

Danielle Lopez
Associate Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T5, Newark, New Jersey 07102-4194
tel : 973-430-6479 fax: 973-430-5983
email: danielle.lopez@pseg.com



November 1, 2021

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric and Gas Rate
Adjustments Pursuant to the Energy Strong II Program

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 Edward Gray, Wade Miller and Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

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

Very truly yours,

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

C Attached service list (via e-mail)

BPU

Robert Brabston
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625
robert.brabston@bpu.nj.gov

BPU

Robert Glover
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
robert.glover@bpu.nj.gov

BPU

Ryan Moran
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
ryan.moran@bpu.nj.gov

BPU

Benjamin Witherell
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
benjamin.witherell@bpu.nj.gov

DAG

Jenique Jones
NJ Dept. of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street P.O. Box 112
Trenton NJ 08625
jenique.jones@dol.lps.state.nj.us

PSE&G

Danielle Lopez Esq.
Public Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
973-430-6479
danielle.lopez@pseg.com

BPU

David Brown
Board of Public Utilities
44 South Clinton Avenue
Suite 314
P.O. Box 350
Trenton NJ 08625-0350
david.brown@bpu.nj.gov

BPU

Son Lin Lai
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2098
son-lin.lai@bpu.nj.gov

BPU

Jacqueline O'Grady
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2947
jackie.ogrady@bpu.nj.gov

DAG

Michael Beck
NJ Dept. of Law and Public Safety
25 Market Street
P.O. Box 112
Trenton NJ 08625

PSE&G

Joseph F. Accardo, Jr.
PSEG Services Corporation
80 Park Plaza, T5G
P.O. Box 570
Newark NJ 07102
(973) 430-5811
joseph.accardojr@pseg.com

PSE&G

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T5
Newark NJ 07102-4194
(973) 430-5930
bernard.smalls@pseg.com

BPU

Joe Costa
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 984-4558
joe.costa@bpu.nj.gov

BPU

Paul Lupo
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
paul.lupo@bpu.nj.gov

BPU

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625
heather.weisband@bpu.nj.gov

DAG

Matko Ilic
NJ Dept. of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton NJ 08625
matko.ilic@law.njoag.gov

PSE&G

Michele Falcao
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6119
michele.falcao@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-5
P.O. Box 570
Newark NJ 07102
(973)-430-5659
caitlyn.white@pseg.com

Rate Counsel

Maura Caroselli Esq.
Division of Rate Counsel
140 East Front Street
4th Floor
Trenton NJ 08625
mcaroselli@rpa.nj.gov

Rate Counsel

Brian O. Lipman
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
blipman@rpa.nj.gov

Rate Counsel

Tylise Hyman
Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton NJ 08625
thyman@rpa.nj.gov

Rate Counsel

Henry M. Ogden Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
hogden@rpa.nj.gov

Rate Counsel

Debora Layugan
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton NJ 08625
dlayugan@rpa.nj.gov

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

IN THE MATTER OF THE PETITION OF : PETITION
PUBLIC SERVICE ELECTRIC AND GAS : BPU DOCKET NOS. _____
COMPANY FOR APPROVAL OF ELECTRIC :
AND GAS RATE ADJUSTMENTS :
PURSUANT TO THE ENERGY STRONG II :
PROGRAM :

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*, or any other statute the Board deems applicable, as follows:

INTRODUCTION AND OVERVIEW OF THE FILING

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 customers within the State of New Jersey. PSE&G provides service to approximately 2.2 million electric and 1.8 million gas customers in an area having a population in excess of 6.2 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 Board regulation 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. 48:2-21 et seq.*

3. PSE&G is filing this Petition seeking Board approval for cost recovery associated with the Company's Energy Strong II Program ("ES II" or "Program"). The Energy Strong II Program was approved in a Board Order dated September 11, 2019 in BPU Docket Nos. EO18060629 and GO18060630 ("Energy Strong II Order"). In this Order, the Board adopted a Stipulation that explicitly authorizes the first rate filing for this Program to be filed no earlier than November 1, 2020 for rates effective no earlier than May 1, 2021. Stipulation, paragraph 40.

BACKGROUND

4. By Order dated May 21, 2014, the Board authorized PSE&G to implement its Energy Strong Program ("Energy Strong" or "ES I"). Pursuant to the Energy Strong Order, PSE&G was to invest and recover through the Energy Strong Adjustment Mechanism up to \$1 billion (\$0.6 billion electric and \$0.4 billion gas), to be recovered through future rate adjustments, to harden its infrastructure, thereby making it less susceptible to damage from wind, flying debris, and water damage in anticipation of future Major Storm Events and to strengthen the resiliency of the Company's delivery system. The Energy Strong Order also approved a cost recovery mechanism that allowed for semi-annual rate adjustments for spending related to electric investments and annual rate adjustments for spending related to gas investments.

5. On December 19, 2017, pursuant to subchapter N.J.A.C. 14:3-2A.1 et seq. ("IIP Rules"), the Board established a regulatory mechanism supporting the implementation of an Infrastructure Investment Program ("IIP"), which allows a utility to accelerate its investment in the construction, installation, and rehabilitation of certain non-revenue producing utility plant

and facilities that enhance safety, reliability, and/or resiliency. Through an IIP approved by the Board, a utility may obtain accelerated recovery of qualifying investments, subject to the terms of the subchapter, and any other conditions set forth by the Board in approving an individual utility's IIP. The IIP rules became effective on January 16, 2018.

6. On June 8, 2018, the Company filed a petition (“ESII Petition” or “Petition”) with the Board seeking approval of the next phase of its Energy Strong Program, ESII, for recovery of costs associated with infrastructure investments that serve to enhance safety, reliability, and/or resiliency through both electric and gas subprograms. The Company asserts that the Program builds upon ESI, which was approved by a Board order dated May 21, 2014 in BPU Docket Nos. EO13020155 and GO13020156 (“Energy Strong Order”).

7. The Company proposed a five (5) year Program in its ESII Petition, with a total investment level of approximately \$2.5 billion - consisting of \$1.5 billion of electric infrastructure projects and \$1.0 billion of gas infrastructure projects. PSE&G provided that the Program was aimed at improving the reliability and resiliency of the Company's electric and gas systems by rebuilding and raising critical electrical equipment, installing stronger poles and wires, deploying advanced technology, building backup pipes, modernizing critical gas equipment, and improving customer service. The proposed electric projects were grouped into four (4) subprograms: Station Subprogram (\$906M), Outside Plant Higher Design and Construction Standards Subprogram (\$345M), Contingency Reconfiguration Subprogram (\$145M), and Grid Modernization Subprogram (\$107M). The gas projects were grouped into two (2) subprograms: the Curtailment Resiliency Subprogram (\$863M) and the Metering and

Regulation Upgrade Subprogram (\$136M). The Company proposed to make semi-annual roll in filings to recover revenue requirements for plant placed in service, but not yet placed in rates.

8. Following proper notice, public hearings were held on the ES II Petition and its associated rate impacts in both the afternoon and evening in Hackensack, New Jersey on January 7, 2019; Mt. Holly, New Jersey on January 8, 2019; and in New Brunswick, New Jersey on January 9, 2019. The rate impacts of the Petition appeared in the public notice for these public hearings.

9. PSE&G provided direct and rebuttal testimony in support of its Petition and Rate Counsel submitted the direct testimony recommending a reduction in program spend and rejection of certain subprograms.

10. Evidentiary hearings were held before President Fiordaliso at the Board's offices in Trenton, New Jersey on June 10, 11, 14, and 17, 2019.

11. Following discovery, the filing of testimony, evidentiary hearings and several settlement conferences, the Parties executed a stipulation of settlement ("Stipulation") resolving this matter on August 23, 2019.

12. This Stipulation approved by the Energy Strong II Order on September 11, 2019, provided that the ESII Program will include an investment level of up to \$691.5 million recovered through the stipulated cost recovery mechanism described below. The Energy Strong II Order also approved investment of up to an additional \$150.5 million on certain capital projects during the Program term that will not be recovered through the Energy Strong II Rate Mechanism, but that will be considered Stipulated Base expenditure to be recovered in the Company's next base rate case. Of that \$150.5 million, \$100 million will be spent at the

Company's discretion toward electric outside plant higher design and construction standards ("outside plant") and/or electric life cycle subprograms identified in the Energy Strong II petition. The remaining \$50.5 million will be used to complete the six (6) gas M&R station upgrades specified in the Stipulation. If the completion of the six (6) M&R station upgrades requires less than the estimated \$50.5 million, the Company will have the option of achieving the \$50.5 million of Stipulated Base expenditure through additional gas M&R station upgrades.

13. In total, the Company shall spend \$842 million to complete the Program, with \$691.5 million within the Energy Strong II Rate Mechanism and \$150.5 million within Stipulated Base. All prudently incurred costs on Energy Strong II projects above \$842 million will count toward baseline capital expenditures as discussed in paragraph 35 of the Stipulation.

14. Under the Stipulation approved by the Energy Strong II Order, specific Energy Strong subprogram investment levels shall be up to the following amounts:

	<u>\$ million</u>
A. Electric Energy Strong Program	
• Electric Station Flood Mitigation	\$389
• Contingency Reconfiguration	\$145
• Grid Modernization, Communication System	\$72
• Grid Modernization, ADMS	<u>\$35</u>
Electric ES II Total	\$641
B. Gas Energy Strong Program	
• M&R Station Upgrades	<u>\$ 50.5</u>
Gas ES Total	\$50.5
 TOTAL ES II Program	 \$691.5

15. The Energy Strong II Order outlined the Minimum Filing Requirements ("MFRs") for the Energy Strong II cost recovery petitions and provided for the recovery of Energy Strong II approved costs by future adjustments the Energy Strong II Mechanism. A matrix setting forth

the location of each MFR is provided in Appendix A to this Petition.

REQUEST FOR COST RECOVERY

16. Consistent with the Energy Strong II Order, PSE&G is seeking BPU approval to recover the revenue requirements associated with certain capitalized electric investment costs of the Energy Strong Program through January 31, 2022. The annualized increase in electric revenue requirement associated with those investment costs is approximately \$18.156 million in revenue and is supported by Attachment 3, Schedule SS-ES-II-2E, which is attached hereto. The expenditures for the electric subprograms are listed in EFG-ESII-2 and include actual total expenditures not yet included in rates through September 30, 2021 and a forecast of electric capital expenditures from October 1, 2021 through January 31, 2022.

17. The annualized increase in gas revenue requirement associated with those investment costs is approximately \$1.157 million in revenue and is supported by Attachment 3, Schedule SS-ESII-2G attached hereto. A breakdown of this work on investment proposed to be in rates is provided in the monthly reports provided in Schedule EFG-ESII-2. The expenditures associated with this work is listed in Schedule WEM-ESII-2 and include actual expenditures through September 30, 2021 and a forecast of gas capital expenditures from October 1, 2021 through January 31, 2022.

18. The ES II revenue requirement and rate adjustment have been used as the basis to increase the current ES II recovery mechanism, and include actual expenditures through September 30, 2021 and projected expenditures from October 1, 2021 through January 31, 2022 associated with electric and gas plant that is anticipated to be in service by January 31, 2022. The projected

amounts for October 1, 2021 through January 31, 2022 will be updated for actual results by February 21, 2022.

19. As required by the Energy Strong II Order and Stipulation, the proposed electric and gas rate adjustments are based on the rate design approved in the Energy Strong II Order, and utilizes the rate design methodology used to set rates in the Company's most recently concluded base rate case. Specifically, the Company will utilize the corresponding billing determinants, including the weather normalized billing determinants approved in the most recent base rate case. The detailed calculation supporting the electric rate design is shown in Attachment 3, Schedule SS-ESII 5-6.

20. Attachment 1 is the testimony of Edward F. Gray, PSE&G's Director of Transmission & Distribution Engineering, Electric & Gas Asset Strategy, addressing the progress of the Energy Strong II Program and plant in-service at the end of January 2021. Attachment 2 is the testimony of Wade E. Miller, PSE&G's Director of Gas Transmission & Distribution Engineering, addressing the progress of the Energy Strong II Program and plant in-service at the end of January 2021. Attachment 3 is the testimony of Steven Swetz, Senior Director of Corporate Rates and Revenue Requirements for PSEG Services Corporation supporting the revenue requirement and rate calculations for the aforementioned roll-in period.

21. The annual average bill impacts of the requested rate increase are set forth in Attachment 3, Schedule SS-ES II-7. The annual impact of the proposed rates to the typical residential electric customer that uses 740 kilowatt-hours in a summer month and 6,920 kilowatt-hours annually is an increase from \$1,324.24 to \$1,332.12, or \$7.88 or approximately 0.60%. 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 from \$916.92 to \$917.54 or \$0.62 or approximately 0.07%.

22. Attachment 4 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 electric service territory upon scheduling of public hearing dates. A Notice will be served on the County Executives and Clerks of all municipalities within the Company's electric service territory upon scheduling of public hearing dates.

23. In accordance with the Board's recent 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.

24. Attachments 5 and 6 are the income statement and balance sheet, respectively, as required by the Minimum Filing Requirements in the Energy Strong II Order.

25. PSE&G requests that the Board find the proposed rates, as calculated in the rate design, Attachment 3, Schedule SS-ESII-5-6, is just and reasonable and PSE&G should be authorized to implement the proposed rates as set forth herein, effective May 1, 2022 upon issuance of a written BPU order.

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.

26. 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 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

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

Matthew M. Weissman, Esq.
Managing Counsel - State Regulatory
PSEG Services Corporation
80 Park Plaza, T10
P. O. Box 570
Newark, New Jersey 07102
matthew.weissman@pseg.com

Danielle Lopez, Esq.
Associate Counsel - Regulatory
Public Services Corporation
80 Park Plaza, T10
P.O. Box 570
Newark, New Jersey 07102
danielle.lopez@pseg.com

Michele Falcao
Regulatory Filings Supervisor
PSEG Services Corporation
80 Park Plaza, T10
P.O. Box 570
Newark, New Jersey 07102
michele.falcao@pseg.com

Caitlyn White
Regulatory Case Coordinator
PSEG Services Corporation
80 Park Plaza, T10
P.O. Box 570
Newark, New Jersey 07102
caitlyn.white@pseg.com

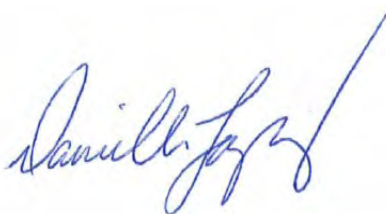
CONCLUSION AND REQUESTS FOR APPROVAL

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:

1. PSE&G is authorized to recover all costs identified herein associated with Energy Strong II incurred through January 31, 2022, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and
2. The rates as calculated in the proof of revenue, Attachment 3, Schedule SS-ESII-5-6 to this Petition, are just and reasonable and may be implemented for service rendered on and after May 1, 2022.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



By _____
Danielle Lopez
Assistant Counsel - Regulatory
PSEG Services Corp.
80 Park Plaza, T10
P. O. Box 570
Newark, New Jersey 07102
Phone: (973) 430-6479

DATED: November 1, 2021

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

IN THE MATTER OF THE PETITION OF : **PETITION**
PUBLIC SERVICE ELECTRIC AND GAS : **BPU DOCKET NOS. _____**
COMPANY FOR APPROVAL OF ELECTRIC :
AND GAS RATE ADJUSTMENTS :
PURSUANT TO THE ENERGY STRONG II :
PROGRAM :

CERTIFICATION

I, David 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.



BY: _____
David Zarra

PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – The Second Energy Strong Program Energy Strong Program II	
MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
I. General Filing Requirements	
1. PSE&G's income statement for the most recent 12 month period prepared using the same Federal Energy Regulatory Commission ("FERC") reporting and accounting conventions that are reflected in the Company's Annual Report to the Board.	Attachment 5
2. PSE&G's balance sheet for the most recent 12 month period, as filed with the Board prepared using the same FERC reporting and accounting conventions that are reflected in the Company's Annual Report to the Board.	Attachment 6
3. PSE&G's capital spending for each of the past five (5) years, broken down by major categories (e.g., system reinforcement, replace facilities, environmental/regulatory, and support facilities).	Attachment 1, Schedule EFG-ESII-2
4. PSE&G's overall approved ES II capital budget broken down by major categories, both budgeted and actual amounts.	Attachment 1, Schedule EFG-ESII-2
5. For each ES II Program subprogram: a. The original project summary for each ES II sub-program, b. Expenditures incurred to date for each sub-program, i. The cost of removal and ii. The amount of allocated overhead. c. Appropriate metric (e.g., rec losers installed), and d. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction)	Attachment 1, Schedule EFG-ESII-2
6. Anticipated sub-program timeline with updates and expected changes.	Attachment 1, Schedule EFG-ESII-2
7. A calculation of the proposed rate adjustment based on details related to ES II Program projects included in Plant in Service, including a calculation of the associated depreciation expense, based on those projects closed to Plant in Service during the period.	Attachment 3, Schedule SS-ESII-5
8. A list of any .and all 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 ES II	N/A – None

APPENDIX A

<p>Program projects, such as relocation, reimbursement, or stimulus money. An explanation of the financial treatment associated with the receipt of the government funds or credits.</p>	
<p>9. A revenue requirement calculation showing the actual capital expenditures for the period for which the filing is made, as well as supporting calculations.</p>	<p>Attachment 3, Schedule SS-ESII-2</p>
<p>10. An earnings test calculation demonstrating that the calculated ROE does not exceed the Company's allowed ROE from the latest base rate case by SO-basis points or more. The Company should divide the actual net income of the utility for the most recent 12-month period filed with the Board or FERC by the average of the beginning and ending common equity balances for the corresponding period, subject to adjustments. Common equity will be as reflected on the Company's FERC financial statements, adjusted to reflect only the electric and gas distribution allocation. The Company should provide nine (9) months actual data and three (3) months forecasted data at the time of each Initial Filing. The three (3) months of forecasted data should be updated with actuals at the same time the Company provides the Actuals Update for Investments.</p>	<p>Attachment 3, Schedule SS-ESII-8</p>

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

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of Electric and Gas Rate
Adjustments Pursuant to the Energy Strong II Program**

BPU Docket No. _____

DIRECT TESTIMONY

OF

EDWARD F GRAY

**DIRECTOR – TRANSMISSION AND DISTRIBUTION
ENGINEERING**

November 1, 2021

1
2
3
4

**DIRECT TESTIMONY
OF
EDWARD F GRAY
DIRECTOR – TRANSMISSION AND DISTRIBUTION ENGINEERING**

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

6 A. My name is Edward F Gray. I am the Director – Transmission and Distribution
7 Engineering for Public Service Electric and Gas Company (PSE&G, the Company, or
8 Petitioner). I am responsible for ensuring the reliability of PSE&G’s electric and gas
9 distribution assets and overseeing various functions that support the provision of safe,
10 adequate, proper and reliable electric and gas distribution service. My credentials are
11 set forth in the attached Schedule EFG-ESII-1.

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

13 A. This testimony provides information on the status of certain projects and expenditures
14 related to the electric portion of PSE&G’s Energy Strong II Program, which was approved
15 in an Order of the New Jersey Board of Public Utilities (BPU or Board) dated August 23,
16 2019 (Energy Strong II Order).

17 **OVERVIEW OF ENERGY STRONG PROGRAM**

18 **Q. Please describe the Company’s Energy Strong Program.**

19 A. The Settlement approved by the Energy Strong II (ES II) Order provided that the ES II
20 Program will include an investment level of up to \$691.5 million recovered through the
21 stipulated cost recovery mechanism described in the Settlement. PSE&G will invest
22 up to an additional \$150.5 million on the projects that comprise the ES II Program, for
23 recovery in the Company’s next base rate case. The \$691.5 million investment level

1 includes the actual investment and cost of removal expenditures but excludes
 2 Allowance for Funds Used During Construction (AFUDC), which will be recovered
 3 through the stipulated cost recovery mechanism. The ES II investments are anticipated
 4 to be made over a 51-month period beginning on the effective date of the ES II
 5 authorizing the Program, including up to \$741 million of electric infrastructure
 6 investment and up to \$101 million of gas M&R Station upgrades. The Energy Strong
 7 II Order provided that the specific Energy Strong II subprogram investment levels shall
 8 be up to the following amounts, in the following categories:

	<u>\$ million</u>	
9		
10	A. Electric Energy Strong Program	
11	• Electric Station Flood Mitigation	\$389
12	• Contingency Reconfiguration Strategies	\$145
13	• Grid Modernization, Communication System	\$72
14	• Grid Modernization, ADMS	\$35
15	• Stipulated Base	<u>\$100</u>
16		
17	Electric ES II Total	\$741
18		
19	B. Gas Energy Strong Program	
20	• M&R Station Upgrades	\$50.5
21	• Stipulated Base	<u>\$ 50.5</u>
22		
23	Gas ES II Total	\$101
24		
25	TOTAL ES II Program	\$842

26 **Q. Has any aspect of the above-referenced electric program changed?**

27 A. Yes. The ES II Order, provides that PSE&G will raise or eliminate specific electric
 28 substations in its service territory that are at risk for flooding and, consequently, extended
 29 service outages. The following table specifies the electric substations to be completed
 30 within the Flood Station mitigation subprogram:

Flood Mitigation					
#	Station	Anticipated Method	#	Station	Anticipated Method
1	Academy Street	Raise	9	Meadow Road	Raise
2	Clay Street	Raise	10	Orange Valley	Raise
3	Constable Hook	Raise	11	Ridgefield 13kV	Raise
4	Hasbrouck Heights	Raise	12	Ridgefield 4kV	Eliminate
5	Kingsland	Raise	13	State Street	Raise
6	Lakeside Avenue	Raise	14	Toney's Brook	Raise
7	Leonia	Raise	15	Waverly	Raise
8	Market Street	Eliminate	16	Woodlynne	Raise

1 However, the Company identified an opportunity to combine the flood mitigation work at
2 Constable Hook with new capacity needed in the area based on ongoing development. Per
3 the ES II Order, PSE&G provided notice to Board Staff (Staff) and the New Jersey Division
4 of Rate Counsel (Rate Counsel) of the change in the flood mitigation subprogram that
5 involves the construction of a new station in the area of Constable Hook that will serve the
6 existing Constable Hook customers with a storm-hardened facility.

