



May 1, 2023

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

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

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

Dear Secretary Golden:

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

Please be advised that workpapers are being provided via electronic version only. Please be advised that Attachment 2 – Schedule SS-ESII-7 is confidential and will be provided to the parties upon receipt of the Non-Disclosure Agreement, which is enclosed here.

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

Very truly yours,

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

C Attached service list (via e-mail)

**I/M/O the Petition of PSE&G
for Approval of the Energy
Strong II Program
BPU Docket Nos.
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF	:	PETITION
PUBLIC SERVICE ELECTRIC AND GAS	:	BPU DOCKET NO. _____
COMPANY FOR APPROVAL OF ELECTRIC	:	
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 this rate filing for the Program to be filed no earlier than May 1, 2023 for rates effective no earlier than November 1, 2023. 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 July 31, 2023. The annualized increase in electric revenue requirement associated with those investment costs is approximately \$14.663 million in revenue and is supported by Attachment 2, Schedule SS-ES-II-2, 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 from February 1, 2023 through March 31, 2023 and a forecast of electric capital expenditures from July 31, 2023.

17. 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 March 31, 2023 and projected expenditures from April 1, 2023 through July 31, 2023 associated with electric plant that is anticipated to be in service by July 31, 2023. The projected amounts for April 1, 2023 through July 31, 2023 will be updated for actual results by August 21, 2023.

18. As required by the Energy Strong II Order and Stipulation, the proposed electric rate adjustment is 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 calculations supporting the electric rate design is shown in Attachment 2, Schedules SS-ESII 5.

19. Attachment 1 is the testimony of Edward F. Gray, PSE&G's Senior Director - Asset Strategy Technology and Systems, addressing the progress of the Energy Strong II Program and expected plant in-service at the end of July 2023. Attachment 2 is the testimony of Stephen 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.

20. The annual average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-ES II-6. 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 \$1,342.48 to \$1,348.64, or \$6.16 or approximately 0.46%.

21. Attachment 3 is a draft Form of Notice of Filing and of Public Hearings (Form of Notice). This Form of Notice will be placed in newspapers having a circulation within the Company's electric and gas service territories 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 and gas service territories upon scheduling of public hearing dates.

22. 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

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.

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.

23. Attachments 4 and 5 are the income statement and balance sheet, respectively, as required by the Minimum Filing Requirements in the Energy Strong II Order.

24. PSE&G requests that the Board find the proposed rates, as calculated in the rate design, Attachment 2, Schedules SS-ESII-5, is just and reasonable and PSE&G should be authorized to implement the proposed rates as set forth herein, effective November 1, 2023 upon issuance of a written BPU order.

25. 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

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

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CONCLUSION AND REQUESTS FOR APPROVAL

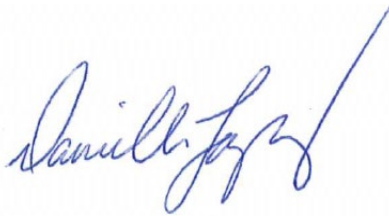
For all the foregoing reasons, PSE&G respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

1. PSE&G is authorized to recover all costs identified herein associated with Energy Strong II incurred through July 31, 2023, 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 2, Schedule SS-ESII-5 to this Petition, are just and reasonable and may be implemented for service rendered on and after November 1, 2023.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



By _____

Danielle Lopez
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DATED: May 1, 2023

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

IN THE MATTER OF THE PETITION OF : PETITION
PUBLIC SERVICE ELECTRIC AND GAS : BPU DOCKET NO. _____
COMPANY FOR APPROVAL OF ELECTRIC :
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 4
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 5
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 2, 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. The Company should provide nine (9) months actual data and three (3) months forecasted data at the time of each Initial Filing.</p>	<p>Attachment 2, 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 50-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 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 2, Schedule SS-ESII-7</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 Rate
Adjustments Pursuant to the Energy Strong II Program**

BPU Docket Nos. _____

DIRECT TESTIMONY

OF

EDWARD F GRAY

**SENIOR DIRECTOR – ASSET STRATEGY
TECHNOLOGY AND SYSTEMS**

May 1, 2023

**DIRECT TESTIMONY
OF
EDWARD F GRAY
SENIOR DIRECTOR – ASSET STRATEGY TECHNOLOGY AND SYSTEMS**

Q. Please state your name and title.

A. My name is Edward F. Gray, and I am the Senior Director – Asset Strategy Technology and Systems for Public Service Electric and Gas Company (PSE&G, the Company, or Petitioner). I am responsible for ensuring the reliability of PSE&G’s electric and gas distribution assets and overseeing various functions that support the provision of safe, adequate, proper and reliable electric and gas distribution service. My credentials are set forth in the attached Schedule EFG-ES2-1.

