Distribution Charge over 50,000	\$0.090843	\$0.096861	\$0.093743	\$0.099953
	Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02
CIG	Service Charge	\$182.37	\$194.45	\$188.54	\$201.03
	Distribution Charge 0-600,000	\$0.081631	\$0.087039	\$0.084333	\$0.089920
	Distribution Charge over 600,000	\$0.071631	\$0.076377	0.074333	\$0.079258
	Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02
BGSS RSG	Commodity Charge including Losses	\$0.300058	\$0.319937	\$0.299955	\$0.319827
CSG	Service Charge	\$791.61	\$844.05	\$831.79	\$886.90
	Distribution Charge - Non-Firm	\$0.090843	\$0.096861	\$0.093743	\$0.099953

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed change in the gas base rate on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$230.48	\$233.56	\$3.08	1.34%
50	340	357.80	363.82	6.02	1.68
100	610	568.00	578.94	10.94	1.93
159	1,000	869.99	887.87	17.88	2.06
172	1,040	895.42	914.00	18.58	2.08
200	1,210	1,024.66	1,046.26	21.60	2.11
300	1,816	1,486.12	1,518.54	32.42	2.18

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect as of June 1, 2021 and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change for Gas System Modernization Program II Base Rate Adjustments.

Residential Gas Service					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$27.77	\$28.22	\$0.45	1.62%
340	50	46.95	47.83	0.88	1.87
610	100	86.18	87.97	1.79	2.08
1,040	172	142.06	145.13	3.07	2.16
1,210	200	163.76	167.34	3.58	2.19
1,816	300	241.32	246.68	5.36	2.22

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect as of June 1, 2021 and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes change for Gas System Modernization Program II Base Rate Adjustments.

PSE&G GSMP II Earnings Test
in \$000

Schedule SS-GSMP II-7
Page 1 of 4

1	Equity Base for Earnings Test	3,371,491	See page 2
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	10.1%	= ln 2 + ln 3
5	Actual Net Income	284,063	See page 4
6	ROE for Earnings Test	8.43%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	Pass	= IF ln 4 > 6, Pass else Fail

PSE&G GSMPII Earnings Test

in \$000

Schedule SS-GSMPII-7

Page 2 of 4

Common Equity Calculation

	Jun-20	Jun-21	Average
1 Common Equity	12,472,569	13,870,790	13,171,680
2 Gas Allocation	25%	26%	
3 Gas Equity Balance	3,136,371	3,606,610	3,371,491

Actual from FERC Form 1, page 112, line 16
See ln 4 [June 2018] and ln 7 [June 2019]
= ln 1 * ln 2

Gas Allocation Calculation

		Accumulated			%
		Gross Plant	Depreciation	Net Investment	
		Jun-20			
4	Gas Distribution	9,204,923	(2,471,489)	6,733,434	25% See page 3
5	Other	24,301,123	(4,257,364)	20,043,759	75% = ln 6 - ln 4
6	Total	33,506,046	(6,728,853)	26,777,193	100% FERC Form 1, page 110, line 2 (Plant) and 5 (Accum Dep)
		Jun-21			
7	Gas Distribution	9,857,456	(2,542,321)	7,315,136	26% See page 3
8	Other	25,246,628	(4,428,221)	20,818,408	74% = ln 9 - ln 7
9	Total	35,104,085	(6,970,541)	28,133,544	100% FERC Form 1, page 110, line 2 (Plant) and 5 (Accum Dep)

PSE&G GSMP II Earnings Test

in \$000

Schedule SS-GSMP II-7

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Gas Net Plant

	Gas Distribution Plant In-Service	Gas Plant Held for Future Use	Gas Plant in Service for Earnings Test*	Gas Accumulated Depreciation
Jul-20	9,205,019	96	9,204,923	(2,471,489) Actual
Aug-20	9,266,146	96	9,266,050	(2,485,186) Actual
Sep-20	9,326,334	96	9,326,238	(2,494,281) Actual
Oct-20	9,393,970	96	9,393,874	(2,505,355) Actual
Nov-20	9,453,605	96	9,453,509	(2,513,842) Actual
Dec-20	9,515,184	96	9,515,088	(2,518,784) Actual
Jan-21	9,567,965	96	9,567,869	(2,529,915) Actual
Feb-21	9,600,049	96	9,599,953	(2,538,541) Actual
Mar-21	9,663,969	96	9,663,873	(2,542,087) Actual
Apr-21	9,725,195	96	9,725,099	(2,543,122) Actual
May-21	9,789,474	96	9,789,378	(2,550,506) Actual
Jun-21	9,857,553	96	9,857,456	(2,542,321) Forecast