7 Since the work to serve the Company's Constable Hook customers cannot be
8 completed within the timeframe of the ES II program, PSE&G proposed to substitute and
9 amend the above-referenced list of flood substation projects to remove Constable Hook
10 substation and replace this work with flood mitigation work on the Company's Front Street
11 substation.

1 **Q. Describe the Front Street Flood Mitigation Station project.**

2 The Front Street substation is located in Scotch Plains, NJ., sits two feet below FEMA
3 flood elevation levels and is thus at risk during a major storm. PSE&G provided discovery
4 to Rate Counsel and Staff enumerating the details of the Front Street substation project,
5 including detail around the flood risks noted above. This also included flood data from the
6 recent Hurricane Ida remnants.

7 Based on the information provided and reviewed, PSE&G, Staff, and Rate Counsel
8 are agreeable to an amendment to the flood mitigation subprogram that substitutes the Front
9 Street substation for the Constable Hook substation. This change in flood mitigation
10 subprogram does not change the overall subprogram budget but qualifies Front Street
11 flood mitigation work for accelerated recovery.

12 **Q. Is the work on the Front Street substation included in this rate filing?**

13 A. No.

14 **Q. Please provide details on the implementation of the program to date and
15 particularly the projects in-service that are a part of this rate filing?**

16 A. A description of the work on investment proposed to be in rates performed for the program
17 through January 31, 2022 is provided in Schedule EFG-ESII-2. The expenditures for the
18 electric subprograms are listed in EFG-ESII-3 and include actual total expenditures not
19 included in rates through September 30, 2021 and a forecast of electric capital
20 expenditures from October 1, 2021 through January 31, 2022.

21 To address the possibility that PSE&G may experience higher plant in service
22 amounts and/or higher expenditures than currently anticipated by January 31, 2022, this
23 forecast is inclusive of contingency for this rate filing. Pursuant to the ES II Order,

1 PSE&G will update this filing for actual data through January 31, 2022, and adjust the
 2 rate impacts accordingly, by February 21, 2022.

3 For purposes of this filing, the following table summarizes the stations and
 4 equipment PSE&G anticipates will be placed in-service through January 31, 2022.

5

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-service as of 9/30/2021 (Actual)	In-service as of 01/31/2022 (Forecast)
Ridgefield 4kV Substation Elimination	Poles, Wires and Overhead Transformers	X	X
Ridgefield 13kV Substation	13 kV Switchgear		X
Academy Street Substation	13kV Switchgear		X
Leonia Substation	13kV Switchgear		X

6

MFR-4: Contingency Reconfiguration In-Service		
	Program To- Date Sept 30,2021	Forecasted Roll-in thru January 2022
Reclosers Commissioned	1320	606
1 Phase Fusesavers	82	29
2 Phase Fusesavers	21	4

7

1

MFR-4: Wireless Network In-Service		
	Program To-Date Sept 30,2021	Forecasted Roll-in thru January 2022
Existing Retrofit Recloser Wireless Radio Retrofit	1994	1978
New Recloser Wireless Radio Install	1335	584
1 Phase Fusesavers Wireless Radio Install	87	32
2 Phase Fusesavers Wireless Radio Install	21	5
RTU Substation Wireless Radio Install	8	21

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

3 **A.** Yes, it does.

1 **CREDENTIALS**
2 **OF**
3 **EDWARD F GRAY**
4 **DIRECTOR-TRANSMISSION AND DISTRIBUTION ENGINEERING**

5
6 My name is Edward F. Gray and I am employed by Public Service Electric
7 and Gas. I am the Director – Transmission and Distribution Engineering where I am
8 responsible for reliability and maintenance programs for Electric Transmission and
9 Distribution.

10 **EDUCATIONAL BACKGROUND**

11 I graduated from Rensselaer Polytechnic Institute with a Bachelor of Science
12 degree in Civil Engineering. I also earned a Master’s in Civil Engineering from Rutgers
13 University and a Master’s in Management from New Jersey Institute of Technology. I am
14 a Licensed Professional Engineer in the State of New Jersey.

15 **WORK EXPERIENCE**

16 I have over 32 years’ experience in Engineering and Asset Management at
17 PSE&G. I have had various positions at PSE&G in Substation Engineering, System
18 development for Electric and Gas work management, New Business Policy, Solar
19 Interconnections, Resource Planning and Financial Management. I am presently the
20 Director – Transmission and Distribution Engineering with oversight of electric reliability
21 and maintenance programs.

ATTACHMENT 1
SCHEDULE EFG-ES II-1
PAGE 2 OF 2

1 I have been actively involved in Electric programs implemented since 2009.
2 I was the program lead for Electric Distribution for both Capital Economic Stimulus
3 Infrastructure Investment Programs responsible for the project implementation including
4 cost and scheduling for each sub-program. For both programs developed discovery
5 responses and was involved in various settlement and review meetings with BPU Staff and
6 Rate Council. I was directly involved in the development of the Energy Strong program. I
7 was actively involved in the preparation of testimony, project estimates, discovery
8 responses and settlement meetings during the project approval. After approval was directly
9 involved with project implementation on engineering and design of projects as well as
10 working with the Independent Monitor on various process and data requests. I was the
11 Company's witness for the Energy Strong II program filing and was involved in all the
12 testimony, discovery and settlement activities and now provide oversight to the program
13 implementation.

14 In addition to these programs I have been involved with various items with
15 Board Staff including storm cost recovery filings and the PVSC substation petition as well
16 as other items related to Smart Growth and solar policy.

**Minimum Filing Requirements
Second Energy Strong Program
("ES II")
11/01/2021**

MFR 3: PSE&G's capital spending for each of the past five (5) years, broken down by major categories (e.g., system reinforcement, replace facilities, environmental/regulatory, and support facilities)

Base Breakdown by Major Category (\$M)	2016	2017	2018	2019	2020
Replace Facilities	\$ 123.0	\$ 172.0	\$ 329.3	\$ 181.4	\$ 210.7
System Reinforcement	\$ 74.3	\$ 146.8	\$ 141.5	\$ 89.7	\$ 77.4
Environmental Regulatory	\$ 8.4	\$ 7.5	\$ 6.5	\$ 6.0	\$ 10.4
Replace Meters	\$ 14.9	\$ 16.4	\$ 15.0	\$ 13.1	\$ 10.1
Support Facilities	\$ 5.5	\$ 14.8	\$ 34.9	\$ 11.5	\$ 10.9
Base Total \$M	\$ 226.1	\$ 357.5	\$ 527.2	\$ 301.7	\$ 319.5

MFR 4: PSE&G's overall approved ES II capital budget broken down by major categories, both budgeted and actual amounts

MFR: 4 Budget vs Actual Expenditures		
In Millions		
Subprograms	Budget	Actual Through September 30, 2021
Electric		
Flood Mitigation	\$389.0	\$101.4
Contingency Reconfiguration	\$145.0	\$97.3
Grid Modernization – Communication System	\$64.3	\$38.6
Grid Modernization – ADMS	\$42.7	\$23.5
Total Electric	\$641.0	\$260.8
Gas		
Gas Metering & Regulating (M&R) Station Upgrades	\$50.5	\$8.7
Total Gas	\$50.5	\$8.7
Total Electric & Gas	\$691.5	\$269.5

MFR 5: For each ES II Program subprogram:

- a. The original project summary for each ES II sub-program,
- b. Expenditures incurred to date for each sub-program,
 - i. The cost of removal and
 - ii. The amount of allocated overhead.
- c. Appropriate metric (e.g., rec losers installed), and
- d. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction)

ES II Program subprograms:

- *Electric Station Flood Mitigation*

A. Program Summary: The Company will mitigate the 16 stations identified below. The cost estimates in paragraph 21 for the Electric Station Flood Mitigation projects include a 35% risk and contingency.

Flood Mitigation					
#	Station	Anticipated Method	#	Station	Anticipated Method
1	Academy Street	Raise	9	Meadow Road	Raise
2	Clay Street	Raise	10	Orange Valley	Raise
3	Constable Hook*	Raise	11	Ridgefield 13kV	Raise
4	Hasbrouck Heights	Raise	12	Ridgefield 4KV	Eliminate
5	Kingsland	Raise	13	State Street	Raise
6	Lakeside Avenue	Raise	14	Toney's Brook	Raise
7	Leonia	Raise	15	Waverly	Raise
8	Market Street	Eliminate	16	Woodlynne	Raise

* Constable Hook has been removed from the ES II program as it is being remediated as part of a larger project that will extend beyond the timeline of the ES II program. As part of the engineering effort of Front Street Substation it was determined that this station has critical equipment (4kV switchgear) at elevation 135.3 feet below the flood elevation of 137ft in this area. The flood maps did not depict the station being in the flood zone which was why it was not included in the original filing. Based on this information, Front Street is being considered a flood station as it meets the design criteria (equipment below flood elevations) of the original stipulation. In addition, the station experienced flooding that did not result in outages during Hurricane Ida but reinforces the flood risk at this station. PSEG has reviewed these changes along with informal discovery with both Board Staff and Rate Counsel and is now including Front Street Substation in the flood mitigation program and removing Constable Hook from the ES II Program.

PSE&G may change the mitigation method for a station if it concludes that an alternative method would provide the same benefits to customers at a lower cost, or if permitting or other circumstances make it impossible or inappropriate to use the method specified in the filing. Any change in the mitigation method for a station will not be made without 15 days prior written and electronic notification to Board Staff (Director, Division of Energy or designee) and Rate Counsel providing them with the opportunity to object within that time period. The notification will include detailed supporting information to support the Company's position that the proposed alternative will provide the same benefits to customers at a lower cost, or if permitting or other circumstances make it impossible or inappropriate to use the method specified in the filing. If there is no objection by Board Staff or Rate Counsel within 15 days of receipt of the electronic notice, the Company may move forward with the change.

If the Company determines the work on the 16 aforementioned substations identified in the flood mitigation subprogram can be completed under the \$389 million investment ceiling associated with substations, PSE&G may reallocate any funds to those stations identified in the life cycle station upgrade portion of the June 8, 2018 filing for accelerated recovery.

If the Company cannot complete its work on the 16 substations within the \$389 million clause recovery allotment, PSE&G may seek recovery of any excess amount in its next base rate case. Additionally, any prudently incurred costs for work on the 16 substations that exceed \$389 million will be credited toward the Company's baseline capital expenditure requirement provided in paragraph 35 of this Stipulation.

- B. Expenditures incurred through September 30, 2021 : \$101.4M
 - i. The cost of removal : \$4.8M
 - ii. The amount of allocated overhead : \$26.7M

C. Appropriate metric:

Two elimination projects are in service (Market St Elimination and Ridgefield 4kV Elimination) and the company has completed the outside plant conversion work. It is anticipated that three substations (Ridgefield 13kV, Academy St and Leonia) will achieve in-service on the 13kV Switchgear by January 31, 2022.

Station	Equipment	In-service as of 9/30/2021 (Actual)	In-service as of 01/31/2022 (Forecast)
Market Street Substation Elimination	Poles, Wires and Overhead Transformers	X	X
Ridgefield 4kV Substation Elimination	Poles, Wires and Overhead Transformers	X	X
Ridgefield 13kV Substation	13 kV Switchgear		X
Academy Street Substation	13kV Switchgear		X
Leonia Substation	13kV Switchgear		X

D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction) :

Fourteen flood mitigation projects have started detailed engineering design. All purchase orders (POs) for A/E design and switchgear/major equipment POs have been awarded. Eight projects submitted Site Plan applications of which six have received approval. Six projects (Ridgefield 4kv, Market St, Academy, Ridgefield 13kv, Leonia and State St) are in construction. Civil Construction POs have been issued on fourteen projects and electrical construction POs have issued on eleven projects. The Leonia, Academy and Ridgefield 13kv projects have set the first permanent switchgear on site to prepare for commissioning and in service in Q4 2021. The Constable Hook project will be removed from the program.

The Front St flood mitigation and lifecycle station was added to the program. The A/E and major equipment purchase orders have been awarded. Detailed engineering has started.

- *Contingency Reconfiguration*

A. Program Summary: PSE&G will invest up to \$145 million to harden its electric distribution system and increase system resiliency by implementing contingency reconfiguration strategies, which were also part of ES I. These strategies will increase the number of sections in present loop designs by installing Reclosers on 4kV circuits, convert all existing two (2)-section overhead 13kV circuits to three (3)-section circuits by installing additional three (3)-phase Reclosers, and install single phase Recloser devices on branch lines that operate with only fuses.

B. Expenditures incurred through September 30, 2021: \$97.3M

i. The cost of removal : \$4.6M

ii The amount of allocated overhead : \$32.4M

C. Appropriate metric:

ES II Contingency Reconfiguration Unit Summary: Sept 30, 2020		
	Program To-Date Sept 30,2020	Planned January 2022 Roll-In
Reclosers Commissioned	1320	606
1 Phase Fusesavers	82	29
2 Phase Fusesavers	21	4

D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction) :

Work/Activity	Completed to Date	
	Reclosers	Fuse Savers
Units Installed	1335	108
Engineered (Units)	1421	162

- *Grid Modernization - Communication Network*

A. Program Summary: An investment of up to \$64.3 million will be made by the Company to install a private wireless communications network and eliminate the use of dedicated phone lines for remote communication for both PSE&G and customer equipment. The overall network will use wireless and fiber technology to provide coverage for all switching devices on the system to facilitate both system and customer equipment communication moving forward. The system will be private and encrypted to ensure the security of PSE&G’s capability to monitor and control the distribution system.

- B. Expenditures incurred through September 30, 2021: \$38.6M
- i. The cost of removal : \$0.1M
 - ii. The amount of allocated overhead : \$10.1M

C. Appropriate Metric: From February 1, 2021 to September 30, 2021

ES II Communication Network Unit Summary: Sept 30, 2021		
	Program To-Date Sept 30,2021	Planned Roll IN #2 (February 2021 to January 2022)
Existing Retrofit Recloser Wireless Radio Retrofit	1994	1978
New Recloser Wireless Radio Install	1335	584
1 Phase Fusesavers Wireless Radio Install	87	32
2 Phase Fusesavers Wireless Radio Install	21	5
RTU Substation Wireless Radio Install	8	21

- D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction) :

Wireless Network:

The PSE&G Wireless Network infrastructure solution for connecting to the First Net LTE Network was placed in-service on June 10, 2020. The Network Monitoring solution for all devices communicating on First Net LTE Network was placed in-service on July 16, 2020. Work is currently in progress for final installation of the Network Monitoring Analytics Server and additional network testing.

Operations and Substations Fiber (new fiber):

Seventeen (17) stations have been cutover to the TFI network and are currently in service. New fiber installs to operations/substations locations are currently in various stages of engineering and construction for both outside plant and inside plant.

Work/Activity	Completed to Date
In-Service	17
Outside Plant (OP) Runs Engineered	34
In Construction	12
Inside Plant (IP) Engineered	28

Fiber Cutover:

The currently defined scope for this portion of the subprogram is 12 fiber cutover stations. Engineering for fiber cutover has been completed for all twelve (12) stations. Nine (9) stations are currently in-service.

- **Grid Modernization – ADMS:**

- A. Program Summary: The Company will invest up to \$42.7 million to develop an Advanced Distribution Management System (“ADMS”) that will incorporate data from Geographic Information System (“GIS”) and SCADA, intelligent fault indicators, Smart Meters, and other advanced metering infrastructure (“AMI”). The system will replace the existing Outage Management System (“OMS”)

- B. Expenditures incurred through September 30, 2021: \$23.5M
- i. The cost of removal: \$0M
 - ii. The amount of allocated overhead : \$0.8M
- C. Appropriate Metric: ADMS has three major components: OMS Replacement, DMS/DERMS, and Platform Upgrade. Platform Upgrade and DMS/DERMS are scheduled for production release by January 2022.
- D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction) :

Platform Upgrade installed and preparing for network segmentation and system integration. DMS/DERMS Release 1 is 95% complete; pending release testing. Platform Upgrade and DMS/DERMS Release 1 are slated for “go live” January 2022. OMS completed Sprint 10 and starting Sprint 11.

- *Gas Metering & Regulating (“M&R”) Station Upgrades*

- A. Program Summary: Up to \$50.5 million will be invested by the Company to rebuild/modernize the following gas M&R stations:
- Camden
 - Central
 - East Rutherford
 - Mount Laurel
 - Paramus
 - Westampton

If the Company cannot complete its work on the six (6) M&R stations identified above within the \$50.5 million clause recovery allotment, PSE&G may seek recovery of any excess amount in its next base rate case. Additionally, any prudently incurred costs for work on the six (6) M&R stations that exceed \$50.5 million will be credited toward the Company’s stipulated base requirement provided in paragraph 34 of this Stipulation. The cost estimates for the M&R Station Upgrade projects include a 35% risk and contingency.

- B. Expenditures incurred through September 30, 2021: \$8.7M
- iii. The cost of removal: \$0.2M
 - iv. The amount of allocated overhead: \$0.5M
- C. Appropriate metric:

None of the M&R stations are in-service as of September 30, 2021. It is anticipated that one station (Westampton) will be fully in-service by January 31, 2022.

Station	Equipment	In-service as of 09/30/2021 (Actual)	In-service as of 01/31/2022 (Forecast)
Westampton	Pipes, Valves, Regulators, Scrubber, Controls, and Buildings		X

- D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction):

Of the six M&R station upgrades, all six planned projects have awarded POs for A/E design. All six have awarded purchase orders for materials. Four projects submitted Site Plan application of which three have received approval. One project (Westampton) is in construction.

**Cost of removal and allocated overhead cost are included in total expenditures to date for each subprogram*

MFR 6: Anticipated sub-program timeline with updates and expected changes.

MFR-6: Timeline and Updates / Expected Changes				
E/G	Sub-Program	In-Service	Updates	Expected Changes
Electric	Flood Mitigation*	Dec-24	None	None
Electric	Contingency Reconfiguration	Dec -23	None	None
Electric	Grid Modernization-Communication	Dec.-23	None	None
Electric	Grid Modernization – ADMS	Dec-22	None	None
Gas	Gas Metering & Regulating (M&R) Station Upgrades	Dec-23	None	None

* Constable Hook has been removed from the ES II program as it is being remediated as part of a larger project that will extend beyond the timeline of the ES II program. As part of the engineering effort of Front Street Substation it was determined that this station has critical equipment (4kV switchgear) at elevation 135.3 feet below the flood elevation of 137ft in this area. The flood maps did not depict the station being in the flood zone which was why it was not included in the original filing. Based on this information, Front Street is being considered a flood station as it meets the design criteria (equipment below flood elevations) of the original stipulation. In addition, the station experienced flooding that did not result in outages during Hurricane Ida but reinforces the flood risk at this station. PSEG has reviewed these changes along with informal discovery with both Board Staff and Rate Counsel and is now including Front Street Substation in the flood mitigation program and removing Constable Hook from the ES II Program.

PSE&G SECOND ENERGY STRONG PROGRAM ("ES II")

Schedule EFG-ESII-3

Electric Cash Flow for Rate Adjustment #2

	Actual Feb-21	Actual Mar-21	Actual Apr-21	Actual May-21	Actual Jun-21	Actual Jul-21	Actual Aug-21	Actual Sep-21	Forecast Oct-21	Forecast Nov-21	Forecast Dec-21	Forecast Jan-22	Rate Adjustment #2 Total
Station Flood Mitigation	2,940	2,639	1,573	1,959	1,645	1,151	286	653	1,390	1,917	1,612	1,349	19,114
Station Flood Mitigation	1,505	2,087	7,972	4,456	2,061	2,124	2,250	2,719	6,360	9,149	8,409	8,071	57,164
Station Flood Mitigation	317	656	300	422	418	448	428	588	1,021	1,003	611	276	6,489
Station Flood Mitigation	4,445	5,382	9,846	6,838	4,124	3,724	2,964	3,960	8,771	12,069	10,632	9,696	82,450
Station Flood Mitigation	-	-	-	10,745	5,399	-	-	101	13,483	-	8,506	-	38,233
Contingency Reconfiguration	4,005	4,092	4,098	4,313	4,524	3,698	4,916	2,290	4,440	2,891	2,414	1,511	43,192
Contingency Reconfiguration	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency Reconfiguration	189	224	163	151	171	377	251	183	-	-	-	-	1,709
Contingency Reconfiguration	4,005	4,092	4,098	4,313	4,524	3,698	4,916	2,290	4,440	2,891	2,414	1,511	43,192
Contingency Reconfiguration	-	-	-	-	-	-	-	-	-	-	-	-	-
Communication Infrastructure	1,311	1,616	1,396	1,375	1,496	1,453	1,440	1,372	1,908	1,767	1,496	993	17,623
Communication Infrastructure	312	788	1,352	1,032	1,327	934	833	986	2,247	2,975	2,695	-	15,481
Communication Infrastructure	7	19	14	14	9	14	14	11	16	13	6	1	138
Communication Infrastructure	1,623	2,403	2,748	2,407	2,823	2,387	2,273	2,358	4,155	4,742	4,191	993	33,104
Communication Infrastructure	-	-	-	-	330	1,695	1,600	418	656	2,649	3,490	6,020	16,858
ADMS	-	-	-	-	-	-	-	-	-	-	449	161	610
ADMS	919	1,016	829	593	746	775	736	857	955	1,177	1,058	863	10,524
ADMS	-	-	-	-	-	-	-	-	-	-	-	-	-
ADMS	919	1,016	829	593	746	775	736	857	955	1,177	1,508	1,023	11,135
ADMS	-	-	-	-	-	-	-	-	-	-	9,580	1,801	11,381
Direct Install	8,257	8,347	7,067	7,647	7,664	6,302	6,642	4,315	7,738	6,574	5,972	4,013	80,539
CWIP Install	2,736	3,891	10,153	6,082	4,134	3,833	3,819	4,562	9,562	13,302	12,162	8,933	83,169
COR/Salvage	513	898	478	588	598	839	693	782	1,037	1,016	616	278	8,337
Total	10,993	12,893	17,521	14,151	12,217	10,584	10,889	9,466	18,321	20,879	18,745	13,223	169,881
CWIP Transf to Serv	-	-	-	10,745	5,728	1,695	1,600	519	14,138	2,649	21,575	7,821	66,471

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

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of Electric and Gas Rate
Adjustments Pursuant to the Energy Strong II Program**

BPU Docket No. _____

DIRECT TESTIMONY

OF

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

November 1, 2021

ATTACHMENT 2

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-ESII-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 Energy Strong II Program and Associated Cost Recovery Mechanism (“ES
18 II”), which was approved in an Order of the New Jersey Board of Public Utilities (“BPU” or
19 “Board”) dated September 11, 2019 in BPU Docket Nos. EO 18060629 and GO 18060630
20 (“Energy Strong II Order”).