OVERVIEW OF ENERGY STRONG PROGRAM

Q. Please describe the Company's Energy Strong Program.

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

recovery in the Company's next base rate case. The \$691.5 million investment level includes the actual investment and cost of removal expenditures but excludes Allowance for Funds Used During Construction (AFUDC), which will be recovered through the stipulated cost recovery mechanism. The ES II investments are anticipated to be made over a 51-month period beginning on the effective date of the ES II authorizing the Program, including up to \$741 million of electric infrastructure investment and up to \$101 million of gas M&R Station upgrades. The Energy Strong II Order provided that the specific Energy Strong II subprogram investment levels shall be up to the following amounts, in the following categories:

	<u>\$ million</u>
A. Electric Energy Strong Program	
• Electric Station Flood Mitigation	\$389
• Contingency Reconfiguration Strategies	\$145
• Grid Modernization, Communication System	\$72
• Grid Modernization, ADMS	\$35
• Stipulated Base	<u>\$100</u>
Electric ES II Total	\$741
B. Gas Energy Strong Program	
• M&R Station Upgrades	\$50.5
• Stipulated Base	<u>\$ 50.5</u>
Gas ES II Total	\$101
TOTAL ES II Program	\$842

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

A. Yes. The ES II Order, provides that PSE&G will raise or eliminate specific electric substations in its service territory that are at risk for flooding and, consequently, extended

1 service outages. The following table specifies the electric substations to be completed
 2 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

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

9 Since the work to serve the Company's Constable Hook customers cannot be
 10 completed within the timeframe of the ES II program PSE&G, in its November 2021 filing,
 11 PSE&G had proposed to substitute and amend the above-referenced list of flood substation
 12 projects to remove Constable Hook substation and replace this work with flood mitigation
 13 work on the Company's Front Street substation.

1 **Q. Was the Company’s proposed modification to the flood mitigation program accepted**
2 **by the Board?**

3 Yes, the Board of Public Utilities accepted the Company’s proposed modification to the
4 Company’s Electric Station Flood Mitigation subprogram in its May 4, 2022 Order, and
5 allowed the substitution of the Front Street substation project for the Constable Hook
6 substation project.

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

8 A. No.

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

11 A. A description of the work on investment proposed to be in rates performed for the program
12 from February 1, 2023 through July 31, 2023 is in Schedule EFG-ES2-2. The
13 expenditures for the electric subprograms are in EFG-ES2-3 and include actual
14 expenditures from February 2023 – March 2023 (i.e. expenditures not already included in
15 rates through January 31, 2023) and a forecast of electric capital expenditures from April
16 1, 2023 through July 31, 2023.

17 To address the possibility that PSE&G may experience higher plant in service
18 amounts and/or higher expenditures than currently anticipated by July 31, 2023, this
19 forecast is inclusive of 30% contingency amount for this rate filing. Pursuant to the ES
20 II Order, PSE&G will update this filing for actual data through July 1, 2023, and adjust
21 the rate impacts accordingly, by August 21, 2023.

22 For purposes of this filing, the following table summarizes the stations and
23 equipment PSE&G anticipates will be placed in-service through July 31, 2023.

Station	Equipment	In- service as of 3/31/2023 (Actual)	In-service as of 7/31/2023 (Forecast)
Market Street Substation Elimination	Station elimination complete and project fully in service	X	X*
Academy Street (Relocation)	New replacement station complete and fully in service	X	X*
Ridgefield 4kV Substation Elimination	Station elimination complete and fully in service	X	
Ridgefield 13kV Substation	Contingency Switchgear; New 13kV Switchgear #2	X	
	New 13kV Switchgear #1	X	X*
Leonia Substation	Contingency Switchgear, New 13kV Switchgear #1	X	
	New 13kV Switchgear #2	X	X*