* Excludes Plant Held for Future Use consistent with 2018 rate case Stipulation on earnings test for WNC

PSE&G GSMP II Earnings Test

in \$000

Schedule SS-GSMP II-7

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	Net Utility Operating Income*	Less Net Interest Charges*	Regulatory Net Income for Earnings Test	
Jul-20	(12,022)	(7,890)	(19,912)	<i>Actual</i>
Aug-20	(9,000)	(7,986)	(16,986)	<i>Actual</i>
Sep-20	3,957	(7,960)	(4,003)	<i>Actual</i>
Oct-20	5,988	(7,920)	(1,931)	<i>Actual</i>
Nov-20	39,525	(7,901)	31,624	<i>Actual</i>
Dec-20	74,860	(7,916)	66,945	<i>Actual</i>
Jan-21	87,300	(7,911)	79,390	<i>Actual</i>
Feb-21	78,386	(7,932)	70,454	<i>Actual</i>
Mar-21	66,300	(7,838)	58,462	<i>Actual</i>
Apr-21	20,737	(8,077)	12,660	<i>Plan</i>
May-21	2,271	(8,079)	(5,808)	<i>Plan</i>
Jun-21	21,018	(7,850)	13,169	<i>Plan</i>
Total	379,321	(95,258)	284,063	

* Excludes GPRC

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY GAS CUSTOMERS

In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism ("GSMP II") (June 2021 GSMP II Rate Filing)

Notice of Filing and Notice of Public Hearings

Docket No. XXXXXXXXXX

TAKE NOTICE that on June 28, 2021, Public Service Electric and Gas Company ("Public Service," "PSE&G," or "Company") filed a Petition and supporting documentation with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking Board approval for gas base rate changes to provide for cost recovery associated with the Company's Gas System Modernization Program II ("GSMP II" or "Program").

On May 22, 2018, the Board issued an Order ("GSMP II Order") approving the Program in Docket No. GR17070776. The GSMP II Order provided approval to invest up to \$1.575 billion to be recovered through the GSMP II rate recovery mechanism in order to replace PSE&G's utilization pressure cast iron mains and unprotected steel mains and associated services; upgrade utilization pressure portions of the system to elevated pressure; and install excess flow valves and eliminate district regulators, where applicable.

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase of approximately \$33.765 million associated with \$324.9 million of actual and forecasted Program investments through May 31, 2021 and August 31, 2021, respectfully.

For illustrative purposes, the estimated base rates effective December 1, 2021, including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RSG, are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to the GSMP II, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage.

Under the Company's proposal, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see an initial increase in the annual bill from \$568.00 to \$578.94, or \$10.94 or approximately 1.93%. Also, a typical residential gas heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see an increase in the annual bill from \$895.42 to \$914.00, or \$18.58 or approximately 2.08%. The approximate effect of the proposed gas base rate change on typical

gas residential monthly bills, if approved by the Board, is illustrated in Table #3.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

The Company's filing is available for review online at the PSEG website at <http://www.pseg.com/pseandgfiling>.

Please take further notice that due to the COVID-19 pandemic, telephonic public hearings have been scheduled on the following date and times so that members of the public may present their views on the Company's filing.

Date:

Time:

Dial In:

Access Code:

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the public hearings. Members of the public are invited to listen, and if they choose, express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board will also accept written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Emailed comments may be filed with the Secretary of the Board, in pdf or Word format to board.secretary@bpu.nj.gov or through the Board's

External Access Portal after obtaining a MyNew Jersey Portal ID. Once an account is established, you will need an authorization code which can be obtained upon request by emailing the Board's IT Helpdesk at BPUITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>.

Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350.

All comments should include the name of the petition and the docket number. Written and emailed comments will be provided the same weight as statements made at the hearings.

Table # 1
BASE RATES
For Residential RSG Customers
Rates if Effective December 1, 2021

Rate Schedule			Base Rates	
			Charges in Effect June 1, 2021 ⁽¹⁾ Including SUT	Estimated Charges Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/Therm	0.417722	0.435691
	Off-Peak Use	\$/Therm	0.208861	0.217846
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.319937	0.319827

⁽¹⁾Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of June 1, 2021 and assumes that the customer receives commodity service from Public Service.