1 **OVERVIEW OF GAS ENERGY STRONG II PROGRAM**

2 **Q. Please describe the Gas portion of the Company’s Energy Strong II Program.**

3 A. The Stipulation approved in the ES II Order allows PSE&G to seek accelerated
4 recovery on certain investments, referred to as “Program Investment” along with base spend
5 requirements on similar work referred to as “Stipulated Base”. The Program allowed for
6 investment up to \$101 million to rebuild/modernize six Gas Metering & Regulating (M&R)
7 stations. The Gas ES II investments are anticipated to be made over a four-year and three
8 month (51-month) period beginning on October 1, 2019 and concluding on December 31,
9 2023.

10 **Q. Please describe the ES II Program Investments eligible for accelerated recovery.**

11 A. Up to \$50.5 million will be invested by the Company to rebuild/modernize the
12 following Gas M&R stations:

- 13 • Camden
- 14 • Central
- 15 • East Rutherford
- 16 • Mount Laurel
- 17 • Paramus
- 18 • Westampton

19 Program investments include the costs to modernize M&R Station designs, replace aging
20 components, piping and structures and, in two of the six stations, harden against flooding
21 events.

ATTACHMENT 2

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

2 A. The ES II Stipulation requires the Company to spend another \$50.5M to complete its
3 modernization work on the six (6) M&R stations noted above. These costs are considered
4 Stipulated Base expenditures to be recovered in the Company's next base rate, rather than
5 through the ES II Rate Mechanism. Additionally, if the completion of the six (6) M&R station
6 upgrades requires less than the estimated \$50.5 million, the Company will have the option of
7 achieving the \$50.5 million of Stipulated Base expenditure through additional Gas M&R
8 station upgrades.

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

10 A. Yes. Per the ES II Order, the Company is required to maintain baseline capital
11 expenditures levels from 2019 through 2023 of at least \$155 million per year. The capital
12 investments made by the Company as part of its baseline capital expenditure requirements are
13 within the discretion of the Company. Any costs in excess of the \$50.5 million of Stipulated
14 Base expenditure required to complete the work on the six M&R stations can be counted
15 toward the Company's baseline capital expenditure.

16 **Q. Did the Company agree to any performance metric as part of the ES II Order?**

17 A. Yes. The Company agreed that any station with flood mitigation work completed
18 should not go out of service due to water intrusion from flooding or storm surge within the
19 applicable Federal Emergency Management Agency ("FEMA") Advisory Base Flood
20 Elevation that the station is designed to withstand.

1 ESII STATUS UPDATE

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

4 A. Yes. All aspects of the Program are proceeding well. The modernization upgrade of the
5 Westampton M&R station has been completed and placed into service in October 2021. The rate
6 adjustments in this filing are for recovery of costs associated with gas plant in service as of
7 November 1, 2021. A breakdown of this work on investment proposed to be in rates is provided
8 in the monthly reports provided in Schedule EFG-ESII-2.

9 The expenditures are listed in Schedule WEM-ESII-2 and include actual expenditures
10 through September 30, 2021 and a forecast of gas capital expenditures from October 1, 2021
11 through January 31, 2022 associated with gas plant that is anticipated to be in service by January
12 31, 2022.

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

14 A. Yes. To address the possibility that PSE&G may experience higher plant in service
15 amounts and/or higher expenditures than currently anticipated by January 31, 2022, this forecast
16 is inclusive of contingency for this rate filing. Pursuant to the ES II Order, PSE&G will update
17 this filing with actual financial data through January 31, 2022 and adjust the rate impacts
18 accordingly, by February 21, 2022. PSE&G's update of this filing for actual data through
19 January 31, 2022 will assure that only plant in-service is included in rates implemented as a result
20 of this filing.

ATTACHMENT 2

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

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

5 **Q. Was any flood mitigation work performed on the Westampton M&R station?**

6 A. No. The Westampton M&R station is not in a FEMA designated flood zone.

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

8 A. Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

Schedule WEM-ESII-1

Credentials

Schedule WEM-ESII-2

Monthly Cash Flow

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

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.

PSE&G SECOND ENERGY STRONG PROGRAM ("ES II")

Schedule WEM-ESII-3

Gas Cash Flow for Rate Adjustment #2

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Rate Adjustment #2
	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20		
1																	
2																	
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Direct Install	\$ -	\$ -	\$ 10	\$ 14	\$ 16	\$ 47	\$ 44	\$ 77	\$ 121	\$ 170	\$ 209	\$ 164	\$ 233	\$ 250	\$ 250	\$ 337	
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 COR/Salvage	\$ -	\$ -	\$ 10	\$ 14	\$ 16	\$ 47	\$ 44	\$ 77	\$ 121	\$ 170	\$ 209	\$ 164	\$ 233	\$ 250	\$ 250	\$ 337	
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Total	\$ -	\$ -	\$ 10	\$ 14	\$ 16	\$ 47	\$ 44	\$ 77	\$ 121	\$ 170	\$ 209	\$ 164	\$ 233	\$ 250	\$ 250	\$ 337	
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8																	
9																	
10	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Total PTD			
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22				
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,269	\$ 1,098	\$ 262	\$ 46	\$ 2,675			
M&R Station Upgrades	\$ 275	\$ 245	\$ 451	\$ 809	\$ 1,177	\$ 1,553	\$ 500	\$ 1,169	\$ 401	\$ 135	\$ 628	\$ 778	\$ 747	\$ 10,809			
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88	\$ -	\$ 36	\$ 30	\$ (3)	\$ -	\$ -	\$ -	\$ 151			
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
14 Total	\$ 275	\$ 245	\$ 451	\$ 809	\$ 1,265	\$ 1,553	\$ 536	\$ 1,199	\$ 398	\$ 1,404	\$ 1,726	\$ 1,041	\$ 793	\$ 13,636			
M&R Station Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,690	\$ -	\$ -	\$ -	\$ 7,690			
15 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

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

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of Electric and Gas Rate
Adjustments Pursuant to the Energy Strong II Program**

BPU Docket No. _____

DIRECT TESTIMONY

OF

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

November 1, 2021

ATTACHMENT 3

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

1
2
3
4
5

6
7
8
9

10
11
12
13
14
15
16
17
18
19

20
21
22
23
24

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-ESII-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 changes in the Electric and Gas rates for ES II Component of the Infrastructure Investment Recovery Charge to recover the revenue requirement associated with its Second Energy Strong Program (“ES II” or “Program”) through the ES II Rate Mechanism approved by the Board of Public Utilities

ATTACHMENT 3

1 (“Board” or “BPU”) as described in paragraph 41 of the Stipulation of Settlement approved by
2 the Board in Docket Nos. EO18060629 and GO18060630 on August 23, 2019 (“ES II Order”).

3 The proposed ES II revenue requirements are based upon the actual costs of
4 engineering, design and construction, cost of removal (net of salvage) and property acquisition,
5 including actual labor, materials, overhead, and any capitalized Allowance for Funds Used
6 During Construction (“AFUDC”) on ES II projects. As specified in more detail below, the
7 Board-approved revenue requirement formula for the ES II Rate Mechanism allows the
8 Company to recover a return of and on its Energy Strong Investment Costs, less a tax
9 adjustment for the flow-through treatment of pre-1981 cost of removal expenditures for electric
10 assets. This testimony provides an overview of the cost recovery mechanism along with a
11 description of the revenue requirement calculations and rate design mechanism.

12 **COST RECOVERY MECHANISM**

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

14 A. PSE&G is proposing to recover the annual revenue requirements associated with the
15 Program consistent with the ES II Rate Mechanism approved in the ES II Order. The revenue
16 requirements are based on expected plant in-service and cost of removal expenditures that have
17 not been included in a prior rate adjustment. The plant in-service and cost of removal
18 expenditures are based on actual results through September 30, 2021 and a forecast through

ATTACHMENT 3

1 January 31, 2022. The forecast from October 1, 2021 through January 31, 2022 will be trued-
2 up with actual results and filed by February 21, 2022.

3 **Q. Will PSE&G be seeking a proposed electric only filing as it did in the Company's**
4 **2020 ES II filing?**

5 A. No, PSE&G is proposing to recover the annual revenue requirements associated with
6 both its electric and gas infrastructure investments. While this will be the second electric rate
7 adjustment-in under the Program, it will be the first rate adjustment approved in the ES II
8 Order.

9 **Q. What is the forecasted annual revenue requirement increase being proposed for**
10 **this ES rate adjustment filing?**

11 A. The Company is proposing a forecasted annual electric revenue requirement increase
12 of \$18.156 million, and a forecasted annual gas revenue requirement increase of \$1.157
13 million, assuming adjusted base rates go into effect May 1, 2022. The electric and gas revenue
14 requirements are calculated in Schedules SS-ESII-2E and SS-ESII-2G, respectively.

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

16 A. The ES II revenue requirements are calculated using the following formula approved
17 by the Board in the ES II Order:

18
$$\text{Revenue Requirements} = ((\text{Energy Strong Rate Base} * \text{After Tax WACC}) +$$

19
$$\text{Depreciation Expense (net of tax) + Tax Adjustments}) * \text{Revenue Factor}$$

20 **Q. How is the ES II Rate Base calculated?**

21 A. Per the ES II Order, ES II Rate Base is calculated as the ES II Investment Costs less
22 Accumulated Depreciation and less Accumulated Deferred Income Taxes (ADIT).

ATTACHMENT 3

1 Since this is the second ES II electric rate adjustment filing, the Energy Strong Electric
2 Investment Costs consist of actual plant placed into service from February 1, 2021 through
3 September 30, 2021 and a forecast of capital expenditures through January 31, 2022 that are
4 expected to be in service by January 31, 2022. For details on the electric Energy Strong
5 Investment Costs, see Schedule EFG-ESII-3.

6 For gas, this is the first rate adjustment filing. Therefore, the Energy Strong Gas
7 Investment Costs consist of actual plant placed into service from the Program's inception
8 (October 2019) through September 30, 2021 and a forecast of capital expenditures through
9 January 31, 2022 that are expected to be in service by January 31, 2022. For details on the
10 electric Energy Strong Investment Costs, see Schedule WEM-ESII-2.

11 Accumulated Depreciation is the sum of the depreciation expense incurred from the
12 date the ES II projects are placed into service and the effective date of the base rate change.
13 The ES II Order anticipates the this rate adjustment filing to result in rates effective May 1,
14 2022, so the Accumulated Depreciation in the filing is through April 30, 2022. Consistent with
15 the calculation of Accumulated Depreciation, ADIT is also calculated through April 30, 2021.

16 **Q. Would you confirm the Company is filing with four months of forecast data?**

17 A. Yes. Pursuant to the ESII Order, the second rate adjustment requires an initial filing
18 “no earlier than November 1, 2021”, so the Company's filing has four months of forecasted
19 financial data from October 1, 2021 through January 31, 2022.

ATTACHMENT 3

1 **Q. Are the final revenue requirements set upon the four months of forecast data?**

2 A. No. the final revenue requirements will be set upon all actual data. The estimates will
3 be replaced with actual results through January 31, 2022 at the time the Company updates its
4 filing for actual results by February 21, 2022.

5 **Q. Are any Construction Work In Progress (CWIP) expenditures not transferred**
6 **into service included in the Energy Strong Rate Base?**

7 A. No. Per the ES II Order, only plant placed into service (i.e. Plant in-Service) is included
8 as part of Rate Base.

9 **Q. What is the Weighted Average Cost of Capital (“WACC”) utilized in the**
10 **calculation of the revenue requirements?**

11 A. Per the ES II Order, the WACC for the ES II Rate Mechanism will be based upon the
12 authorized return on equity (“ROE”) and capital structure including income tax effects decided
13 by the Board in the most recently approved base rate case. In October 2018, the Board
14 approved the Company’s 2018 base rate case¹, which set the Company’s WACC at 6.99%, or
15 6.48% on an after-tax basis, based on a return on equity of 9.60% and a cost of debt of 3.96%.
16 This WACC is utilized in the ES II Rate Mechanism consistent with the ES II Order, which is
17 the authorized WACC including income tax effects as decided by the Board in the Company’s
18 most recently approved base rate case. For the calculation of the WACC and after-tax WACC,
19 see Schedule SS-ESII-3.

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 3

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

2 A. Depreciation expense is calculated as Gross Plant in-Service multiplied by the
3 applicable annual depreciation rate for the assets being placed into service. The ES II Order
4 specified the depreciation rates would be based on the depreciation rates applied to the same
5 asset in current base rates. The Company's 2018 base rate case established new depreciation
6 rates by asset class. The asset classes applicable to the ES II electric investment are Station
7 Equipment, Overhead Conductors and Devices, Software, and Communication Equipment.
8 The annual electric depreciation rates for Station Equipment, Overhead Conductors and
9 Devices, Software, and Communication Equipment is 2.06%, 1.80%, 11.1% and 10.00%
10 respectively, as established in the 2018 base rate case. The asset class applicable to the ES II
11 gas investment is Measuring and Regulation Equipment – City Gate, which has an annual
12 depreciation rate of 1.01%. The depreciation rates are applicable to the ES II plant as it's
13 placed into service. .Since the net revenue requirement for the rate adjustment will be grossed
14 up by the revenue factor in the revenue requirement formula approved by the Board, the
15 depreciation expense must be calculated net of tax. The tax basis associated with the
16 depreciation expense is calculated as direct in-service expenditures plus any CWIP capital
17 expenditures transferred into service, plus the debt component of any AFUDC transferred into
18 service. The depreciation expense net of tax is calculated as the annual depreciation expense
19 less the tax associated with the depreciation expense as described above. The equity portion
20 of the AFUDC transferred into service is not recognized in the tax basis of the plant transferred
21 into service. As a result, there is no tax depreciation expense associated with that portion of

ATTACHMENT 3

1 Plant in-Service. Therefore, the depreciation expense net of tax must be multiplied by the
2 revenue factor to recover the tax gross-up related to the AFUDC-equity.

3 **Q. Do any asset classes depreciation rates differ or utilize remaining asset life?**

4 A. Yes. For the Advanced Data Management System (“ADMS”), per the capital
5 determination the life of depreciation will be the remaining life of the Company’s DSCADA
6 system that went into service in 2016 with a 15-year life, resulting in an 11.1% depreciation
7 rate.

8 **Q. Do all ES II assets accrue AFUDC?**

9 A. No. Direct Install expenditures do not accrue AFUDC, and CWIP expenditures accrue
10 AFUDC during the construction phase. However, once CWIP expenditures are placed into
11 service, AFUDC is no longer applied.

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

13 A. The Tax Adjustment is the tax expense for electric cost of removal expenditures
14 associated with pre-1981 assets that is currently flowed back to ratepayers over a five year
15 amortization period rather than normalized over the life of the asset as is the tax treatment for
16 post-1981 electric cost of removal expenditures. To be consistent with the treatment of base
17 rate assets, the tax flow-through methodology for pre-1981 electric cost of removal
18 expenditures is applied to ES II cost of removal expenditures on pre-1981 assets.

19 **Q. How is the Tax Adjustment calculated?**

20 A. The Tax Adjustment is calculated as the Cost of Removal included in this rate
21 adjustment multiplied by the percentage of electric pre-1981 asset retirements for the year,

ATTACHMENT 3

1 divided by five for the five-year amortization period, and multiplied by the Federal Statutory
2 Tax Rate. The percentage of electric assets with a vintage before 1981 is currently 8.54%.

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

4 A. The Revenue Factor adjusts the net of tax revenue requirement for federal and state
5 income taxes, and the costs associated with the BPU and Division of Rate Counsel (RC) Annual
6 Assessments and Gas Revenue Uncollectibles. The BPU/RC Assessment Expenses consist of
7 payments, based upon a percentage of revenues collected (updated annually), to the State based
8 on the electric and gas intrastate operating revenues for the utility. The Company has utilized
9 the respective BPU/RC assessment rates based on the 2021 fiscal year assessment, which are
10 0.22% and 0.05%, respectively, and the Gas Revenue Uncollectible rate of 1.60%, which was
11 set in the Company's 2018 base rate case. See Schedule SS-ESII-4 for the calculation of the
12 revenue factor.

13 **Q. How are Operation and Maintenance expenses handled in the calculation of the**
14 **proposed revenue requirements?**

15 A. Consistent with the ES II Order, PSE&G has not included incremental operation and
16 maintenance expenses for recovery in this filing.

17 **Q. Have you provided the detailed calculations supporting the revenue**
18 **requirements?**

19 A. Yes. The detailed calculations supporting the electric and gas revenue requirements
20 described above are provided in electronic workpapers WP-SS-ESII-1E.xlsx and WP-SS-ESII-
21 1G.xlsx, respectively.

ATTACHMENT 3

1 **RATE DESIGN**

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

3 A. The proposed electric and gas rate adjustments use the rate design methodology
4 corresponding to the latest Board approved electric and gas base rate case, and as approved in
5 the ES II order. In accordance with paragraph 42 of the Stipulation approved in the ES II order,
6 the billing determinants utilize the weather normalized annualized billing determinants from
7 the latest Board approved electric base rate case, which are based on July 2017 through June
8 2018.

9 The detailed calculations supporting the electric and gas rate designs are shown in
10 Schedule SS-ESII-5 and SS-ESII-6, respectively. These schedules contain the proposed ES II
11 rates related to this rate adjustment as well as the new total ES II component rates of the
12 Company's electric and gas IIPC's effective May 1, 2022. The electric ES II rates can be
13 found in the last two columns on pages 26 and 27 of Schedule SS-ESII-5 and the gas ES II
14 rates can be found on the last two columns on pages 15 and 16 of Schedule SS-ESII-6

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

16 A. Based upon rates effective May 1, 2022, the annual average bill impacts of the rates
17 requested are set forth in Schedule SS-ESII-7.

18 The annual impact of the proposed rates to the typical residential electric customer
19 using 740 kWh in a summer month and 6,920 kWh annually would be an increase in the annual
20 bill from \$1,324.24 to \$1,332.12 or \$7.88, or approximately 0.60% (based upon Delivery Rates
21 and BGS-RSCP charges in effect October 1, 2021 and assuming that the customer receives
22 BGS-RSCP service from PSE&G).

ATTACHMENT 3

1 The annual impact of the proposed rates to the typical residential gas heating customers
2 using 172 therms in a winter month and 1,040 therms annually would be an increase in the
3 annual bill from \$916.92 to \$917.54 or \$0.62, or approximately 0.07 % (based upon Delivery
4 Rates and BGSS-RSG charges in effect October 1, 2021, and assuming that the customer
5 receives BGSS service from PSE&G).

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

8 A. Yes. In paragraph 37 of the Stipulation approved in the ES II Order, the Parties
9 agreed that a rate adjustment is “Consistent with the IIP, each rate adjustment
10 made by the Company must include a minimum investment level of 10% of the total
11 amount authorized to be recovered via the ES II Rate Mechanism. The Company must
12 also meet the earnings test as specified in the IIP.”

13 **Q. Does the Company anticipate meeting the at least 10% of ES II Rate Mechanism**
14 **investment threshold?**

15 A. Yes. The ES II Rate Mechanism was approved for \$641 million of accelerated
16 electrical cost recovery and \$50.5 million of accelerated gas cost recovery per paragraph 21 of
17 the Stipulation approved in the ES II Order, and thus the 10% threshold is \$64.1 million and
18 \$5.0 million for electric and gas, respectively. As shown in Schedule EFG-ESII-3, the
19 Company anticipates total electric plant in-service of \$155.3 million, exceeding the \$64.1
20 million electric threshold, excluding AFUDC. As shown in Schedule WEM-ESII-2, the
21 Company anticipates total gas plant in-service of \$10.5 million, exceeding the \$5.0 million gas
22 threshold, excluding AFUDC.

ATTACHMENT 3

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

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

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

7 A. Yes. In paragraph 14:3-2A.6(h), the IIP states: “An earnings test shall be required,
8 where Return on Equity (ROE) shall be determined based on the actual net income of the utility
9 for the most recent 12-month period divided by the average of the beginning and ending
10 common equity balances for the corresponding period.”

11 **Q. What time period is utilized for the earnings tests?**

12 A. The earnings tests for this filing is based on the latest available twelve month financial
13 statements filed with FERC and/or the BPU, which is October 2020 through September 2021.
14 Since September 2021 actual results are not available, the earnings tests in this initial filing
15 contains actual results through August 2021 and forecasted results for September 2021. The
16 Company will provide electric and gas earnings tests with all actual results with is update filing
17 by February 21, 2022.