1

Station	Equipment	In- service as of 03/31/2023 (Actual)	In-service as of 07/31/2023 (Forecast)
Waverly Substation	New Fiber Communication (TFI Rack, Router, Patch panel); New 26kV Switchgear	X	X*
Hasbrouck Heights	New 4kV Switchgear; Capacitor Banks	X	X*
State Street (Relocation)	4kV Switchgear	X	X*
	Capacitor Banks		X
	OP Overhead and Underground infrastructure to support circuit relocation to new State St. station location		X
Front Street	New 4kV Contingency Switchgear	X	
Toney's Brook	New 4kV Switchgear		X
Clay St.	New 4kV Switchgear		X
Meadow Road	New 13kV Switchgear		X
Kingsland	New 13kV Switchgear		X

2 Greyed out equipment's/projects are completed in prior roll-ins.

3 *Trailing charges going in service for Market St and Academy St.

- 6 -

ES II Contingency Reconfiguration Unit Summary: March 31, 2023			1
	Program To- Date March 31 st 2023	Planned Roll in 4 (February 2023 to July 2023)	2
Reclosers Commissioned	1467	0	3
1 Phase Fusesavers	738	380	4
2 Phase Fusesavers	223	137	5

8

ES II Communication Network Unit Summary: Mar 31, 2023		
	Program To- Date March 31, 2023	Planned Roll in 4 (February 2023 to July 2023)
Existing Reclosers Wireless Radio Retrofit	2,318	0
New Recloser Wireless Radio Install	1,467	0
1 Phase Fusesavers Wireless Radio Install	738	380
2 Phase Fusesavers Wireless Radio Install	223	137
RTU Substation Wireless Radio Install	218	0
Fiber Cutover: Connect DSCADA to existing TFI Fiber at 12 substations	12	0
Fiber Install: New fiber install at Company operations locations and substations	33	1

ADMS Component	Equipment/Scope	In- service as of 03/31/2023 (Actual)	In-service as of 07/31/2023 (Forecast)
Platform Upgrade	Platform Hardware & Software	X	X
DMS/DERMS	DMS/DERMS Applications Releases 1,2, 3	X	X

1 **Q. Is there a gas filing in addition to the electric filing?**

2 A. No, this is an electric filing only. As noted, in the petition, the accelerated recovery of
3 the gas portion of ESII has reached the program's cap of \$50.5 million in the previous
4 filing.

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

6 A. Yes, it does.

**CREDENTIALS
OF
EDWARD F GRAY
DIRECTOR-TRANSMISSION AND DISTRIBUTION ENGINEERING**

My name is Edward F Gray. I am the Senior Director – Asset Strategy Technology and Systems for Public Service Electric and Gas. I am responsible for ensuring the reliability of PSE&G’s electric distribution and transmission assets and overseeing various functions that support the provision of safe, adequate, proper and reliable electric service. .

EDUCATIONAL BACKGROUND

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

WORK EXPERIENCE

I have 34 years' experience in Engineering and Asset Management at PSE&G. I have had various positions at PSE&G in Substation Engineering, System development for Electric and Gas work management, New Business Policy, Solar Interconnections, Resource Planning and Financial Management. I am presently the Senior Director – Asset Strategy Technology and Systems responsible for ensuring the reliability of PSE&G's electric distribution and transmission assets.

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. I provided the same role as the Company's witness for the Infrastructure
14 Advancement Program filing and was involved in all the testimony, discovery, and
15 settlement activities and now provide oversight to the program implementation.

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

DRAFT

**Minimum Filing Requirements
Second Energy Strong Program
("ES II") 05/01/2023**

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)	2018	2019	2020	2021	2022
Replace Facilities	\$ 329	\$ 181	\$ 211	\$ 206	\$ 220
System Reinforcement	\$ 142	\$ 90	\$ 77	\$ 107	\$ 139
Environmental Regulatory	\$ 6	\$ 6	\$ 10	\$ 7	\$ 8
Replace Meters	\$ 15	\$ 13	\$ 10	\$ 2	\$ 0
Support Facilities	\$ 35	\$ 12	\$ 11	\$ 15	\$ 16
Base Total \$M	\$ 527	\$ 302	\$ 319	\$ 336	\$ 383

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 March 31, 2023
Electric		
Flood Mitigation	\$389.0	\$246.5
Contingency Reconfiguration	\$145.0	\$134.7
Grid Modernization – Communication System	\$64.3	\$61.7
Grid Modernization – ADMS	\$53.5	\$41.7
Total Electric	\$651.8	\$484.6

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 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 March 31, 2023 (*including COR*): \$246.5M

- i. The cost of removal : \$12.1M
- ii. The amount of allocated overhead : \$49.2M

C. Appropriate metric:

Program to date, five (9) electric substations flood mitigation have had full or partial in-service. It is anticipated that two substations (Clay St. & Toney's Brook) will achieve in-service on their Switchgear by July 31, 2023.