Table # 2
Proposed Percentage Change in Revenue
by Customer Class For Gas Service
For Rates if Effective December 1, 2021

	Rate Class	Percent Change
Residential Service	RSG	2.05
General Service	GSG	1.41
Large Volume Service	LVG	0.86
Street Lighting Service	SLG	0.09
Firm Transportation Gas Service	TSG-F	0.36
Non-Firm Transportation Gas Service	TSG-NF	0.41
Cogeneration Interruptible Service	CIG	0.58
Contract Services	CSG	0.31
Overall		1.57

The percent increases noted above are based upon June 1, 2021 Delivery Rates and assumes that customers receive commodity service from Public Service Electric and Gas Company.

Table # 3
Residential Gas Service For Rates if Effective December 1, 2021

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Monthly Percent Change Would Be:
170	25	\$27.77	\$28.22	\$0.45	1.62%
340	50	46.95	47.83	0.88	1.87
610	100	86.18	87.97	1.79	2.08
1,040	172	142.06	145.13	3.07	2.16
1,210	200	163.76	167.34	3.58	2.19
1,816	300	241.32	246.68	5.36	2.22

(1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of June 1, 2021 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits.

(2) Same as (1) except includes change for GSMP II Base Rate Adjustments.

Danielle Lopez, Esq.
Assistant General Regulatory Counsel

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

ATTACHMENT 4**PUBLIC SERVICE ELECTRIC AND GAS COMPANY****INCOME ACCOUNT**

	<u>YTD 2020 *</u> '(\$000)
400 Electric Operating Revenues	\$ 3,152,764
Electric Operating Expenses:	
401 Operation Expense	2,184,449
402 Maintenance Expense	129,665
403 Depreciation Expense	298,204
404 Amortization of Limited Term Plant	16,391
407 Amortization of Property Losses	26,767
408.1 Taxes Other Than Income Taxes	24,495
409.1 Income Taxes - Federal	75,743
410.1 Provision for Deferred Income Taxes	297,807
411.1 Provision for Deferred Income Taxes - Credit	(336,280)
411.103 Accretion Expense-Electric	(226)
411.4 Investment Tax Credit Adjustments (Net)	(8,160)
Total Electric Utility Operating Expenses	<u>2,708,856</u>
Electric Utility Operating Income	<u>\$ 443,909</u>

* Electric Distribution only

	<u>YTD 2020</u>
400 Gas Operating Revenues	\$ 1,679,259
Gas Operating Expenses:	
401 Operation Expense	1,028,741
402 Maintenance Expense	49,435
403 Depreciation Expense	177,246
404 Amortization of Limited Term Plant	12,681
407 Amortization of Property Losses	30,491
407.3 Amortization of Excess cost of removal	19,621
407.4 Amortization of Excess cost of removal	0
408.1 Taxes Other Than Income Taxes	17,029
409.1 Income Taxes - Federal	13,541
410.1 Provision for Deferred Income Taxes	197,863
411.1 Provision for Deferred Income Taxes - Cr	(231,396)
411.4 Investment Tax Credit Adjustments (Net)	(790)
Total Gas Utility Operating Expenses	<u>1,314,460</u>
Gas Utility Operating Income	<u>\$ 364,798</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
BALANCE SHEET
\$ (In Thousands)

Mar 31, 2021

Assets and Other Debits
Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$ 22,688,926
103	Electric Experimental Plant Unclassified	-
105	Electric Utility Plant Held for Future Use	20,778
106	Electric Completed Construction not classified- Electric	2,318,039
107	Electric Construction Work in Progress	1,766,187
	Total Electric Utility Plant	<u>26,793,929</u>

Gas Utility Plant

101	Gas Utility Plant in Service	\$ 9,471,024
103	Gas Experimental Plant Unclassified	-
105	Gas Utility Plant Held for Future Use	96
106	Gas Completed Construction not classified	39,289
107	Gas Construction Work in Progress	33,020
	Total Gas Utility Plant	<u>9,543,430</u>

Common Utility Plant

101	Common Utility Plant in Service	\$ 464,554
106	Common Completed Construction not classified	2,043
107	Common Construction Work in Progress	32,512
	Total Common Utility Plant	<u>499,109</u>

Property under capital leases

101.1	Electric & Gas Property under capital leases	96,230
		<u>96,230</u>

Total Utility Plant

36,932,699

Accumulated Provisions for Depreciation and Amortization of
Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(4,461,393)
108.5	Electric Utility Plant Held for Future Use	-
	Total Electric Utility Plant	<u>(4,461,393)</u>

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(2,431,975)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(242,339)
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Total Accumulated Provisions for
Depreciation and Amortization
of Utility Plant