18 **Q. How was common equity calculated for the earnings tests?**

19 A. The Company will use the common equity balance from its financial statements filed
20 with FERC and/or the BPU.

ATTACHMENT 3

1 **Q. How is Net Income calculated for the earnings tests?**

2 A. Net Income is calculated as the Company's operating income less Interest Expense,
3 which is included in Operating Income. The Net Income calculation excludes earnings from
4 the Company's Green Programs, which are also excluded from the Company's rate base.

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

6 A. For the twelve month period ending September 2021, the Company estimates an ROE
7 of 8.26% for electric and 9.36% for gas. The electric and gas ROEs are below threshold of
8 10.1% as discussed above, and therefore the Company's earnings do not preclude this rate
9 adjustment. The Company will update the earnings test for actual results by February 21, 2022,
10 along with the update for ESII investments. Please see Schedules SS-ESII-8E and SS-ESII-
11 8G for the respective electric and gas earnings test calculations.

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

13 A. Yes, it does.

ATTACHMENT 3

SCHEDULE INDEX

Schedule SS-ESII-1	Credentials
Schedule SS-ESII-2E	Electric Revenue Requirement Calculation
Schedule SS-ESII-2G	Gas Revenue Requirement Calculation
Schedule SS-ESII-3	Weighted Average Cost of Capital (WACC)
Schedule SS-ESII-4	Revenue Factor Calculation
Schedule SS-ESII-5	Electric Rate Design
Schedule SS-ESII-6	Gas Rate Design
Schedule SS-ESII-7	Electric and Gas Typical Residential Annual Bill Impacts
Schedule SS-ESII-8E	Electric Earnings Test
Schedule SS-ESII-8G	Gas Earnings Test

ELECTRONIC WORKPAPER INDEX

WP-SS-ESII-1E.xlsx

WP-SS-ESII-1G.xlsx

1 **CREDENTIALS**
2 **OF**
3 **STEPHEN SWETZ**
4 **SR. DIRECTOR-CORPORATE RATES AND REVENUE REQUIREMENTS**
5

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

10 **WORK EXPERIENCE**

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

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

1 contributed to other filings including unbundling electric rates and Off-Tariff Rate
2 Agreements. I have had a leadership role in various economic analyses, asset valuations,
3 rate design, pricing efforts and cost of service 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	E/G	-	written	Oct-21	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER21070965 and GR21070966	written	Jul-21	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	ER21060952	written	Jun-21	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR21060949	written	Jun-21	Gas System Modernization Program II (GSMPII) - Fifth Roll-In
Public Service Electric & Gas Company	E	ER21060948	written	Jun-21	SPRC 2021
PSEG New Haven LLC	PSEG New Haven LLC	21-06-40	written	Jun-21	PSEG 2022 AFRR
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 (GSMPII) - 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 (GSMPII) - 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 (GSMPII) - 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 (GSMPII) - 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, CA, 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	RGI 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	RGI 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 Energy Strong II
Electric Filing
Rate Adjustment #2**

Schedule SS-ESII-2E

in (\$000)

Rate Effective Date	5/1/2022
Plant In Service as of Date	1/31/2021
Rate Base Balance as of Date	4/30/2022

RATE BASE CALCULATION

	Total	Notes
1 Gross Plant	\$149,848	= In 16
2 Accumulated Depreciation	\$5,537	= In 19
3 Net Plant	\$155,385	= In 1 + In 2
4 Accumulated Deferred Taxes	-\$5,352	= See "Dep-" Wkps Row 749
5 Rate Base	\$150,033	= In 3 + In 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-ESII-3
7 Return Requirement (After Tax)	\$9,725	= In 5 * In 6
8 Depreciation Exp, net	\$3,322	= In 25
9 Tax Adjustment	-\$30	= See "Roll-ins Detail" Wkps In 35
10 Revenue Factor	1.3948	See Schedule SS-ESII-4
11 Roll-in Revenue Requirement	\$18,156	= (In 7 + In 8 + In 9) * In 10

SUPPORT

Gross Plant

12 Plant in-service	\$80,539	= See "Dep-" Wkps Row 727
13 CWIP Transferred into Service	\$66,471	= See "Dep-" Wkps Row 728
14 AFUDC on CWIP Transferred Into Service - Debt	\$727	= See "Dep-" Wkps Row 729
15 AFUDC on CWIP Transferred Into Service - Equity	\$2,111	= See "Dep-" Wkps Row 730
16 Total Gross Plant	\$149,848	= In 12 + In 13 + In 14 + In 15

Accumulated Depreciation

17 Accumulated Depreciation	-\$2,800	= See "Dep-" Wkps Row 736
18 Cost of Removal	\$8,337	= See "Dep-" Wkps Row 731
19 Net Accumulated Depreciation	\$5,537	= In 17 + In 18

Depreciation Expense (Net of Tax)

20 Depreciable Plant (xAFUDC-E)	\$147,737	= In 12 + In 13 + In 14
21 AFUDC-E	\$2,111	= In 15
22 Depreciation Rate	3.08%	= In 23 / In 20
23 Depreciation Expense	\$4,621	= See "Dep-" Wkps Row 731
24 Tax @ 28.11%	\$1,299	= In 20 * In 22 * Tax Rate
25 Depreciation Expense (Net of Tax)	\$3,322	= In 23 - In 24

**PSE&G Energy Strong II
Gas Roll-in
Rate Adjustment Filing #2**

Schedule SS-ESII-2G

in (\$000)

Rate Effective Date	5/1/2022
Plant In Service as of Date	1/31/2022
Rate Base Balance as of Date	4/30/2022

RATE BASE CALCULATION

	Total	Notes
1 Gross Plant	\$10,599	= ln 16
2 Accumulated Depreciation	\$95	= ln 19
3 Net Plant	\$10,694	= ln 1 + ln 2
4 Accumulated Deferred Taxes	-\$207	= See "Dep-" Wkps Row 724
5 Rate Base	\$10,487	= ln 3 + ln 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-ESII-3
7 Return Requirement (After Tax)	\$680	= ln 5 * ln 6
8 Depreciation Exp, net	\$137	= ln 25
9 Tax Adjustment	-\$1	
10 Revenue Factor	1.4175	See Schedule SS-ESII-4
11 Roll-in Revenue Requirement	\$1,157	= (ln 7 + ln 8 + ln 9) * ln 10

SUPPORT

Gross Plant

12 Plant in-service	\$2,675	= See "Dep-" Wkps Row 702
13 CWIP Transferred into Service	\$7,690	= See "Dep-" Wkps Row 703
14 AFUDC on CWIP Transferred Into Service - Debt	\$59	= See "Dep-" Wkps Row 704
15 AFUDC on CWIP Transferred Into Service - Equity	\$175	= See "Dep-" Wkps Row 705
16 Total Gross Plant	\$10,599	= ln 12 + ln 13 + ln 14 + ln 15

Accumulated Depreciation

17 Accumulated Depreciation	-\$57	= See "Dep-" Wkps Row 711
18 Cost of Removal	\$151	= See "Dep-" Wkps Row 706
19 Net Accumulated Depreciation	\$95	= ln 17 + ln 18

Depreciation Expense (Net of Tax)

20 Depreciable Plant (xAFUDC-E)	\$10,424	= ln 12 + ln 13 + ln 14
21 AFUDC-E	\$175	= ln 15
22 Depreciation Rate	1.80%	= ln 23 / ln 20
23 Depreciation Expense	\$191	= See "Dep-" Wkps Row 706
24 Tax @ 28.11%	\$54	= ln 20 * ln 22 * Tax Rate
25 Depreciation Expense (Net of Tax)	\$137	= ln 23 - ln 24

PSE&G Energy Strong II
Weighted Average Cost of Capital (WACC)

Schedule SS-ESII-3

	<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%
Other Capital	<u>45.53%</u>	3.96%	<u>1.80%</u>	<u>1.80%</u>	<u>1.30%</u>
Total	100.00%		<u><u>6.99%</u></u>	<u><u>9.02%</u></u>	<u><u>6.48%</u></u>
Federal Income Tax	21.00%				
State NJ Business Incm Tax	<u>9.00%</u>				
Tax Rate	28.11%				

PSE&G Energy Strong II
Revenue Factor Calculation

Schedule SS-ESII-4

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		1.6000	From 2018 Base Rate Case
BPU Assessment Rate	0.2154	0.2154	2021 BPU Assessment
Rate Counsel Assessment Rate	0.0535	0.0535	2021 RC Assessment
	<u>99.7312</u>	<u>98.1312</u>	
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><u>1.3948</u></u>	<u><u>1.4175</u></u>	

Electric Revenue Requirement Allocation Explanation of Format

Pages 2 through 5 presented in Schedule SS-ESII-5 are the four 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 each rates class and its associated functions as defined in the 2018 PSE&G Base Rate Case (Rate Case). Part 2 allocates the ESII 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 charge calculations for each rate class by which are calculated in accordance with the Rate Case Board Order.

Electric Rate Design Explanation of Format

The summary provides by rate schedule, the Annualized Weather Normalized (all customers assumed to be on BGS) revenue based on current tariff rates and the proposed rate change.

The pages presented in Schedule SS-ESII-5 are the selected applicable columns of the relevant pages from the complete rate change workpapers from the Company's 2018 Electric Base Rate Case and have been appropriately modified per my testimony to reflect the Energy Strong II projects.

Annualized Weather Normalized (all customers assumed to be on BGS) 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 Societal Benefits Charge, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery 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 October 1, 2021.

The Supply-BGS rates in the Column (2) reflect the rates in effect as of October 1, 2021 and for CIEP energy, reflect the class average hourly rates from July 1, 2020 to June 30, 2021. Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGS 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 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 26 and 27 of this schedule.

Inter Class Revenue Increase Allocations

Calculation of Increase Limits

<u>line #</u>	(in \$1,000)	Notes:
1	Requested Revenue Increase to be recovered from rate schedule charges = \$ 18,156	Schedule SS-ESII-2
2	Present Distribution Revenue = \$ 1,221,215	Page 4, col 3, line 21
3	Present Total Customer Bills (all on BGS) = \$ 5,718,968	Page 4, col 5, line 21
4	Average Distribution Increase = 1.487%	= Line 1 / Line 2
5	Average Total Bill Increase = 0.317%	= Line 1 / Line 3
6	Lower Distribution increase limit = 0.744% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 = 2.602% in Distribution charges	= 1.75 * Line 4
8	Upper Bill increase limit #2 = 0.634% in Bill Increase	= 2.0 * Line 5
	all rounded to 0.001%	

Inter Class Revenue Increase Calculations

Calculation of Increases

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>line #</u>	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 BGS) (in \$1,000)	Unlimited Distribution Charge Increase (%)	Limited Final Distribution Charge Increase (%)	Proposed Total Bill Increase (%)	Proposed Distribution Revenue Increase (in \$1,000)
1	RS	\$ 663,017	\$ 572,806	\$ 90,211	\$ 2,241,267	15.749%	2.357%	0.603%	\$ 13,504
2	RHS	\$ 4,919	\$ 4,223	\$ 696	\$ 16,367	16.490%	2.439%	0.629%	\$ 103
3	RLM	\$ 8,508	\$ 7,483	\$ 1,025	\$ 35,978	13.704%	2.051%	0.425%	\$ 153
4	WH *	\$ 127.012	\$ 51.002	\$ 76.010	\$ 119.817	149.033%	1.488%	0.633%	\$ 0.759
5	WHS *	\$ 1.745	\$ 0.153	\$ 1.592	\$ 1.170	1040.689%	2.602%	0.342%	\$ 0.004
6	HS	\$ 642	\$ 730	\$ (88)	\$ 2,684	-11.994%	0.744%	0.186%	\$ 5
7	BPL	\$ 45,479	\$ 56,032		\$ 73,438				
8	Distribution Only	\$ 2,282	\$ 1,916	\$ 366		19.090%	0.830%	0.022%	\$ 16
9	Luminaires and Poles	\$ 43,197	\$ 54,116	\$ (10,919)		0.000%	0.000%	0.000%	\$ -
10	BPL-POF *	\$ 380.364	\$ 320.726		\$ 1,187.582				
11	Distribution Only	\$ 102.443	\$ 97.726	\$ 4.717		4.826%	0.744%	0.061%	\$ 0.727
12	Luminaires and Poles	\$ 277.921	\$ 223.000	\$ 54.921		0.000%	0.000%	0.000%	\$ -
13	PSAL	\$ 15,822	\$ 27,800		\$ 37,302				
14	Distribution Only	\$ 1,830	\$ 1,093	\$ 737		67.423%	0.849%	0.024%	\$ 9
15	Luminaires and Poles	\$ 13,993	\$ 26,707	\$ (12,714)		0.000%	0.000%	0.000%	\$ -
16	GLP	\$ 230,997	\$ 261,080	\$ (30,083)	\$ 1,219,727	-11.523%	0.744%	0.159%	\$ 1,942
17	LPL-S	\$ 197,874	\$ 220,698	\$ (22,824)	\$ 1,337,207	-10.342%	0.744%	0.123%	\$ 1,642
18	LPL-P	\$ 39,010	\$ 38,444	\$ 566	\$ 322,658	1.471%	0.744%	0.089%	\$ 286
19	HTS-S	\$ 32,439	\$ 29,244	\$ 3,195	\$ 398,481	10.926%	1.635%	0.120%	\$ 478
20	HTS-HV	\$ 154	\$ 2,303	\$ (2,149)	\$ 32,550	-93.313%	0.744%	0.052%	\$ 17
21	Total	\$ 1,239,371	\$ 1,221,215	\$ 18,156	\$ 5,718,968	1.487%	1.487%	0.317%	\$ 18,156

* WH, WHS and & BPL-POF shown to 3 decimal points

Notes: Page 2, Step 2, col 8 = (2) - (3) Page 6 = (4) / (3) calculated on limits = (9) / (5) = (3) * (7)

Service Charge Calculations

Service charges are comprised of revenue requirements for the Distribution Access and Measurement segments related to Minimum Size Facilities, plus the Revenue Requirements for the Customer Service segment.

line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate	Access Segment Revenue Requirement	Measurement Segment Revenue Requirement	Customer Service Segment Revenue Requirements	Rev Req to be recovered through Service Charge	# of Customers	Cost Based Monthly Service Charge	Current Monthly Service Charge	Proposed Limited Monthly Service Charge
	<u>Schedule</u>	<u>Requirement</u>	<u>Requirement</u>	<u>Requirements</u>	<u>Service Charge</u>	<u>Customers</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
							(\$/month)	(\$/month)	(\$/month)
1		Average Distribution Increase =	1.487%	page 3, Line 4					
2	RS	\$ 30,053,953	\$ 60,121,777	\$ 83,008,745	\$ 173,184,475	1,868,649	\$ 7.72	\$ 4.64	\$ 4.64 see Note 1
3	RHS	\$ 233,304	\$ 315,839	\$ 482,807	\$ 1,031,951	9,233	\$ 9.31	\$ 4.64	\$ 4.64 see Note 1
4	RLM	\$ 307,228	\$ 421,746	\$ 558,254	\$ 1,287,228	12,158	\$ 8.82	\$ 13.07	\$ 13.07 see Note 2
5	WH	no service charge							
6	WHS	\$ 28	\$ 1,130	\$ 564	\$ 1,722	18	\$ 8.00	\$ 0.60	\$ 0.61 see Note 2
7	HS	\$ -	\$ 26,698	\$ 40,433	\$ 67,131	1,091	\$ 5.13	\$ 3.57	\$ 3.65 see Note 2
8	BPL	no service charge							
9	BPL-POF	no service charge							
10	PSAL	no service charge							
11	GLP	\$ 15,122,801	\$ 1,344,102	\$ 15,041,672		261,946			
12	GLP Metered					256,116	\$ 10.03	\$ 4.54	\$ 4.64 see Note 3
13	GLP Unmetered					5,766	\$ 9.60	\$ 2.10	\$ 2.15 see Note 4
14	GLP-NU					64			\$ 347.77 set equal to LPL-S
15	LPL-S	\$ 1,025,511	\$ 12,500,185	\$ 3,153,135	\$ 16,678,832	8,645	\$ 160.77	\$ 347.77	\$ 347.77 see Note 2
16	LPL-P	\$ 90,595	\$ 1,344,102	\$ 279,268	\$ 1,713,965	754	\$ 189.49	\$ 347.77	\$ 347.77 see Note 2
17	LPL-P <100 kW						\$ 158.20	\$ 20.52	\$ 20.98 see Note 5
18	HTS-S	\$ 53,622	\$ 764,864	\$ 72,192	\$ 890,678	193	\$ 384.06	\$ 1,911.39	\$ 1,911.39 see Note 2
19	HTS-HV	\$ 44,874	\$ 68,463	\$ 5,545	\$ 118,881	14	\$ 716.56	\$ 1,720.25	\$ 1,720.25 see Note 2

Source: for Cols 2, 3 and 4 from Page 2, Cols 3, 6 & 7 from Step 2 = (2) + (3) + (4) 2018 Rate Case SS-E8 R-2, Step 2, Col 1 = (5) / (6) / 12 From Tariff based on methodology described

- Notes:
- 1 Agreed upon in Settlement
 - 2 Move toward cost limited at no decrease from current service charge and no increase greater than 1.5 times the overall average distribution % increase.
 - 3 Access and Customer Service Rev Req per total GLP Customer plus Measurement Rev Req divided by the number of metered customers divided by 12; limits the same as Note 2
 - 4 Access and Customer Service Rev Req per total GLP Customer divided by 12; limits the same as Note 2
 - 5 Calculated at the GLP Access Segment per customer plus the GLP Customer Service Segment Revenue Requirements per customer plus the LPL-P Measurement Segment per customer divided by 12; limits the same as Note 2

**ELECTRIC PROOF OF REVENUE
SUMMARY
ELECTRIC RATE INCREASE
ES2 Rate Adjustment 2
(kWhrs & Revenue in Thousands)**

Rate Schedule		Annualized Weather Normalized		Proposed		Increase		
		kWhrs	Revenue	kWhrs	Revenue	Revenue	Percent	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	Residential	RS	12,934,045	\$2,241,267	12,934,045	\$2,254,771	\$13,504	0.60
2	Residential Heating	RHS	126,581	16,367	126,581	16,470	103	0.63
3	Residential Load Management	RLM	211,824	35,978	211,824	36,131	153	0.43
4	Water Heating	WH	1,086	119.817	1,086	120.576	0.759	0.63
5	Water Heating Storage	WHS	16	1.170	16	1.174	0.004	0.34
6								
7	Building Heating	HS	16,145	2,684	16,145	2,689	5	0.19
8	General Lighting and Power	GLP	7,764,699	1,219,727	7,764,699	1,221,669	1,942	0.16
9	Large Power & Lighting-Sec	LPL-S	11,276,802	1,337,207	11,276,802	1,338,849	1,642	0.12
10	Large Power & Lighting-Pri	LPL-P	3,235,414	322,658	3,235,414	322,944	286	0.09
11	High Tension-Subtr.	HTS-S	4,566,472	398,481	4,566,472	398,959	478	0.12
12	High Tension-HV	HTS-HV	417,997	32,550	417,997	32,567	17	0.05
13								
14	Body Politic Lighting	BPL	282,858	73,438	282,858	73,454	16	0.02
15	Body Politic Lighting-POF	BPL-POF	14,450	1,187.582	14,450	1,188.309	0.727	0.06
16	Private Street & Area Lighting	PSAL	151,732	37,302	151,732	37,311	9	0.02
17								
18								
19		Totals	41,000,121	\$5,718,968	41,000,121	\$5,737,124	\$18,156	0.32

Notes: All customers assumed to be on BGS.
WH, WHS & BPL-POF revenues shown to 3 decimals.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

RATE SCHEDULE RS
RESIDENTIAL SERVICE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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	22,423.79	\$4.64	\$104,046	22,423.79	\$4.64	\$104,046	\$0	0.00
2 Distribution 0-600 June - September	3,528,124	0.039972	141,026	3,528,124	0.042471	149,843	8,817	6.25
3 Distribution 0-600 October - May	5,657,900	0.033344	188,657	5,657,900	0.033344	188,657	0	0.00
4 Distribution over 600 June - September	1,931,618	0.043793	84,591	1,931,618	0.046292	89,418	4,827	5.71
5 Distribution over 600 October - May	1,816,403	0.033344	60,566	1,816,403	0.033344	60,566	0	0.00
6 SBC	12,934,045	0.009023	116,704	12,934,045	0.009023	116,704	0	0.00
7 NGC	12,934,045	0.000024	310	12,934,045	0.000024	310	0	0.00
8 STC-TBC	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
9 STC-MTC-Tax	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
10 ZECRC	12,934,045	0.003845	49,731	12,934,045	0.003845	49,731	0	0.00
11 Solar Pilot Recovery Charge	12,934,045	0.000085	1,099	12,934,045	0.000085	1,099	0	0.00
12 Green Programs Recovery Charge	12,934,045	0.002195	28,390	12,934,045	0.002195	28,390	0	0.00
13 Tax Adjustment Credit	12,934,045	(0.007087)	(91,664)	12,934,045	(0.007087)	(91,664)	0	0.00
14 Green Enabling Mechanism	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
15 Facilities Chg.			-			0	0	0.00
16 Minimum			-			0	0	0.00
17 Miscellaneous			(240)			(242)	(2)	0.83
18 Delivery Subtotal	12,934,045		\$683,216	12,934,045		\$696,858	\$13,642	2.00
19 Unbilled Delivery			(6,896)			(7,034)	(138)	2.00
20 Delivery Subtotal w unbilled			\$676,320			\$689,824	\$13,504	2.00
21								
Supply-BGS								
23 BGS 0-600 June - September	3,528,124	0.119368	\$421,145	3,528,124	0.119368	\$421,145	\$0	0.00
24 BGS 0-600 October - May	5,657,900	0.121207	685,777	5,657,900	0.121207	685,777	0	0.00
25 BGS over 600 June - September	1,931,618	0.128324	247,873	1,931,618	0.128324	247,873	0	0.00
26 BGS over 600 October - May	1,816,403	0.121207	220,161	1,816,403	0.121207	220,161	0	0.00
27 BGS Reconciliation-RSCP	12,934,045	0.000000	0	12,934,045	0.000000	0	0	0.00
28 Miscellaneous			(1)			(1)	0	0.00
29 Supply Subtotal	12,934,045		\$1,574,955	12,934,045		\$1,574,955	\$0	0.00
30 Unbilled Supply			(10,008)			(10,008)	0	0.00
31 Supply Subtotal w unbilled			\$1,564,947			\$1,564,947	\$0	0.00
32								
33 Total Delivery + Supply	12,934,045		\$2,241,267	12,934,045		\$2,254,771	\$13,504	0.60
34								
35								
36								
37								
38								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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	110.79	\$4.64	\$514	110.79	\$4.64	\$514	\$0	0.00
2 Distribution 0-600 June - September	19,973	0.049594	991	19,973	0.051002	1,019	28	2.83
3 Distribution 0-600 October - May	41,979	0.033234	1,395	41,979	0.033882	1,422	27	1.94
4 Distribution over 600 June - September	10,227	0.054494	557	10,227	0.055902	572	15	2.69
5 Distribution over 600 October - May	54,402	0.015634	851	54,402	0.016282	886	35	4.11
6 SBC	126,581	0.009023	1,142	126,581	0.009023	1,142	0	0.00
7 NGC	126,581	0.000024	3	126,581	0.000024	3	0	0.00
8 STC-TBC	126,581	0.000000	-	126,581	0.000000	0	0	0.00
9 STC-MTC-Tax	126,581	0.000000	-	126,581	0.000000	0	0	0.00
10 Zero Emission Certificate Recovery Charge	126,581	0.003845	487	126,581	0.003845	487	0	0.00
11 Solar Pilot Recovery Charge	126,581	0.000085	11	126,581	0.000085	11	0	0.00
12 Green Programs Recovery Charge	126,581	0.002195	278	126,581	0.002195	278	0	0.00
13 Tax Adjustment Credit	126,581	(0.008028)	(1,016)	126,581	(0.008028)	(1,016)	0	0.00
14 Green Enabling Mechanism	126,581	0.000000	-	126,581	0.000000	0	0	0.00
15 Facilities Chg.			-			0	0	0.00
16 Minimum			-			0	0	0.00
17 Miscellaneous			(2)			(2)	0	0.00
18 Delivery Subtotal	126,581		\$5,211	126,581		\$5,316	\$105	2.01
19 Unbilled Delivery			(101)			(103)	(2)	1.98
20 Delivery Subtotal w unbilled			\$5,110			\$5,213	\$103	2.02
21								
Supply-BGS								
23 BGS 0-600 June - September	19,973	0.084920	\$1,696	19,973	0.084920	\$1,696	\$0	0.00
24 BGS 0-600 October - May	41,979	0.090504	3,799	41,979	0.090504	3,799	0	0.00
25 BGS over 600 June - September	10,227	0.096896	991	10,227	0.096896	991	0	0.00
26 BGS over 600 October - May	54,402	0.090504	4,924	54,402	0.090504	4,924	0	0.00
27 BGS Reconciliation-RSCP	126,581	0.000000	0	126,581	0.000000	0	0	0.00
28 Miscellaneous			0			0	0	0.00
29 Supply Subtotal	126,581		\$11,410	126,581		\$11,410	\$0	0.00
30 Unbilled Supply			(153)			(153)	0	0.00
31 Supply Subtotal w unbilled			\$11,257			\$11,257	\$0	0.00
32								
33 Total Delivery + Supply	126,581		\$16,367	126,581		\$16,470	\$103	0.63
34								
35								
36								
37								
38								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

**RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE
ES2 Rate Adjustment 2**

(Units & Revenue in Thousands)

	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	145.90	13.07	\$1,907	145.899	13.07	\$1,907	\$0	0.00
2 Distribution June - September On Peak	43,971	0.071911	3,162	43,971	0.073867	3,248	86	2.72
3 Distribution June - September Off Peak	48,084	0.015007	722	48,084	0.015418	741	19	2.63
4 Distribution October - May On Peak	51,653	0.015007	775	51,653	0.015418	796	21	2.71
5 Distribution October - May Off Peak	68,116	0.015007	1,022	68,116	0.015418	1,050	28	2.74
6 SBC	211,824	0.009023	1,911	211,824	0.009023	1,911	0	0.00
7 NGC	211,824	0.000024	5	211,824	0.000024	5	0	0.00
8 STC-TBC	211,824	0.000000	0	211,824	0.000000	0	0	0.00
9 STC-MTC-Tax	211,824	0.000000	0	211,824	0.000000	0	0	0.00
10 Zero Emission Certificate Recovery Charge	211,824	0.003845	814	211,824	0.003845	814	0	0.00
11 Solar Pilot Recovery Charge	211,824	0.000085	18	211,824	0.000085	18	0	0.00
12 Green Programs Recovery Charge	211,824	0.002195	465	211,824	0.002195	465	0	0.00
13 Tax Adjustment Credit	211,824	(0.006023)	(1,276)	211,824	(0.006023)	(1,276)	0	0.00
14 Green Enabling Mechanism	211,824	0.000000	0	211,824	0.000000	0	0	0.00
15 Facilities Chg.			0			0	0	0.00
16 Minimum			0			0	0	0.00
17 Miscellaneous			(9)			(8)	1	(11.11)
18 Delivery Subtotal	211,824		\$9,516	211,824		\$9,671	\$155	1.63
19 Unbilled Delivery			(121)			(123)	(2)	1.65
20 Delivery Subtotal w unbilled			\$9,395			\$9,548	\$153	1.63
21								
Supply-BGS								
23 BGS June - September On Peak	43,971	0.234270	\$10,301	43,971	0.234270	\$10,301	\$0	0.00
24 BGS June - September Off Peak	48,084	0.039419	1,895	48,084	0.039419	1,895	0	0.00
25 BGS October - May On Peak	51,653	0.225490	11,647	51,653	0.225490	11,647	0	0.00
26 BGS October - May Off Peak	68,116	0.044313	3,018	68,116	0.044313	3,018	0	0.00
27 BGS Reconciliation-RSCP	211,824	0.000000	0	211,824	0.000000	0	0	0.00
28 Miscellaneous			0			0	0	0.00
29 Supply Subtotal	211,824		<u>\$26,861</u>	211,824		<u>\$26,861</u>	\$0	0.00
30 Unbilled Supply			(278)			(278)	0	0.00
31 Supply Subtotal w unbilled			<u>\$26,583</u>			<u>\$26,583</u>	\$0	0.00
32								
33 Total Delivery + Supply	211,824		<u>\$35,978</u>	211,824		<u>\$36,131</u>	<u>\$153</u>	0.43
34								
35								
36								
37								
38								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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	3,042,260	4.54	\$13,812	3,042,260	4.64	\$14,116	\$304	2.20
2 Service Charge-unmetered	100,329	2.10	211	100,329	2.15	216	5	2.37
3 Service Charge-Night Use	0.767	347.77	267	0.767	347.77	267	0	0.00
4 Distrib. KW Annual	28,477	3.7103	105,658	28,477	3.7347	106,353	695	0.66
5 Distrib. KW Summer	10,394	9.3044	96,710	10,394	9.3656	97,346	636	0.66
6 Distribution kWhr, June-September	2,784,306	0.003033	8,445	2,784,306	0.003053	8,500	55	0.65
7 Distribution kWhr, October-May	4,958,973	0.007742	38,392	4,958,973	0.007793	38,645	253	0.66
8 Distribution kWhr, Night use, June-September	7,441	0.007742	58	7,441	0.007793	58	0	0.00
9 Distribution kWhr, Night use, October-May	13,979	0.007742	108	13,979	0.007793	109	1	0.93
10 SBC	7,764,699	0.009023	70,061	7,764,699	0.009023	70,061	0	0.00
11 NGC	7,764,699	0.000024	186	7,764,699	0.000024	186	0	0.00
12 STC-TBC	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
13 STC-MTC-Tax	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
14 Zero Emission Certificate Recovery Charge	7,764,699	0.003845	29,855	7,764,699	0.003845	29,855	0	0.00
15 Solar Pilot Recovery Charge	7,764,699	0.000085	660	7,764,699	0.000085	660	0	0.00
16 Green Programs Recovery Charge	7,764,699	0.002195	17,044	7,764,699	0.002195	17,044	0	0.00
17 Tax Adjustment Credit	7,764,699	-0.002027	-15,739	7,764,699	-0.002027	-15,739	0	0.00
18 Green Enabling Mechanism	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
19 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	5		\$2.22/\$3.20	5	0	0.00
20 Facilities Chg.		1.45%	63		1.45%	63	0	0.00
21 Minimum			42			42	0	0.00
22 Distrib. Miscellaneous			<u>(1,726)</u>			<u>(1,726)</u>	<u>0</u>	0.00
23 Delivery Subtotal	7,764,699		\$364,112	7,764,699		\$366,061	\$1,949	0.54
24 Unbilled Delivery			<u>(1,342)</u>			<u>(1,349)</u>	<u>(7)</u>	0.52
25 Delivery Subtotal w unbilled			\$362,770			\$364,712	\$1,942	0.54

RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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)
Supply-BGS								
1 Generation Capacity Obl June-September	10,134	5.2965	\$53,675	10,134	5.2965	\$53,675	\$0	0.00
2 Generation Capacity Obl October-May	20,198	5.2965	106,979	20,198	5.2965	106,979	0	0.00
3 Transmission Capacity Obl	26,597	11.8868	316,153	26,597	11.8868	316,153	0	0.00
4 BGS kWhr June - September not night use	2,784,306	0.047808	133,112	2,784,306	0.047808	133,112	0	0.00
5 BGS kWhr October - May not night use	4,958,973	0.049686	246,392	4,958,973	0.049686	246,392	0	0.00
6 BGS kWhr June - September night use	7,441	0.041682	310	7,441	0.041682	310	0	0.00
7 BGS kWhr October - May night use	13,979	0.046292	647	13,979	0.046292	647	0	0.00
8 BGS Reconciliation-RSCP	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
9 BGS Miscellaneous			<u>(145)</u>			<u>(145)</u>	<u>0</u>	0.00
10 Supply Subtotal	7,764,699		\$857,123	7,764,699		\$857,123	\$0	0.00
11 Unbilled Supply			<u>(166)</u>			<u>(166)</u>	<u>0</u>	0.00
12 Supply Subtotal w unbilled			\$856,957			\$856,957	\$0	0.00
13								
14 Total Delivery + Supply	7,764,699		<u>\$1,219,727</u>	7,764,699		<u>\$1,221,669</u>	<u>\$1,942</u>	0.16
15								
16								
17								
18								
19								
20								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

RATE SCHEDULE LPL-Sec
LARGE POWER & LIGHTING SERVICE-SECONDARY
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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	103,740	347.77	\$36,078	103,740	347.77	\$36,078	\$0	0.00
2 Distrib. KW Annual	28,389	3.5501	100,784	28,389	3.5815	101,675	891	0.88
3 Distrib. KW June - September	10,139	8.4460	85,634	10,139	8.5207	86,391	757	0.88
4 Distribution kWhr On Peak June-September	1,986,049	0.000000	0	1,986,049	0.000000	0	0	0.00
5 Distribution kWhr Off Peak June-September	2,006,262	0.000000	0	2,006,262	0.000000	0	0	0.00
6 Distribution kWhr On Peak October-May	3,504,143	0.000000	0	3,504,143	0.000000	0	0	0.00
7 Distribution kWhr Off Peak October-May	3,780,348	0.000000	0	3,780,348	0.000000	0	0	0.00
8 SBC	11,276,802	0.009023	101,751	11,276,802	0.009023	101,751	0	0.00
9 NGC	11,276,802	0.000024	271	11,276,802	0.000024	271	0	0.00
10 STC-TBC	11,276,802	0.000000	0	11,276,802	0.000000	0	0	0.00
11 STC-MTC-Tax	11,276,802	0.000000	0	11,276,802	0.000000	0	0	0.00
12 Zero Emission Certificate Recovery Charge	11,276,802	0.003845	43,359	11,276,802	0.003845	43,359	0	0.00
13 Solar Pilot Recovery Charge	11,276,802	0.000085	959	11,276,802	0.000085	959	0	0.00
14 CIEP Standby Fee	4,018,143	0.000150	603	4,018,143	0.000150	603	0	0.00
15 Green Programs Recovery Charge	11,276,802	0.002195	24,753	11,276,802	0.002195	24,753	0	0.00
16 Tax Adjustment Credit	11,276,802	-0.001195	-13,476	11,276,802	-0.001195	-13,476	0	0.00
17 Green Enabling Mechanism	11,276,802	0.000000	0	11,276,802	0.000000	0	0	0.00
18 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	128		\$2.22/\$3.20	128	0	0.00
19 Facilities Chg.		1.45%	247		1.45%	247	0	0.00
20 Minimum			0			0	0	0.00
21 Dist. Miscellaneous			<u>(1,202)</u>			<u>(1,201)</u>	<u>1</u>	-0.08
22 Delivery Subtotal	11,276,802		\$379,889	11,276,802		\$381,538	\$1,649	0.43
23 Unbilled Delivery			<u>(1,662)</u>			<u>(1,669)</u>	<u>(7)</u>	0.42
24 Delivery Subtotal w unbilled			\$378,227			\$379,869	\$1,642	0.43

RATE SCHEDULE LPL-Sec
LARGE POWER & LIGHTING SERVICE-SECONDARY
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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)	
Supply-BGS									
0-499									
1	Generation Capacity Obl - June-September	6,439	5.2965	\$34,104	6,439	5.2965	\$34,104	\$0	0.00
2	Generation Capacity Obl - October-May	12,996	5.2965	68,833	12,996	5.2965	68,833	0	0.00
3	Transmission Capacity Obl	16,672	11.8868	198,177	16,672	11.8868	198,177	0	0.00
4	BGS kWhr June-September On Peak	1,302,213	0.052974	68,983	1,302,213	0.052974	68,983	0	0.00
5	BGS kWhr June-September Off Peak	1,315,466	0.041682	54,831	1,315,466	0.041682	54,831	0	0.00
6	BGS kWhr October-May On Peak	2,297,596	0.052928	121,607	2,297,596	0.052928	121,607	0	0.00
7	BGS kWhr October-May Off Peak	2,478,699	0.046292	114,744	2,478,699	0.046292	114,744	0	0.00
8	500+								
9	Generation Capacity Obl - June-September	3,422	10.9569	37,495	3,422	10.9569	37,495	0	0.00
10	Generation Capacity Obl - October-May	6,784	10.9569	74,332	6,784	10.9569	74,332	0	0.00
11	Transmission Capacity Obl	8,643	11.8868	102,738	8,643	11.8868	102,738	0	0.00
12	BGS kWhr June-September	1,374,632	0.026788	36,824	1,374,632	0.026788	36,824	0	0.00
13	Spare	0	0.026788	0	0	0.026788	0	0	0.00
14	BGS kWhr October-May	2,508,196	0.026891	67,448	2,508,196	0.026891	67,448	0	0.00
15	Spare	0	0.026891	0	0	0.026891	0	0	0.00
16									
17	BGS Reconciliation-RSCP	7,393,974	0.000000	0	7,393,974	0.000000	0	0	0.00
18	BGS Reconciliation-CIEP	3,882,828	0.000000	0	3,882,828	0.000000	0	0	0.00
19	BGS Miscellaneous			(102)			(102)	0	0.00
20	Supply Subtotal	11,276,802		\$980,014	11,276,802		\$980,014	\$0	0.00
21	Unbilled Supply			(21,034)			(21,034)	0	0.00
22	Supply Subtotal w unbilled			\$958,980			\$958,980	\$0	0.00
23									
24	Total Delivery + Supply	11,276,802		<u>\$1,337,207</u>	11,276,802		<u>\$1,338,849</u>	<u>\$1,642</u>	0.12

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

RATE SCHEDULE LPL-Pri
LARGE POWER & LIGHTING SERVICE-PRIMARY
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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	8.672	347.77	\$3,016	8.672	347.77	\$3,016	\$0	0.00
2 Service Charge-Alternate	0.373	20.52	8	0.373	20.98	8	0	0.00
3 Distrib. KW Annual	7,243	1.6538	11,978	7,243	1.6674	12,077	99	0.83
4 Distrib. KW June - September	2,493	9.1809	22,888	2,493	9.2565	23,076	188	0.82
5 Distribution kWhr On Peak June-September	543,764	0.000000	0	543,764	0.000000	0	0	0.00
6 Distribution kWhr Off Peak June-September	627,198	0.000000	0	627,198	0.000000	0	0	0.00
7 Distribution kWhr On Peak October-May	938,452	0.000000	0	938,452	0.000000	0	0	0.00
8 Distribution kWhr Off Peak October-May	1,126,000	0.000000	0	1,126,000	0.000000	0	0	0.00
9 SBC	3,235,414	0.008868	28,692	3,235,414	0.008868	28,692	0	0.00
10 NGC	3,235,414	0.000024	78	3,235,414	0.000024	78	0	0.00
11 STC-TBC	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
12 STC-MTC-Tax	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
13 Zero Emission Certificate Recovery Charge	3,235,414	0.003845	12,440	3,235,414	0.003845	12,440	0	0.00
14 Solar Pilot Recovery Charge	3,235,414	0.000085	275	3,235,414	0.000085	275	0	0.00
15 CIEP Standby Fee	3,235,414	0.000150	485	3,235,414	0.000150	485	0	0.00
16 Green Programs Recovery Charge	3,235,414	0.002195	7,102	3,235,414	0.002195	7,102	0	0.00
17 Tax Adjustment Credit	3,235,414	-0.000726	-2,349	3,235,414	-0.000726	-2,349	0	0.00
18 Green Enabling Mechanism	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
19 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	557		\$2.22/\$3.20	557	0	0.00
20 Facilities Chg.		1.45%	439		1.45%	439	0	0.00
21 Minimum			7			7	0	0.00
22 Dist. Miscellaneous			(304)			(304)	0	0.00
23 Delivery Subtotal	3,235,414		\$85,312	3,235,414		\$85,599	\$287	0.34
24 Unbilled Delivery			(322)			(323)	(1)	0.31
25 Delivery Subtotal w unbilled			\$84,990			\$85,276	\$286	0.34

RATE SCHEDULE LPL-Pri
LARGE POWER & LIGHTING SERVICE-PRIMARY
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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)	
Supply-BGS									
1	Generation Capacity Obl June-September	2,368	10.9569	\$25,946	2,368	10.9569	\$25,946	\$0	0.00
2	Generation Capacity Obl October-May	4,724	10.9569	51,760	4,724	10.9569	51,760	0	0.00
3	Transmission Capacity Obl	6,170	11.8868	73,342	6,170	11.8868	73,342	0	0.00
4	BGS kWhr June-September On Peak	543,764	0.025674	13,961	543,764	0.025674	13,961	0	0.00
5	BGS kWhr June-September Off Peak	627,198	0.025674	16,103	627,198	0.025674	16,103	0	0.00
6	BGS kWhr October-May On Peak	938,452	0.025872	24,280	938,452	0.025872	24,280	0	0.00
7	BGS kWhr October-May Off Peak	1,126,000	0.025872	29,132	1,126,000	0.025872	29,132	0	0.00
8	BGS Reconciliation-CIEP	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
9	BGS Miscellaneous			<u>0</u>			<u>0</u>	<u>0</u>	0.00
10	Supply Subtotal	3,235,414		\$234,524	3,235,414		\$234,524	\$0	0.00
11	Unbilled Supply			<u>3,144</u>			<u>3,144</u>	<u>0</u>	0.00
12	Supply Subtotal w unbilled			\$237,668			\$237,668	\$0	0.00
13									
14	Total Delivery + Supply	3,235,414		<u>\$322,658</u>	3,235,414		<u>\$322,944</u>	<u>\$286</u>	0.09

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

**RATE SCHEDULE HTS-SUBTR.
HIGH TENSION SERVICE-SUBTRANSMISSION
ES2 Rate Adjustment 2**
(Units & Revenue in Thousands)

	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	2,319	1,911.39	\$4,433	2,319	1,911.39	\$4,433	\$0	0.00
2 Distrib. KW Annual	11,987	1.0863	13,021	11,987	1.1075	13,276	255	1.96
3 Distrib. KW June - September	2,962	3.9268	11,631	2,962	4.0033	11,858	227	1.95
4 Distribution kWhr On Peak	1,616,031	0.000000	0	1,616,031	0.000000	0	0	0.00
5 Spare	0	0.000000	0	0	0.000000	0	0	0.00
6 Distribution kWhr On Peak	2,950,441	0.000000	0	2,950,441	0.000000	0	0	0.00
7 Spare	0	0.000000	0	0	0.000000	0	0	0.00
8 SBC	4,566,472	0.008792	40,148	4,566,472	0.008792	40,148	0	0.00
9 NGC	4,566,472	0.000023	105	4,566,472	0.000023	105	0	0.00
10 STC-TBC	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
11 STC-MTC-Tax	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
12 Zero Emission Certificate Recovery Charge	4,566,472	0.003845	17,558	4,566,472	0.003845	17,558	0	0.00
13 Solar Pilot Recovery Charge	4,566,472	0.000085	388	4,566,472	0.000085	388	0	0.00
14 CIEP Standby Fee	4,566,472	0.000150	685	4,566,472	0.000150	685	0	0.00
15 Green Programs Recovery Charge	4,566,472	0.002195	10,023	4,566,472	0.002195	10,023	0	0.00
16 Tax Adjustment Credit	4,566,472	-0.000733	-3,347	4,566,472	-0.000733	-3,347	0	0.00
17 Green Enabling Mechanism	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
18 Duplicate Svc (Same Sub/Different Sub)		\$1.83/\$2.20	105		\$1.83/\$2.20	105	0	0.00
19 Facilities Chg.		1.45%	686		1.45%	686	0	0.00
20 Minimum			0			0	0	0.00
21 Dist. Miscellaneous			<u>(527)</u>			<u>(529)</u>	<u>-2</u>	0.38
22 Delivery Subtotal	4,566,472		\$94,909	4,566,472		\$95,389	\$480	0.51
23 Unbilled Delivery			<u>(339)</u>			<u>(341)</u>	<u>(2)</u>	0.59
24 Delivery Subtotal w unbilled			\$94,570			\$95,048	\$478	0.51