(7,135,706)

Net Utility Plant Excluding Nuclear Fuel

29,796,992

Nuclear Fuel

120.1	120.1 In Process	-
120.2	120.2 Materials and Assemblies Stock	-
120.3	120.3 In Reactor	-
120.4	120.4 Spent	-

Accumulated Provisions for Amortization

120.5	120.5 Nuclear Fuel	-
	Net Nuclear Fuel	-
	Net Utility Plant	<u>29,796,992</u>

0

Other Property and Investments

121	Nonutility Property	3,264
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(975)
123 & 123.1	Investments in Associated & Subsidiary Companies	45,054
124	Other Investments	217,368
125-8	Special Funds	42,631
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	<u>307,343</u>

BALANCE SHEET**\$ (In Thousands)**Mar 31, 2021

Current and Accrued Assets

131	Cash	\$	105,862
132-4	Special Deposits		37,788
135	Working Funds		-
136	Temporary Cash Investments		525,000
141-3	Notes and Accounts Receivable		1,310,792
144	Accumulated Provision for Uncollectible Accounts - Credit		(239,153)
145-6	Receivables from Associated Companies		16,351
151-5	Materials and Supplies (incl. 163)		220,347
158	Allowances		-
164	Gas Stored Underground - Current		-
165	Prepayments		10,349
171	Interest and Dividends Receivable		-
172	Rents Receivable		6,247
173	Accrued Utility Revenues		194,088
174	Miscellaneous Current and Accrued		14,082
175	Current Portion of Derivative Instrument Assets		-
	Total Current and Accrued Assets		2,201,752

Deferred Debits

181	Unamortized Debt Expense		67,457
182	Unrec'd Plt and Reg Costs and Other Reg Assets		4,085,932
183	Preliminary Survey and Investigation Charges		31,546
184	Clearing Accounts		(0)
185	Temporary Facilities		-
186	Miscellaneous Deferred Debits		32,133
188	Research and Development Expenditures		-
189	Unamortized Loss on Reacquired Debt		34,531
190	Accumulated Deferred Income Taxes		828,185
	Total Deferred Debits		5,079,784

Total Assets and Other Debits

\$	37,385,872
	<u>0</u>

BALANCE SHEET**\$ (In Thousands)**Mar 31, 2021

Liabilities and Other Credits

Proprietary Capital

201	Common Stock Issued	\$	892,260
204	Preferred Stock Issued		-
207	Premium on Capital Stock		-
208	Donations from Stockholders		2,155,903
210	Gain on Resale or Cancellation of Reacquired Capital Stock		-
211	Miscellaneous Paid-In Capital		-
215	Appropriated Retained Earnings		-
216	Unappropriated Retained Earnings		10,555,043
216.1	Unappropriated Undistributed Subsidiary Earnings		(28)
219	Other Comprehensive Income		178
	Total Proprietary Capital		<u>13,603,356</u>

Long-Term Debt

221	221 Bonds		11,599,381
223	223 Advances from Assoc. Co.		-
225	225 Unamortized Premium on Long-Term Debt		-
226	226 Unamortized Discount on Long-Term Debt		(29,717)
	Total Long-Term Debt		<u>11,569,664</u>

Other Non-Current Liabilities

227-9	Other Non-current Liabilities		1,181,605
244	Long-Term Portion of Derivative Instrument Liabilities		-
230	Asset Retirement Obligation		314,913
	Total Other Non-Current Liabilities		<u>1,496,518</u>

Current and Accrued Liabilities

231	Notes Payable		-
232	Accounts Payable		416,555
233-4	Payables to Associated Companies		510,618
235	Customer Deposits		63,790
236	Taxes Accrued		19,585
237	Interest Accrued		123,748
238	Dividends Declared		-
239	Matured Long-Term Debt		-
241	Tax Collections Payable		37,526
242	Miscellaneous Current and Accrued Liabilities		541,767
243	Obligations Under Capital leases		12,813
244	Current Portion of Derivative Instrument Liabilities		-
	Total Current and Accrued Liabilities		<u>1,726,402</u>

Deferred Credits

252	Customer Advances for Construction		56,851
253	Other Deferred Credits		309,275
254	Other Regulatory Liabilities		3,110,462
255	Accumulated Deferred Investment Tax Credits		125,974
281-3	Accumulated Deferred Income Taxes		5,387,369
	Total Deferred Credits		<u>8,989,932</u>

Total Liabilities and Other Credits	\$	<u>37,385,872</u>
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