**RATE SCHEDULE HTS-SUBTR.
HIGH TENSION SERVICE-SUBTRANSMISSION
ES2 Rate Adjustment 2**
(Units & Revenue in Thousands)

	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)
Supply-BGS								
1 Generation Capacity Obl June-September	2,724	10.9569	\$29,847	2,724	10.9569	\$29,847	\$0	0.00
2 Generation Capacity Obl October-May	5,423	10.9569	59,419	5,423	10.9569	59,419	0	0.00
3 Transmission Capacity Obl	7,276	11.8868	86,488	7,276	11.8868	86,488	0	0.00
4 BGS kWhr June-September	1,616,031	0.025347	40,962	1,616,031	0.025347	40,962	0	0.00
5 Spare	0	0.025347	0	0	0.025347	0	0	0.00
6 BGS kWhr October-May	2,950,441	0.025477	75,168	2,950,441	0.025477	75,168	0	0.00
7 Spare	0	0.025477	0	0	0.025477	0	0	0.00
8 BGS Reconciliation-CIEP	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
9 BGS Miscellaneous			(24)			(24)	0	0.00
10 Supply Subtotal	4,566,472		\$291,860	4,566,472		\$291,860	\$0	0.00
11 Unbilled Supply			<u>12,051</u>			<u>12,051</u>	0	0.00
12 Supply Subtotal w unbilled			\$303,911			\$303,911	\$0	0.00
13								
14 Total Delivery + Supply	4,566,472		<u>\$398,481</u>	4,566,472		<u>\$398,959</u>	<u>\$478</u>	0.12
15								
16								
17								
18								
19								
20								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

**RATE SCHEDULE HTS-HV
HIGH TENSION SERVICE-HIGH VOLTAGE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)**

	<u>Annualized Weather Normalized</u>			<u>Proposed</u>			<u>Difference</u>	
	<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	0.166	1,720.25	\$286	0.166	1,720.25	\$286	\$0	0.00
2 Distrib. KW Annual	3,286	0.6203	2,038	3,286	0.6255	2,055	17	0.83
3 Distrib. KW June - September	0	0.000000	0	0	0.000000	0	0	0.00
4 Distribution kWhr June - September	148,652	0.000000	0	148,652	0.000000	0	0	0.00
5 Spare	0	0.000000	0	0	0.000000	0	0	0.00
6 Distribution kWhr October - May	269,345	0.000000	0	269,345	0.000000	0	0	0.00
7 Spare	0	0.000000	0	0	0.000000	0	0	0.00
8 SBC	417,997	0.009302	3,888	417,997	0.009302	3,888	0	0.00
9 NGC	417,997	0.000023	10	417,997	0.000023	10	0	0.00
10 STC-TBC	417,997	0.000000	0	417,997	0.000000	0	0	0.00
11 STC-MTC-Tax	417,997	0.000000	0	417,997	0.000000	0	0	0.00
12 Zero Emission Certificate Recovery Charge	417,997	0.003845	1,607	417,997	0.003845	1,607	0	0.00
13 Solar Pilot Recovery Charge	417,997	0.000085	36	417,997	0.000085	36	0	0.00
14 CIEP Standby Fee	417,997	0.000150	63	417,997	0.000150	63	0	0.00
15 Green Programs Recovery Charge	417,997	0.002195	918	417,997	0.002195	918	0	0.00
16 Tax Adjustment Credit	417,997	-0.000311	-130	417,997	-0.000311	-130	0	0.00
17 Green Enabling Mechanism	417,997	0.000000	0	417,997	0.000000	0	0	0.00
18 Facilities Chg.			33			33	0	0.00
19 Minimum			0			0	0	0.00
20 Dist. Miscellaneous			<u>(79)</u>			<u>(79)</u>	<u>0</u>	<u>0.00</u>
21 Delivery Subtotal	417,997		\$8,670	417,997		\$8,687	\$17	0.20
22 Unbilled Delivery			<u>96</u>			<u>96</u>	<u>0</u>	<u>0.00</u>
23 Delivery Subtotal w unbilled			\$8,766			\$8,783	\$17	0.19

**RATE SCHEDULE HTS-HV
HIGH TENSION SERVICE-HIGH VOLTAGE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)**

	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)
Supply-BGS								
1 Generation Capacity Obl June-September	208	10.9569	\$2,279	208	10.9569	\$2,279	\$0	0.00
2 Generation Capacity Obl October-May	452	10.9569	4,953	452	10.9569	4,953	0	0.00
3 Transmission Capacity Obl	561	11.8868	6,668	561	11.8868	6,668	0	0.00
4 BGS kWhr June-September	148,652	0.021739	3,232	148,652	0.021739	3,232	0	0.00
5 Spare	0	0.021739	0	0	0.021739	0	0	0.00
6 BGS kWhr October-May	269,345	0.024698	6,652	269,345	0.024698	6,652	0	0.00
7 Spare	0	0.024698	0	0	0.024698	0	0	0.00
8 BGS Reconciliation-CIEP	417,997	0.000000	0	417,997	0.000000	0	0	0.00
9 BGS Miscellaneous			0			0	0	0.00
10 Supply Subtotal	417,997		\$23,784	417,997		\$23,784	\$0	0.00
11 Unbilled Supply			0			0	0	0.00
12 Supply Subtotal w unbilled			\$23,784			\$23,784	\$0	0.00
13								
14 Total Delivery + Supply	417,997		<u>\$32,550</u>	417,997		<u>\$32,567</u>	<u>\$17</u>	0.05

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

**RATE SCHEDULE BPL
BODY POLITIC LIGHTING SERVICE
ES2 Rate Adjustment 2**
(Units & Revenue in Thousands)

	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 High Pressure Sodium	2,266.536	0	\$ 25,814	2,266.536	0	\$ 25,814	\$0	0.00
2 Metal Halide	281.316	0	6,365	281.316	0	6,365	0	0.00
3 Filament	153.684	0	577	153.684	0	577	0	0.00
4 Mercury Vapor	1,702.464	0	18,768	1,702.464	0	18,768	0	0.00
5 Fluorescent	0.204	0	3	0.204	0	3	0	0.00
6								
7 Distribution June-September	72,030	0.006774	\$488	72,030	0.006830	\$492	4	0.82
8 Distribution October-May	210,828	0.006774	1,428	210,828	0.006830	1,440	12	0.84
9 SBC	282,858	0.009023	2,552	282,858	0.009023	2,552	0	0.00
10 NGC	282,858	0.000024	7	282,858	0.000024	7	0	0.00
11 STC-TBC	282,858	0.000000	0	282,858	0.000000	0	0	0.00
12 STC-MTC-Tax	282,858	0.000000	0	282,858	0.000000	0	0	0.00
13 Zero Emission Certificate Recovery Charge	282,858	0.003845	1,088	282,858	0.003845	1,088	0	0.00
14 Solar Pilot Recovery Charge	282,858	0.000085	24	282,858	0.000085	24	0	0.00
15 Green Programs Recovery Charge	282,858	0.002195	621	282,858	0.002195	621	0	0.00
16 Tax Adjustment Credit	282,858	0.000000	0	282,858	0.000000	0	0	0.00
17 Green Enabling Mechanism	282,858	0.000000	0	282,858	0.000000	0	0	0.00
18								
19 Pole Charges	555.636		2,237	555.636		2,237	0	0.00
20 Minimum			0			0	0	0.00
21 Miscellaneous			352			352	0	0.00
22 Delivery Subtotal			\$60,324			\$60,340	\$16	0.03
23 Unbilled Delivery			0			0	0	0.00
24 Delivery Subtotal w unbilled			\$60,324			\$60,340	\$16	0.03
25								
Supply-BGS								
27 BGS June-September	72,030	0.043293	3,118	72,030	0.043293	3,118	0	0.00
28 BGS October-May	210,828	0.047907	10,100	210,828	0.047907	10,100	0	0.00
29 BGS Reconciliation-RSCP	282,858	0.000000	0	282,858	0.000000	0	0	0.00
30 Miscellaneous			(104)			(104)	0	0.00
31 Supply Subtotal			\$13,114			\$13,114	\$0	0.00
32 Unbilled Supply			0			0	0	0.00
33 Supply Subtotal w unbilled			\$13,114			\$13,114	\$0	0.00
34								
35 Total Delivery + Supply	282,858		\$73,438	282,858		\$73,454	\$16	0.02
36								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

**RATE SCHEDULE BPL-POF
BODY POLITIC LIGHTING SERVICE-POF
ES2 Rate Adjustment 2**
(Units & Revenue in Thousands)

	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 High Pressure Sodium	125.460	0	\$ 181.000	125.460	0	\$ 181.000	\$0.000	0.00
2 Metal Halide	1.476	0	\$ 5.000	1.476	0	\$ 5.000	\$0.000	0.00
3 Filament	5.916	0	\$ 22.000	5.916	0	\$ 22.000	\$0.000	0.00
4 Mercury Vapor	4.236	0	\$ 4.000	4.236	0	\$ 4.000	\$0.000	0.00
5 Fluorescent	0.024	0	\$ -	0.024	0	\$ -	\$0.000	0.00
6								
7 Distribution June-September	4,259	0.006763	\$ 28.804	4,259	0.006813	\$ 29.017	\$0.213	0.74
8 Distribution October-May	10,191	0.006763	\$ 68.922	10,191	0.006813	\$ 69.431	\$0.509	0.74
9 SBC	14,450	0.009023	\$ 130.382	14,450	0.009023	\$ 130.382	\$0.000	0.00
10 NGC	14,450	0.000024	\$ 0.347	14,450	0.000024	\$ 0.347	\$0.000	0.00
11 STC-TBC	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
12 STC-MTC-Tax	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
13 Zero Emission Certificate Recovery Charge	14,450	0.003845	\$ 55.560	14,450	0.003845	\$ 55.560	\$0.000	0.00
14 Solar Pilot Recovery Charge	14,450	0.000085	\$ 1.228	14,450	0.000085	\$ 1.228	\$0.000	0.00
15 Green Programs Recovery Charge	14,450	0.002195	\$ 31.718	14,450	0.002195	\$ 31.718	\$0.000	0.00
16 Tax Adjustment Credit	14,450	-0.001729	\$ (24.984)	14,450	-0.001729	\$ (24.984)	\$0.000	0.00
17 Green Enabling Mechanism	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
18								
19 Pole Charges			\$ -			\$ -	\$0.000	0.00
20 Minimum			\$ -			\$ -	\$0.000	0.00
21 Miscellaneous			\$ 11.000			\$ 11.005	\$0.005	0.05
22 Delivery Subtotal			\$ 514.977			\$ 515.704	\$0.727	0.14
23 Unbilled Delivery			\$ -			\$ -	\$0.000	0.00
24 Delivery Subtotal w unbilled			\$ 514.977			\$ 515.704	\$0.727	0.14
25								
Supply-BGS								
27 BGS June-September	4,259	0.043293	\$ 184.385	4,259	0.043293	\$ 184.385	\$0.000	0.00
28 BGS October-May	10,191	0.047907	\$ 488.220	10,191	0.047907	\$ 488.220	\$0.000	0.00
29 BGS Reconciliation-RSCP	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
30 Miscellaneous			\$ -			\$ -	\$0.000	0.00
31 Supply Subtotal			\$ 672.605			\$ 672.605	\$0.000	0.00
32 Unbilled Supply			\$ -			\$ -	\$0.000	0.00
33 Supply Subtotal w unbilled			\$ 672.605			\$ 672.605	\$0.000	0.00
34								
35 Total Delivery + Supply	14,450		\$ 1,187.582	14,450		\$ 1,188.309	\$0.727	0.06

37 Notes: All customers assumed to be on BGS.
38 WH, WHS & BPL-POF revenues shown to 3 decimals.
39 Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

RATE SCHEDULE PSAL
PRIVATE STREET AND AREA LIGHTING SERVICE
ES2 Rate Adjustment 2
(Units & Revenue in Thousands)

	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 High Pressure Sodium	818.700	0	\$ 15,407	818.700	0	\$ 15,407	\$0	0.00
2 Metal Halide	231.864	0	6,308	231.864	0	6,308	0	0.00
3 Filament	0.792	0	4	0.792	0	4	0	0.00
4 Mercury Vapor	102.132	0	1,509	102.132	0	1,509	0	0.00
5 Fluorescent	0.012	0	-	0.012	0	-	0	0.00
6								
7 Distribution June-September	41,200	0.007223	\$298	41,200	0.007283	\$300	2	0.67
8 Distribution October-May	110,532	0.007223	798	110,532	0.007283	805	7	0.88
9 SBC	151,732	0.009023	1,369	151,732	0.009023	1,369	0	0.00
10 NGC	151,732	0.000024	4	151,732	0.000024	4	0	0.00
11 STC-TBC	151,732	0.000000	0	151,732	0.000000	0	0	0.00
12 STC-MTC-Tax	151,732	0.000000	0	151,732	0.000000	0	0	0.00
13 Zero Emission Certificate Recovery Charge	151,732	0.003845	583	151,732	0.003845	583	0	0.00
14 Solar Pilot Recovery Charge	151,732	0.000085	13	151,732	0.000085	13	0	0.00
15 Green Programs Recovery Charge	151,732	0.002195	333	151,732	0.002195	333	0	0.00
16 Tax Adjustment Credit	151,732	0.000000	0	151,732	0.000000	0	0	0.00
17 Green Enabling Mechanism	151,732	0.000000	0	151,732	0.000000	0	0	0.00
18								
19 Pole Charges	427.500		3,510	427.500		3,510	0	0.00
20 Minimum			0			0	0	0.00
21 Miscellaneous			53			53	0	0.00
22 Delivery Subtotal			\$30,189			\$30,198	\$9	0.03
23 Unbilled Delivery			(94)			(94)	0	0.00
24 Delivery Subtotal w unbilled			\$30,095			\$30,104	\$9	0.03
25								
Supply-BGS								
27 BGS June-September	41,200	0.043293	1,784	41,200	0.043293	1,784	0	0.00
28 BGS October-May	110,532	0.047907	5,295	110,532	0.047907	5,295	0	0.00
29 BGS Reconciliation-RSCP	151,732	0.000000	0	151,732	0.000000	0	0	0.00
30 Miscellaneous			190			190	0	0.00
31 Supply Subtotal			\$7,269			\$7,269	\$0	0.00
32 Unbilled Supply			(62)			(62)	0	0.00
33 Supply Subtotal w unbilled			\$7,207			\$7,207	\$0	0.00
34								
35 Total Delivery + Supply	151,732		\$37,302	151,732		\$37,311	\$9	0.02

36
37 Notes: All customers assumed to be on BGS.
38 Annualized Weather Normalized Revenue reflects Delivery rates in effect 10/1/2021

Electric Tariff Rates

<u>Rate Schedules</u>		<u>Current Total</u>		<u>Proposed Total</u>		<u>ESII Rate Adjustment 2</u>		<u>Total ESII IIP Charges</u>	
		<u>Distribution Charges</u>		<u>Distribution Charges</u>		<u>IIP Charges</u>			
		<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>
		<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>
RS	Service Charge	\$4.64	\$4.95	\$4.64	\$4.95	\$0.00	\$0.00	\$0.00	\$0.00
	Distribution 0-600 Sum	\$0.039972	\$0.042620	\$0.042471	\$0.045285	\$0.002499	\$0.002665	\$0.004251	\$0.004533
	Distribution 0-600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000	\$0.000000	\$0.000000
	Distribution over 600 Sum	\$0.043793	\$0.046694	\$0.046292	\$0.049359	\$0.002499	\$0.002665	\$0.004251	\$0.004533
	Distribution over 600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000	\$0.000000	\$0.000000
RHS	Service Charge	\$4.64	\$4.95	\$4.64	\$4.95	\$0.00	\$0.00	\$0.00	\$0.00
	Distribution 0-600 Sum	\$0.049594	\$0.052880	\$0.051002	\$0.054381	\$0.001408	\$0.001501	\$0.002389	\$0.002547
	Distribution 0-600 Win	\$0.033234	\$0.035436	\$0.033882	\$0.036127	\$0.000648	\$0.000691	\$0.001098	\$0.001171
	Distribution over 600 Sum	\$0.054494	\$0.058104	\$0.055902	\$0.059606	\$0.001408	\$0.001502	\$0.002389	\$0.002548
	Distribution over 600 Win	\$0.015634	\$0.016670	\$0.016282	\$0.017361	\$0.000648	\$0.000691	\$0.001098	\$0.001171
	Common Use	\$0.054494	\$0.058104	\$0.055902	\$0.059606	\$0.001408	\$0.001502	\$0.002389	\$0.002548
RLM	Service Charge	\$13.07	\$13.94	\$13.07	\$13.94	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. kWhr Summer On	\$0.071911	\$0.076675	\$0.073867	\$0.078761	\$0.001956	\$0.002086	\$0.003321	\$0.003541
	Distrib. kWhr Summer Off	\$0.015007	\$0.016001	\$0.015418	\$0.016439	\$0.000411	\$0.000438	\$0.000691	\$0.000736
	Distrib. kWhr Winter On	\$0.015007	\$0.016001	\$0.015418	\$0.016439	\$0.000411	\$0.000438	\$0.000691	\$0.000736
	Distrib. kWhr Winter Off	\$0.015007	\$0.016001	\$0.015418	\$0.016439	\$0.000411	\$0.000438	\$0.000691	\$0.000736
WH	Distribution	\$0.047884	\$0.051056	\$0.048583	\$0.051802	\$0.000699	\$0.000746	\$0.001185	\$0.001264
WHS	Service Charge	\$0.60	\$0.64	\$0.61	\$0.65	\$0.01	\$0.01	\$0.02	\$0.02
	Distribution	\$0.001677	\$0.001788	\$0.001801	\$0.001921	\$0.000124	\$0.000133	\$0.000186	\$0.000199
HS	Service Charge	\$3.57	\$3.81	\$3.65	\$3.89	\$0.08	\$0.08	\$0.14	\$0.15
	Distribution June-September	\$0.096570	\$0.102968	\$0.097146	\$0.103582	\$0.000576	\$0.000614	\$0.000865	\$0.000922
	Distribution October-May	\$0.028952	\$0.030870	\$0.029110	\$0.031039	\$0.000158	\$0.000169	\$0.000315	\$0.000336
GLP	Service Charge	\$4.54	\$4.84	\$4.64	\$4.95	\$0.10	\$0.11	\$0.17	\$0.18
	Service Charge-unmetered	\$2.10	\$2.24	\$2.15	\$2.29	\$0.05	\$0.05	\$0.08	\$0.08
	Service Charge-Night Use	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$3.7103	\$3.9561	\$3.7347	\$3.9821	\$0.0244	\$0.0260	\$0.0416	\$0.0443
	Distrib. KW Summer	\$9.3044	\$9.9208	\$9.3656	\$9.9861	\$0.0612	\$0.0653	\$0.1045	\$0.1115
	Distribution kWhr, June-September	\$0.003033	\$0.003234	\$0.003053	\$0.003255	\$0.000020	\$0.000021	\$0.000034	\$0.000036
	Distribution kWhr, October-May	\$0.007742	\$0.008255	\$0.007793	\$0.008309	\$0.000051	\$0.000054	\$0.000087	\$0.000092
	Distribution kWhr, Night use, June-September	\$0.007742	\$0.008255	\$0.007793	\$0.008309	\$0.000051	\$0.000054	\$0.000087	\$0.000092
	Distribution kWhr, Night use, October-May	\$0.007742	\$0.008255	\$0.007793	\$0.008309	\$0.000051	\$0.000054	\$0.000087	\$0.000092

Electric Tariff Rates

		Current Total		Proposed Total		ESII Rate Adjustment 2		Total ESII IIP Charges	
		Distribution Charges		Distribution Charges		IIP Charges		Total ESII IIP Charges	
		<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>
		<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>
Rate Schedules									
LPL-Secondary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$3.5501	\$3.7853	\$3.5815	\$3.8188	\$0.0314	\$0.0335	\$0.0535	\$0.0571
	Distrib. KW Summer	\$8.4460	\$9.0055	\$8.5207	\$9.0852	\$0.0747	\$0.0797	\$0.1273	\$0.1357
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
LPL-Primary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Service Charge-Alternate	\$20.52	\$21.88	\$20.98	\$22.37	\$0.46	\$0.49	\$0.78	\$0.83
	Distrib. KW Annual	\$1.6538	\$1.7634	\$1.6674	\$1.7779	\$0.0136	\$0.0145	\$0.0232	\$0.0248
	Distrib. KW Summer	\$9.1809	\$9.7891	\$9.2565	\$9.8697	\$0.0756	\$0.0806	\$0.1291	\$0.1376
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-Subtransmission	Service Charge	\$1,911.39	\$2,038.02	\$1,911.39	\$2,038.02	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$1.0863	\$1.1583	\$1.1075	\$1.1809	\$0.0212	\$0.0226	\$0.0353	\$0.0377
	Distrib. KW Summer	\$3.9268	\$4.1870	\$4.0033	\$4.2685	\$0.0765	\$0.0815	\$0.1275	\$0.1359
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-HV	Service Charge	\$1,720.25	\$1,834.22	\$1,720.25	\$1,834.22	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$0.6203	\$0.6614	\$0.6255	\$0.6669	\$0.0052	\$0.0055	\$0.0089	\$0.0095
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
BPL	Distribution Sum	\$0.006774	\$0.007223	\$0.006830	\$0.007282	\$0.000056	\$0.000059	\$0.000095	\$0.000101
	Distribution Winter	\$0.006774	\$0.007223	\$0.006830	\$0.007282	\$0.000056	\$0.000059	\$0.000095	\$0.000101
BPL-POF	Distribution Sum	\$0.006763	\$0.007211	\$0.006813	\$0.007264	\$0.000050	\$0.000053	\$0.000085	\$0.000090
	Distribution Winter	\$0.006763	\$0.007211	\$0.006813	\$0.007264	\$0.000050	\$0.000053	\$0.000085	\$0.000090
PSAL	Distribution Sum	\$0.007223	\$0.007702	\$0.007283	\$0.007765	\$0.000060	\$0.000063	\$0.000099	\$0.000105
	Distribution Winter	\$0.007223	\$0.007702	\$0.007283	\$0.007765	\$0.000060	\$0.000063	\$0.000099	\$0.000105

Gas Revenue Requirement Allocation Explanation of Format

Pages 2 through 5 presented in Schedule SS-ESII-6 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 ESII 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-ESII-6 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 ESII 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 October 1, 2021. The commodity rates in the Column (2) reflects December 2020 and January 2021 through November 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 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: ESII Roll-In Revenue Allocation

11	Requested increase in Revenue Requirements										Schedule SS-ESII-6
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	\$ 391,532,062	\$ 321,122,944	\$ 45,934,629	\$ 24,433,719	\$ 40,771					= line 5 * line 15
17	Distribution Delivery	\$ 408,140,825	\$ 259,803,440	\$ 47,909,117	\$ 100,398,794	\$ 29,474					= line 6 * line 15
18	Streetlighting Fixtures	\$ 417,670	\$ 0	\$ 0	\$ 0	\$ 417,670					= line 7
19	Customer Service	\$ 90,185,363	\$ 81,078,516	\$ 7,099,968	\$ 2,005,435	\$ 1,444					= line 8 * line 15
20	Measurement	\$ 108,751,638	\$ 79,710,179	\$ 18,044,112	\$ 10,997,301	\$ 47					= line 9 * line 15
21	Total	\$ 999,027,558	\$ 741,715,078	\$ 118,987,826	\$ 137,835,249	\$ 489,406					

Inter Class Revenue Allocations

Calculation of Increase Limits

<u>line #</u>	(in \$1,000)	Notes:
	Requested Revenue Increase to be	
1	recovered from rate schedule charges = \$ 1,157	Schedule SS-ESII-6
2	Present Distribution Revenue = \$ 997,870 from RSG, GSG, LVG & SLG	Page 4, col 3, line 11
3	Present Total Customer Bills (all on BGSS) = \$ 2,141,687	Page 4, col 5, line 11
4	Average Distribution Increase = 0.116%	= Line 1 / Line 2
5	Average Total Bill Increase = 0.054%	= Line 1 / Line 3
6	Lower Distribution increase limit = 0.058% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 = 0.174% in Distribution charges	= 1.5 * Line 4
8	Upper Bill increase limit #2 = 0.108% in Bill Increase	= 2.0 * Line 5
	all rounded to 0.001%	

Inter Class Revenue Allocations

Calculation of Increases

line #	(1) Rate Schedule	(2) Proposed Distribution Revenue Requirement (from COS) (in \$1,000)	(3) Present Distribution Revenue (in \$1,000)	(4) Unlimited COS Distribution Charge \$ Increase (in \$1,000)	(5) Present Total Bill Revenue (all on BGSS) (in \$1,000)	(6) Unlimited Distribution Charge Increase (%)	(7) Change in MAC & BGSS credits (in \$1,000)	(8) Limited Final Distribution Charge Increase (%)	(9) Proposed Total Bill Increase (%)	(10) 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)	\$ 18,927.011	-5.709%	\$ (0.131)	0.058%	0.010%	\$ 2.032
<u>Calculation of TSG-NF & CIG Increase</u>										
2	TSG-NF	----	\$ 11,251	----	\$ 109,168	----	\$ -	0.116%	0.012%	\$ 13
3	CIG	----	\$ 3,278	----	\$ 23,558	----	\$ -	0.116%	0.017%	\$ 4
4	CSG ¹	----	\$ 7,427	----	\$ 7,931	----			0.013%	\$ 1
<u>Calculation of Margin Rates (RSG, GSG, LVG & SLG) Increase</u>										
5	RSG	\$ 741,715	\$ 740,895	\$ 820	\$ 1,242,285	0.111%	\$ (14)	0.116%	0.068%	\$ 860
6	GSG	\$ 118,988	\$ 118,857	\$ 131	\$ 304,674	0.110%	\$ (3)	0.115%	0.044%	\$ 137
7	LVG	\$ 137,835	\$ 137,683	\$ 152	\$ 593,549	0.111%	\$ (4)	0.116%	0.026%	\$ 160
8	SLG	\$ 489,406	\$ 435,075	\$	\$ 1,179,251					
9	Distribution Only	\$ 71.736	\$ 20.483	\$ 51.253		250.221%	\$ (0.005)	0.174%	0.003%	\$ 0.036
10	Fixtures	\$ 417.670	\$ 414.592	\$ 3.078		0.742%		0.000%	0.000%	\$ -
11	Total for Margin Rates	\$ 999,028	\$ 997,870	\$ 1,157	\$ 2,141,687	0.116%	\$ (21.005)	0.116%	0.053%	\$ 1,157

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
 for RSG, GSG, LVG & SLG from page 1, line 21

ESII workpapers = (2) - (3)
 Page 6 = (4) / (3)
 ESII workpapers calculated on limits = (Col 10 + Col 7) / Col 5
 = (3) * (8)

Service Charge Calculations

line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Notes:
	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)	
1		Average Distribution Increase =			0.116%					page 3, line 4
2	RSG	321,123	81,079	79,710	481,911.638	1,635,900	\$ 24.55	\$ 8.08	\$ 8.08	Fixed per 2018 Base Rate Case
3	GSG	45,935	7,100	18,044	71,079	140,771	\$ 42.08	\$ 16.65	\$ 16.68	move to costs, limited @ 1.5 times overall avg Distribution % increase
4	LVG	24,434	2,005	10,997	37,436	18,375	\$ 169.78	\$ 147.80	\$ 148.06	move to costs, limited @ 1.5 times overall avg Distribution % increase
5	TSG-F	530	400		930	37	\$ 2,095.57	\$ 791.61	\$ 792.99	move to costs, limited @ 1.5 times overall avg Distribution % increase
6	TSG-NF							\$ 791.61	\$ 792.99	set equal to new TSG-F Service Charge
7	CIG							\$ 182.37	\$ 182.58	increase current @ average Distribution % increase
8	CSG							\$ 791.61	\$ 792.99	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				

RATE SCHEDULE GSG
GENERAL SERVICE
Schedule SS-ESII-6
(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	1,689,246	16.65	\$28,126	1,689,246	16.68	\$28,177	\$51	0.18
2 Distribution Charge - Pre 7/14/97	2,183	0.304859	666	2,183	0.305148	666	0	0.00
3 Distribution Charge - All Others	295,256	0.304859	90,011	295,256	0.305148	90,097	86	0.10
4 Off-Peak Dist Charge - Pre 7/14/97	0	0.152430	0	0	0.152574	0	0	0.00
5 Off-Peak Dist Charge - All Others	45	0.152430	7	45	0.152574	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	0.049297	14,665	297,484	0.049297	14,665	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	(0.001050)	(182)	173,170	(0.001050)	(182)	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	(0.050734)	(15,093)	297,484	(0.050734)	(15,093)	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)			(313)	0	0.00
16 Delivery Subtotal	297,484		\$131,931	297,484		\$132,068	\$137	0.10
17 Unbilled Delivery			398			398	0	0.00
18 Delivery Subtotal w unbilled			\$132,329			\$132,466	\$137	0.10
19								
Supply								
21 BGSS	297,484	0.542564	\$161,404	297,484	0.542564	\$161,404	\$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	(0.000002)	(1)	(1)	0.00
24								
25 Miscellaneous			(51)			(51)	0	0.00
26 Supply subtotal	297,484		\$161,353	297,484		\$161,352	(1)	0.00
27 Unbilled Supply			10,992			10,992	0	0.00
28 Supply Subtotal w unbilled			\$172,345			\$172,344	(1)	0.00
29								
30 Total Delivery + Supply	297,484		\$304,674	297,484		\$304,810	\$136	0.04

31

32

33

34 Notes:

35 All customers assumed to be on BGSS.

36 Annualized Weather Normalized Revenue reflects Delivery rates as of 10/1/2021

37 plus applicable BGSS charges.

38

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE
Schedule SS-ESII-6**
(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	220,495	147.80	\$32,589	220,495	148.06	\$32,646	\$57	0.17
2 Demand Charge	18,017	4.0632	73,207	18,017	4.0672	73,279	72	0.10
3 Distribution Charge 0-1,000 pre 7/14/97	8,974	0.043725	392	8,974	0.043575	391	(1)	(0.26)
4 Distribution Charge over 1,000 pre 7/14/97	45,378	0.043078	1,955	45,378	0.043170	1,959	4	0.20
5 Distribution Charge 0-1,000 post 7/14/97	145,700	0.043725	6,371	145,700	0.043575	6,349	(22)	(0.35)
6 Distribution Charge over 1,000 post 7/14/97	540,051	0.043078	23,264	540,051	0.043170	23,314	50	0.21
7 Balancing Charge	361,999	0.080397	29,104	361,999	0.080397	29,104	0	0.00
8 SBC	740,103	0.049297	36,485	740,103	0.049297	36,485	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	(0.001050)	(380)	361,999	(0.001050)	(380)	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	(0.023609)	(17,473)	740,103	(0.023609)	(17,473)	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)			(279)	0	(0.11)
17 Delivery Subtotal	740,103		\$185,753	740,103		\$185,913	\$160	0.09
18 Unbilled Delivery			(47)			(47)	0	0.00
19 Delivery Subtotal w unbilled			\$185,706			\$185,866	\$160	0.09
20								
21								
Supply								
23 BGSS	740,103	0.549609	\$406,767	740,103	0.549609	\$406,767	\$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	(0.000002)	(1)	(1)	0.00
26								
27 Miscellaneous			(143)			(143)	0	0.00
28 Supply Subtotal	740,103		\$406,624	740,103		\$406,623	(\$1)	0.00
29 Unbilled Supply			1,219			1,219	0	0.00
30 Supply Subtotal w unbilled			\$407,843			\$407,842	(\$1)	0.00
31								
32 Total Delivery + Supply	740,103		\$593,549	740,103		\$593,708	\$159	0.03

36 Notes:

37 All customers assumed to be on BGSS.

38 Annualized Weather Normalized Revenue reflects Delivery rates as of 10/1/2021

39 plus applicable BGSS charges.

**RATE SCHEDULE SLG
STREET LIGHTING SERVICE
Schedule SS-ESII-6**

(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	0.049396	33.529	0.036	0.11
7 SBC	678.777	0.049297	33.462	678.777	0.049297	33.462	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	(0.094881)	(64.403)	678.777	(0.094881)	(64.403)	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		\$404.408	678.777		\$404.444	\$0.036	0.01
16 Unbilled Delivery			0.000			0.000	0.000	0.00
17 Delivery Subtotal w unbilled			\$404.408			\$404.444	\$0.036	0.01
18								
Supply								
20 BGSS	678.777	0.567450	\$385.172	678.777	0.567450	\$385.172	\$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	(0.000002)	(0.001)	(0.001)	0.00
23 Miscellaneous			131.390			131.390	0.000	0.00
24 Supply Subtotal	678.777		\$516.562	678.777		\$516.561	(\$0.001)	0.00
25 Unbilled Supply			258.281			258.281	0.000	0.00
26 Supply Subtotal w unbilled			\$774.843			\$774.842	(\$0.001)	0.00
27								
28 Total Delivery + Supply	678.777		\$1,179.251	678.777		\$1,179.286	\$0.035	0.00
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 10/1/2021

36 plus applicable BGSS charges.

RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
Schedule SS-ESII-6
(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	0.166	182.37	\$30	0.166	182.58	\$30	\$0	0.00
2 Margin 0-600,000	32,835	0.081631	2,680	32,835	0.081728	2,684	4	0.15
3 Margin over 600,000	8,232	0.071631	590	8,232	0.071728	590	0	0.00
4 Extended Gas Service	0	0.150000	0	0	0.150000	0	0	0.00
5 SBC	41,067	0.049297	2,024	41,067	0.049297	2,024	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	(0.007753)	(318)	41,067	(0.007753)	(318)	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		\$5,290	41,067		\$5,294	\$4	0.08
13 Unbilled Delivery			(36)			(36)	0	0.00
14 Delivery Subtotal w unbilled			\$5,254			\$5,258	\$4	0.08
15								
Supply								
17 Commodity Component	41,067	0.381864	\$15,682	41,067	0.381864	\$15,682	\$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		\$18,381	42,321		\$18,381	\$0	0.00
23 Unbilled Supply			(77)			(77)	0	0.00
24 Supply Subtotal w unbilled			\$18,304			\$18,304	\$0	0.00
25								
26 Total Delivery + Supply	41,067		\$23,558	41,067		\$23,562	\$4	0.02

30 Notes:
31 All customers assumed to be on BGSS.
32 Annualized Weather Normalized Revenue reflects Delivery rates as of 10/1/2021
33 plus applicable BGSS charges.
34

RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
Schedule SS-ESII-6
(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	0.494	791.61	\$391.055	0.494	792.99	\$391.737	\$0.682	0.17
2 Demand Charge	487	2.1205	1,032.684	487	2.1214	1,033.122	0.438	0.04
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	0.081089	2,104.260	0.883	0.04
5 Distribution Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
6 SBC	25,950	0.049297	1,279.257	25,950	0.049297	1,279.257	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	(0.018498)	(480.023)	25,950	(0.018498)	(480.023)	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)			(54.023)	0.011	(0.02)
17 Delivery Subtotal	25,950		4,282.800	25,950		4,284.814	2.014	0.05
18 Unbilled Delivery			38.211			38.229	0.018	0.05
19 Delivery Subtotal w unbilled			4,321.011			4,323.043	2.032	0.05
20								
Supply								
22 Commodity Charge, BGSS-F	25,950	0.562852	\$14,606.000	25,950	0.562852	\$14,606.000	\$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		\$14,606.000	25,950		\$14,606.000	\$0.000	0.00
26 Unbilled Supply			0.000			0.000	0.000	0.00
27 Supply Subtotal w unbilled			\$14,606.000			\$14,606.000	\$0.000	0.00
28								
29 Total Delivery + Supply	25,950		\$18,927.011	25,950		\$18,929.043	\$2.032	0.01

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 10/1/2021

37 plus applicable BGSS charges.

RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
Schedule SS-ESII-6
(Terms & 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	2,218	791.61	\$1,756	2,218	792.99	\$1,759	\$3	0.17
2 Dist Charge 0-50,000	99,839	0.090843	9,070	99,839	0.090945	9,080	10	0.11
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	0.090945	6,132	7	0.11
5 Dist Charge over 50,000, Agreements	11,318	0.023502	266	11,318	0.023502	266	0	0.00
6 SBC	167,266	0.049297	8,246	167,266	0.049297	8,246	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	(0.006487)	(1,085)	167,266	(0.006487)	(1,085)	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		\$25,853	179,184		\$25,873	\$20	0.08
16 Unbilled Delivery			(8,699)			(8,707)	(8)	0.09
17 Delivery Subtotal w unbilled			\$17,154			\$17,167	\$13	0.07
18								
Supply								
20 Commodity Charge, BGSS-I	179,184	0.531158	\$95,175	179,184	0.531158	\$95,175	\$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		\$95,235	179,229		\$95,235	\$0	0.00
26 Unbilled Supply			(3,221)			(3,221)	0	0.00
27 Supply Subtotal w unbilled			\$92,014			\$92,014	\$0	0.00
28								
29 Total Delivery + Supply	179,184		\$109,168	179,184		\$109,181	\$13	0.01

30
31
32
33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 10/1/2021

36 plus applicable BGSS charges.

**RATE SCHEDULE CSG
CONTRACT SERVICES
Schedule SS-ESII-6**

(Terms & 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	792.99	\$63	\$0	0.00
2 Service Charge - Power- Non Firm	0.0120	791.61	9	0.0120	792.99	10	1	11.11
3 Service Charge - Other	0.1090	791.61	86	0.1090	792.99	86	0	0.00
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	0.090945	432	0	0.00
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	0.049297	980	789,848	0.049297	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	(0.000846)	(668)	789,848	(0.000846)	(668)	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		7,977	789,848		7,978	1	0.01
22 Unbilled Delivery			(95)			(95)	0	0.00
23 Delivery Subtotal w/ Unbilled	789,848		7,882	789,848		7,883	1	0.01
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		7,931	789,893		7,932	1.00	0.01
46								

47 Notes:

48 All customers assumed to be on BGSS.

49 Annualized Weather Normalized Revenue reflects Delivery rates as of 10/1/2021

50 plus applicable BGSS charges.

Gas Tariff Rates
Schedule SS-ESII-6

Rate Schedule	Description	Current Total Distribution Charges		Proposed Total Distribution Charges		ES2 Rate Adjustment 1 IIP Charges	
		<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
		<u>without SUT</u>	<u>Including SUT</u>	<u>without SUT</u>	<u>Including SUT</u>	<u>without SUT</u>	<u>Including SUT</u>
RSG	Service Charge	\$8.08	\$8.62	\$8.08	\$8.62	\$0.00	\$0.00
	Distribution Charges	\$0.391767	\$0.417722	\$0.392345	\$0.418338	\$0.000578	\$0.000616
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723	\$0.000000	\$0.000000
	Off-Peak Use	\$0.195884	\$0.208861	\$0.196173	\$0.209169	\$0.000289	\$0.000308
GSG	Service Charge	\$16.65	\$17.75	\$16.68	\$17.79	\$0.03	\$0.04
	Distribution Charge - Pre July 14, 1997	\$0.304859	\$0.325056	\$0.305148	\$0.325364	\$0.000289	\$0.000308
	Distribution Charge - All Others	\$0.304859	\$0.325056	\$0.305148	\$0.325364	\$0.000289	\$0.000308
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723	\$0.000000	\$0.000000
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.152430	\$0.162528	\$0.152574	\$0.162682	\$0.000144	\$0.000154
	Off-Peak Use Dist Charge - All Others	\$0.152430	\$0.162528	\$0.152574	\$0.162682	\$0.000144	\$0.000154
LVG	Service Charge	\$147.80	\$157.59	\$148.06	\$157.87	\$0.26	\$0.28
	Demand Charge	\$4.0632	\$4.3324	\$4.0672	\$4.3367	\$0.0040	\$0.0043
	Distribution Charge 0-1,000 pre July 14, 1997	\$0.043725	\$0.046622	\$0.043575	\$0.046462	(\$0.000150)	(\$0.000160)
	Distribution Charge over 1,000 pre July 14, 1997	\$0.043078	\$0.045932	\$0.043170	\$0.046030	\$0.000092	\$0.000098
	Distribution Charge 0-1,000 post July 14, 1997	\$0.043725	\$0.046622	\$0.043575	\$0.046462	(\$0.000150)	(\$0.000160)
	Distribution Charge over 1,000 post July 14, 1997	\$0.043078	\$0.045932	\$0.043170	\$0.046030	\$0.000092	\$0.000098
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723	\$0.000000	\$0.000000
SLG	Single-Mantle Lamp	\$13.2351	\$14.1119	\$13.2351	\$14.1119	\$0.000000	\$0.000000
	Double-Mantle Lamp, inverted	\$13.2351	\$14.1119	\$13.2351	\$14.1119	\$0.000000	\$0.000000
	Double Mantle Lamp, upright	\$13.2351	\$14.1119	\$13.2351	\$14.1119	\$0.000000	\$0.000000
	Triple-Mantle Lamp, prior to January 1, 1993	\$13.2351	\$14.1119	\$13.2351	\$14.1119	\$0.000000	\$0.000000
	Triple-Mantle Lamp, on and after January 1, 1993	\$67.4762	\$71.9465	\$67.4762	\$71.9465	\$0.000000	\$0.000000
	Distribution Therm Charge	\$0.049343	\$0.052612	\$0.049396	\$0.052668	\$0.000053	\$0.000056

Gas Tariff Rates
Schedule SS-ESII-6

Rate Schedule	Description	Current Total Distribution Charges		Proposed Total Distribution Charges		ES2 Rate Adjustment 1 IIP Charges	
		<u>Charge</u> <u>without SUT</u>	<u>Charge</u> <u>Including</u> <u>SUT</u>	<u>Charge</u> <u>without SUT</u>	<u>Charge</u> <u>Including</u> <u>SUT</u>	<u>Charge</u> <u>without SUT</u>	<u>Charge</u> <u>Including</u> <u>SUT</u>
		TSG-F	Service Charge	\$791.61	\$844.05	\$792.99	\$845.53
	Demand Charge	\$2.1205	\$2.2610	\$2.1214	\$2.2619	\$0.0009	\$0.0009
	Distribution Charges	\$0.081055	\$0.086425	\$0.081089	\$0.086461	\$0.000034	\$0.000036
TSG-NF	Service Charge	\$791.61	\$844.05	\$792.99	\$845.53	\$1.38	\$1.48
	Distribution Charge 0-50,000	\$0.090843	\$0.096861	\$0.090945	\$0.096970	\$0.000102	\$0.000109
	Distribution Charge over 50,000	\$0.090843	\$0.096861	\$0.090945	\$0.096970	\$0.000102	\$0.000109
	Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02	\$0.00	\$0.00
CIG	Service Charge	\$182.37	\$194.45	\$182.58	\$194.68	\$0.21	\$0.23
	Distribution Charge 0-600,000	\$0.081631	\$0.087039	\$0.081728	\$0.087142	\$0.000097	\$0.000103
	Distribution Charge over 600,000	\$0.071631	\$0.076377	\$0.071728	\$0.076480	\$0.000097	\$0.000103
	Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02	\$0.00	\$0.00
BGSS RSG	Commodity Charge including Losses	\$0.300058	\$0.319937	\$0.300054	\$0.319933	(\$0.000004)	(\$0.000004)
CSG	Service Charge	\$791.61	\$844.05	\$792.99	\$845.53	\$1.38	\$1.48
	Distribution Charge - Non-Firm	\$0.090843	\$0.096861	\$0.090945	\$0.096970	\$0.000102	\$0.000109

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change relating to the Energy Strong II Infrastructure Improvement Program Charges on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr 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:
185	1,732	\$373.92	\$375.92	\$2.00	0.53%
370	3,464	688.76	692.72	3.96	0.57
740	6,920	1,324.24	1,332.12	7.88	0.60
803	7,800	1,486.88	1,495.44	8.56	0.58
1,337	12,500	2,370.52	2,384.80	14.28	0.60

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect October 1, 2021 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes change relating to the Energy Strong II Infrastructure Improvement Program Charges.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$39.02	\$39.52	\$0.50	1.28%
3,464	370	73.11	74.10	0.99	1.35
6,920	740	143.20	145.17	1.97	1.38
7,800	803	155.66	157.80	2.14	1.37
12,500	1,337	261.37	264.94	3.57	1.37

- (3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect October 1, 2021 and assumes that the customer receives BGS-RSCP service from Public Service
- (4) Same as (3) except includes change relating to the Energy Strong II Infrastructure Improvement Program Charges.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed change relating to the Energy Strong II Infrastructure Improvement Program Charges 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	\$234.06	\$234.22	\$0.16	0.07%
50	340	364.88	365.08	0.20	0.05
100	610	580.64	581.00	0.36	0.06
159	1,000	890.62	891.25	0.63	0.07
172	1,040	916.92	917.54	0.62	0.07
200	1,210	1,049.68	1,050.44	0.76	0.07
300	1,816	1,523.72	1,524.86	1.14	0.07

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect October 1, 2021, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change relating to the Energy Strong II Infrastructure Improvement Program Charges.

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	\$28.28	\$28.30	\$0.02	0.07%
340	50	47.98	48.01	0.03	0.06
610	100	88.24	88.30	0.06	0.07
1,040	172	145.59	145.69	0.10	0.07
1,210	200	167.86	167.99	0.13	0.08
1,816	300	247.48	247.66	0.18	0.07

- (3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect October 1, 2021, and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes change relating to the Energy Strong II Infrastructure Improvement Program Charges.

PSE&G ESII Earnings Test - Electric

Schedule SS-ESII-8E

in \$000

Page 1 of 4

1	Equity Base for Earnings Test	3,496,108	See page 2
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	<u>10.1%</u>	= ln 2 + ln 3
5	Actual Net Income	<u>288,646</u>	See page 4
6	ROE for Earnings Test	8.26%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	<u>Pass</u>	= IF ln 4 > 6, Pass else Fail

PSE&G ESII Earnings Test

in \$000

Common Equity Calculation

	Sep-20	Sep-21	Average
1 Common Equity	12,799,940	14,268,651	13,534,295
2 Electric Allocation	27%	25%	
3 Electric Equity Balance	3,443,390	3,548,826.07	3,496,108

FERC Form 1, page 112, line 16, (Est. for Sep-21)
See In 4 and In 7
= In 1 * In 2

Electric Allocation Calculation

		Accumulated			
	Gross Plant	Depreciation	Net Investment	%	
Sep-20					
4	Electric Distribution	10,067,423	(2,781,754)	7,285,668	27% See page 3
5	Other	23,882,989	(4,086,008)	19,796,981	73% = In 6 - In 4
6	Total	33,950,412	(6,867,762)	27,082,650	100% FERC Form 1, page 110, line 2 (Plant) and 5 (Accum Dep)
Sep-21					
7	Electric Distribution	10,522,994	(2,929,734)	7,593,260	25% See page 3
8	Other	27,408,913	(4,472,199)	22,936,715	75% = In 9 - In 7
9	Total	37,931,907	(7,401,933)	30,529,974	100%

PSE&G ESII Earnings Test

in \$000

Schedule SS-ESII-8E

Page 3 of 4

Electric Net Plant

	Electric Distribution Plant In-Service	Electric Plant Held for Future Use	Electric Plant in Service for Earnings Test*	Electric Accumulated Depreciation	
Oct-20	10,067,918	495	10,067,423	(2,781,754)	<i>Actual</i>
Nov-20	10,092,355	495	10,091,860	(2,796,054)	<i>Actual</i>
Dec-20	10,134,656	495	10,134,161	(2,807,973)	<i>Actual</i>
Jan-21	10,174,277	495	10,173,782	(2,825,480)	<i>Actual</i>
Feb-21	10,208,573	495	10,208,077	(2,841,428)	<i>Actual</i>
Mar-21	10,256,060	495	10,255,565	(2,857,304)	<i>Actual</i>
Apr-21	10,282,975	495	10,282,480	(2,861,882)	<i>Actual</i>
May-21	10,377,061	495	10,376,566	(2,876,077)	<i>Actual</i>
Jun-21	10,424,845	495	10,424,350	(2,889,298)	<i>Actual</i>
Jul-21	10,454,077	495	10,453,581	(2,899,180)	<i>Actual</i>
Aug-21	10,492,313	495	10,491,818	(2,916,461)	<i>Actual</i>
Sep-21	10,523,489	495	10,522,994	(2,929,734)	<i>Forecast</i>

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

PSE&G ESII Earnings Test - Electric

in \$000

Schedule SS-ESII-8E

Page 4 of 4

	Net Utility Operating Income*	Less Net Interest Charges*	Regulatory Net Income for Earnings Test	
Oct-20	14,088	(9,985)	4,103	<i>Actual</i>
Nov-20	7,297	(9,625)	(2,327)	<i>Actual</i>
Dec-20	16,863	(10,128)	6,736	<i>Actual</i>
Jan-21	20,673	(9,616)	11,057	<i>Actual</i>
Feb-21	10,546	(9,645)	901	<i>Actual</i>
Mar-21	26,448	(10,446)	16,002	<i>Actual</i>
Apr-21	10,321	(10,425)	(104)	<i>Actual</i>
May-21	29,060	(10,426)	18,633	<i>Actual</i>
Jun-21	83,119	(10,168)	72,951	<i>Actual</i>
Jul-21	80,371	(10,142)	70,229	<i>Actual</i>
Aug-21	89,983	(10,291)	79,692	<i>Actual</i>
Sep-21	20,970	(10,196)	10,774	<i>Forecast</i>
Total	409,741	(121,094)	288,646	

* Excludes GPRC

PSE&G ESII Earnings Test - Gas

Schedule SS-ESII-8G

in \$000

Page 1 of 4

1	Equity Base for Earnings Test	3,370,772	See page 2
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	<u>10.1%</u>	= ln 2 + ln 3
5	Actual Net Income	<u>315,419</u>	See page 4
6	ROE for Earnings Test	9.36%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	<u>Pass</u>	= IF ln 4 > 6, Pass else Fail

PSE&G ESII Earnings Test

in \$000

Common Equity Calculation

	Sep-20	Sep-21	Average
1 Common Equity	12,799,940	14,268,651	13,534,295
2 Gas Allocation	25%	24%	
3 Gas Equity Balance	3,255,641	3,485,901.97	3,370,772

Actual from FERC Form 1, page 112, line 16, (Est. for Sep-21)
See ln 4 and ln 7
= ln 1 * ln 2

Gas Allocation Calculation

		Accumulated			
		Gross Plant	Depreciation	Net Investment	%
		Sep-20			
4	Gas Distribution	9,393,777	(2,505,355)	6,888,423	25% See page 3
5	Other	24,556,635	(4,362,407)	20,194,227	75% = ln 6 - ln 4
6	Total	33,950,412	(6,867,762)	27,082,650	100% FERC Form 1, page 110, line 2 (Plant) and 5 (Accum Dep)
		Sep-21			
7	Gas Distribution	10,025,450	(2,566,826)	7,458,624	24% See page 3
8	Other	27,906,457	(4,835,107)	23,071,351	76% = ln 9 - ln 7
9	Total	37,931,907	(7,401,933)	30,529,974	100%

PSE&G ESII Earnings Test

in \$000

Schedule SS-ESII-8G

Page 3 of 4

Gas Net Plant

	Gas Distribution Plant In-Service	Gas Plant Held for Future Use	Gas Plant in Service for Earnings Test*	Gas Accumulated Depreciation	
Oct-20	9,393,874		96	9,393,777	(2,505,355) <i>Actual</i>
Nov-20	9,453,509		96	9,453,413	(2,513,842) <i>Actual</i>
Dec-20	9,515,088		96	9,514,991	(2,518,784) <i>Actual</i>
Jan-21	9,567,869		96	9,567,773	(2,529,915) <i>Actual</i>
Feb-21	9,599,953		96	9,599,857	(2,538,541) <i>Actual</i>
Mar-21	9,663,873		96	9,663,777	(2,542,087) <i>Actual</i>
Apr-21	9,725,099		96	9,725,002	(2,543,122) <i>Actual</i>
May-21	9,789,378		96	9,789,282	(2,550,506) <i>Actual</i>
Jun-21	9,850,585		96	9,850,488	(2,551,878) <i>Actual</i>
Jul-21	9,908,226		96	9,908,130	(2,558,676) <i>Actual</i>
Aug-21	9,974,589		96	9,974,492	(2,567,693) <i>Actual</i>
Sep-21	10,025,546		96	10,025,450	(2,566,826) <i>Actual</i>

* Excludes Plant Held for Future Use consistent with 2018 rate case Stipulation on earnings test for WNC, and G SMP II

PSE&G ESII Earnings Test - Gas

in \$000

Schedule SS-ESII-8G

Page 4 of 4

	Net Utility Operating Income*	Less Net Interest Charges*	Regulatory Net Income for Earnings Test	
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	16,719	(7,847)	8,872	<i>Actual</i>
May-21	6,743	(7,983)	(1,240)	<i>Actual</i>
Jun-21	22,932	(7,804)	15,128	<i>Actual</i>
Jul-21	(3,816)	(7,709)	(11,525)	<i>Actual</i>
Aug-21	(3,372)	(7,825)	(11,197)	<i>Actual</i>
Sep-21	18,503	(8,066)	10,437	<i>Actual</i>
Total	410,069	(94,651)	315,419	

* Excludes GPRC

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC AND GAS CUSTOMERS

In The Matter of the Petition of Public Service Electric and Gas Company for Approval of Electric and Gas Rate Adjustments Pursuant to the Energy Strong II Program Notice of Filing and Notice of Public Hearings

Docket No. XXXXXXXX

PLEASE TAKE NOTICE that, on November 1, 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 cost recovery associated with the extension of the Company's Energy Strong Program ("ES II" or "Program").

On September 11, 2019, the Board issued an Order approving ES II in Docket Nos. EO18060629 and GO18060630 ("Order"). The Order provided approval to invest up to \$842 million, with \$691.5 million recovered through the Energy Strong II Rate Mechanism and \$150.5 million within Stipulated Base to harden its electric and gas infrastructure to make it less susceptible to damage from wind, flying debris and water damage in anticipation of future major storm events and to strengthen the resiliency of PSE&G's delivery system. It was anticipated that these investments would be made over a four (4)-year period beginning on the effective date of the Board's Order, with certain investments anticipated to be made over a five (5)-year period.

Under the Company's proposal, PSE&G seeks Board approval to recover an estimated annual revenue increase of approximately \$18.156 million from the Company's electric customers and approximately \$1.157 million from the Company's gas customers through the Energy Strong II Rate Mechanism associated with capitalized actual ES II investment costs incurred through September 30, 2021 and forecasted capitalized investment costs through January 31, 2022.

For illustrative purposes, the estimated ES2 component of Infrastructure Improvement Program ("IIP") Charges effective May 1, 2022, including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RS and RSG, respectively, are shown in Table #1.

Tables #2 & 3 provide customers with the approximate impact of the proposed increase in rates relating to ES II, if approved by the Board, effective May 1, 2022. 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 electric customer using 740 kilowatt-hours per month during

the summer months, and 6,920 kilowatt-hours on an annual basis, would see an increase in the annual bill from \$1,324.24 to \$1,332.12, or \$7.88, or approximately 0.60%. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #4 below.

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 \$580.64 to \$581.00, or \$0.36 or approximately 0.06%. 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 initial increase in the annual bill from \$916.92 to \$917.54, or \$0.62 or approximately 0.07%. The approximate effect of the proposed increase on typical gas residential monthly bills, if approved by the Board, is illustrated in Table #5.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as a 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 at the PSEG website: <http://www.pseg.com/pseandgfilings>.

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 ES II filing.

Date:
Times:

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the telephonic public hearings. Members of the public are invited to participate by utilizing the Dial-In number and Access Code set forth above and may express their views on the petition. All comments will be made a part of the final record of the proceeding and will 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, or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search Tool by searching for the specific docket listed above, and then posting the comment by utilizing the "Post Comments" button.

Emailed comments may be filed with the Secretary of the Board, in PDF or Word format, to board.secretary@bpu.nj.gov.

Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All mailed or emailed comments should include the name of the petitioner and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.

**Table #1
ES2 COMPONENT OF IIP CHARGES
For Residential RS and RSG Customers
Rates if Effective May 1, 2022**

Rate Schedule			IIP Charges	
			Charges in Effect October 1, 2021 Including SUT	Proposed Charges in Effect May 1, 2022 Including SUT
Electric				
RS				
	Service Charge	per month	\$0.00	\$0.00
	Distribution 0-600, June-September	\$/kWh	0.001868	0.004533
	Distribution 0-600, October-May	\$/kWh	0.000000	0.000000
	Distribution Over 600, June-September	\$/kWh	0.001868	0.004533
	Distribution Over 600, October-May	\$/kWh	0.000000	0.000000
Gas				
RSG				
	Service Charge	per month	\$0.00	\$0.00
	Distribution Charge	\$/Therm	0.000000	0.000616
	Off-Peak Use	\$/Therm	0.000000	0.000309
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.000000	(0.000004)

Table #2
Proposed Percentage Change in Revenue
by Customer Class For Electric Service
For Rates if Effective May 1, 2022

	Rate Class	Percent Change
Residential Service	RS	0.60%
Residential Heating	RHS	0.63
Residential Load Management	RLM	0.43
Water Heating	WH	0.63
Water Heating Storage	WHS	0.34
Building Heating	HS	0.19
General Lighting & Power	GLP	0.16
Large Power & Lighting- Sec.	LPL-S	0.12
Large Power & Lighting- Pri.	LPL-P	0.09
High Tension-Subtr.	HTS-S	0.12
High Tension-HV	HTS-HV	0.05
Body Politic Lighting	BPL	0.02
Body Politic Lighting-POF	BPL-POF	0.06
Private Street & Area Lighting	PSAL	0.02
Overall		0.32

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

Table #3
Proposed Percentage Change in Revenue
by Customer Class for Gas Service
For Rates if Effective May 1, 2022

	Rate Class	Percent Change
Residential Service	RSG	0.07%
General Service	GSG	0.05
Large Volume Service	LVG	0.03
Street Lighting Service	SLG	0.00
Firm Transportation Gas Service	TSG-F	0.01
Non-Firm Transportation Gas Service	TSG-NF	0.01
Cogeneration Interruptible Service	CIG	0.02
Contract Service	CSG	0.01
Overall		0.05

The percent increases noted above are based upon October 1, 2021 Delivery Rates, the applicable Basic Gas Supply Service (BGSS) charges, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

**Table #4
Residential Electric Service For Rates if Effective May 1, 2022**

If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Summer Percent Increase Would Be:
1,732	185	\$39.02	\$39.52	\$0.50	1.28%
3,464	370	73.11	74.10	0.99	1.35
6,920	740	143.20	145.17	1.97	1.38
7,800	803	155.66	157.80	2.14	1.37
12,500	1,337	261.37	264.94	3.57	1.37

- (1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect October 1, 2021 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the proposed change for the Energy Strong II Infrastructure Improvement Program Charges.

**Table #5
Residential Gas Service for Rates if Effective May 1, 2022**

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	\$28.28	\$28.30	\$0.02	0.07%
340	50	47.98	48.01	0.03	0.06
610	100	88.24	88.30	0.06	0.07
1,040	172	145.59	145.69	0.10	0.07
1,210	200	167.86	167.99	0.13	0.08
1,816	300	247.48	247.66	0.18	0.07

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect October 1, 2021 and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change for the Energy Strong II Infrastructure Improvement Program Charges.

**Danielle Lopez, Esq.
Associate Counsel—Regulatory**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

Assets and Other Debits
Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service
103	Electric Experimental Plant Unclassified
105	Electric Utility Plant Held for Future Use
106	Electric Completed Construction not classified- Electric
107	Electric Construction Work in Progress
	Total Electric Utility Plant

Gas Utility Plant

101	Gas Utility Plant in Service
103	Gas Experimental Plant Unclassified
105	Gas Utility Plant Held for Future Use
106	Gas Completed Construction not classified
107	Gas Construction Work in Progress
	Total Gas Utility Plant

Common Utility Plant

101	Common Utility Plant in Service
106	Common Completed Construction not classified
107	Common Construction Work in Progress
	Total Common Utility Plant

Property under capital leases

101.1	Electric & Gas Property under capital leases
-------	--

Total Utility Plant

Accumulated Provisions for Depreciation and Amortization of
Electric Utility Plant

108 & 111	Electric Utility Plant in Service
108.5	Electric Utility Plant Held for Future Use
	Total Electric Utility Plant

Gas Utility Plant

108 & 111	Gas Utility Plant in Service
-----------	------------------------------

Common Utility Plant

108 & 111	Common Utility Plant in Service
-----------	---------------------------------

Total Accumulated Provisions for
Depreciation and Amortization
of Utility Plant
Net Utility Plant Excluding Nuclear Fuel

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

Other Property and Investments

121	Nonutility Property
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property
123 & 123.1	Investments in Associated & Subsidiary Companies
124	Other Investments
125-8	Special Funds
175	Long-Term Portion of Derivative Assets
	Total Other Property and Investments

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET
\$ (In Thousands)

Current and Accrued Assets

131	Cash
132-4	Special Deposits
135	Working Funds
136	Temporary Cash Investments
141-3	Notes and Accounts Receivable
144	Accumulated Provision for Uncollectible Accounts - Credit
145-6	Receivables from Associated Companies
151-5	Materials and Supplies (incl. 163)
158	Allowances
164	Gas Stored Underground - Current
165	Prepayments
171	Interest and Dividends Receivable
172	Rents Receivable
173	Accrued Utility Revenues
174	Miscellaneous Current and Accrued
175	Current Portion of Derivative Instrument Assets

Total Current and Accrued Assets

Deferred Debits

181	Unamortized Debt Expense
182	Unrec'd Plt and Reg Costs and Other Reg Assets
183	Preliminary Survey and Investigation Charges
184	Clearing Accounts
185	Temporary Facilities
186	Miscellaneous Deferred Debits
188	Research and Development Expenditures
189	Unamortized Loss on Reacquired Debt
190	Accumulated Deferred Income Taxes
	Total Deferred Debits

Total Assets and Other Debits

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET
\$ (In Thousands)

Liabilities and Other Credits

Proprietary Capital

201	Common Stock Issued
204	Preferred Stock Issued
207	Premium on Capital Stock
208	Donations from Stockholders
210	Gain on Resale or Cancellation of Reacquired Capital Stock
211	Miscellaneous Paid-In Capital
215	Appropriated Retained Earnings
216	Unappropriated Retained Earnings
216.1	Unappropriated Undistributed Subsidiary Earnings
219	Other Comprehensive Income
	Total Proprietary Capital

Long-Term Debt

221	221	Bonds
223	223	Advances from Assoc. Co.
225	225	Unamortized Premium on Long-Term Debt
226	226	Unamortized Discount on Long-Term Debt
		Total Long-Term Debt

Other Non-Current Liabilities

227-9	Other Non-current Liabilities
244	Long-Term Portion of Derivative Instrument Liabilities
230	Asset Retirement Obligation
	Total Other Non-Current Liabilities

Current and Accrued Liabilities

231	Notes Payable
232	Accounts Payable
233-4	Payables to Associated Companies
235	Customer Deposits
236	Taxes Accrued
237	Interest Accrued
238	Dividends Declared
239	Matured Long-Term Debt
241	Tax Collections Payable
242	Miscellaneous Current and Accrued Liabilities
243	Obligations Under Capital leases
244	Current Portion of Derivative Instrument Liabilities
	Total Current and Accrued Liabilities

Deferred Credits

252	Customer Advances for Construction
253	Other Deferred Credits
254	Other Regulatory Liabilities
255	Accumulated Deferred Investment Tax Credits
281-3	Accumulated Deferred Income Taxes
	Total Deferred Credits

Total Liabilities and Other Credits

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>