Station	Equipment	In- service as of 3/31/2023 (Actual)	In-service as of 7/31/2023 (Forecast)
Market Street Substation Elimination	Station elimination complete and project fully in service	X	X*
Academy Street (Relocation)	New replacement station complete and fully in service	X	X*
Ridgefield 4kV Substation Elimination	Station elimination complete and fully in service	X	
Ridgefield 13kV Substation	Contingency Switchgear; New 13kV Switchgear #2	X	
	New 13kV Switchgear #1	X	X*
Leonida Substation	Contingency Switchgear, New 13kV Switchgear #1	X	
	New 13kV Switchgear #2	X	X*

Station	Equipment	In- service as of 03/31/2023 (Actual)	In-service as of 07/31/2023 (Forecast)
Waverly Substation	New Fiber Communication (TFI Rack, Router, Patch panel); New 26kV Switchgear	X	X*
Hasbrouck Heights	New 4kV Switchgear; Capacitor Banks	X	X*
State Street (Relocation)	4kV Switchgear	X	X*
	Capacitor Banks		X
	OP Overhead and Underground infrastructure to support circuit relocation to new State St. station location		X
Front Street	New 4kV Contingency Switchgear	X	
Toney's Brook	New 4kV Switchgear		X
Clay St.	New 4kV Switchgear		X
Meadow Road	New 13kV Switchgear		X
Kingsland	New 13kV Switchgear		X

Greyed out equipment's/projects are completed in prior roll-ins.

* Trailing charges going in service for Market St, Academy St, Ridgefield 13kV, Leonia, Waverly, Hasbrouck Heights, and State St.

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

All flood mitigation projects have started detailed engineering design. All purchase orders (POs) for A/E design and switchgear/major equipment POs have been awarded. All ten projects requiring Site Plan have submitted applications and have received approval. Fourteen projects (Academy, Meadow, Ridgefield 13kv, Hasbrouck Heights, Kingsland, Lakeside, Leonia, Clay St, Toney's Brook, Waverly, Orange Valley, Front St, Woodlynne and State St) are in construction. Two Projects have completed construction (Market St and Ridgefield 4kV). Civil Construction POs have been issued on sixteen projects and electrical construction POs have issued on sixteen projects. Leonia 13kV, Academy, Ridgefield 13kv, Waverly 26kV, Hasbrouck Heights, State St & Front St contingency switchgears are in service with training charges in Q1 and Q2 2023. Toney's Brook 4kv switchgear and Clay St 4kV switchgear have been installed, commissioning activities ongoing and in-service forecasted in Q3 2023. Meadow Road 13kV and Kingsland 13kV switchgears have been installed, commissioning started in Q3 2023 and in-service planned by July 2023 (pending outage availability within the summer load conditions).

- **Contingency Reconfiguration**

A. Program Summary: PSE&G will 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 March 31, 2023 (*including COR*): \$134.7M

- i. The cost of removal : \$6.2M
- ii. The amount of allocated overhead : \$46.2M

C. Appropriate metric:

ES II Contingency Reconfiguration Unit Summary: March 31, 2023		
	Program To- Date March 31 st 2023	Planned Roll in 5 (February 2023 to July 2023)
Reclosers Commissioned	1467	0
1 Phase Fusesavers	738	380
2 Phase Fusesavers	223	137

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	1467	961
Engineered (Units)	1467	1309

- **Grid Modernization - Communication Network**

A. Program Summary: Company will establish a private wireless communications network and eliminate the use of dedicated phone lines for remote communication for both Company 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 March 31, 2023 (including COR): \$61.7M

- i. The cost of removal : \$0.2M
- ii. The amount of allocated overhead : \$16.0M

C. Appropriate Metric:

ES II Communication Network Unit Summary: Mar 31, 2023		
	Program To- Date March 31, 2023	Planned Roll in 5 (February 2023 to July 2023)
Existing Reclosers Wireless Radio Retrofit	2,318	0
New Recloser Wireless Radio Install	1467	0
1 Phase Fusesavers Wireless Radio Install	738	380
2 Phase Fusesavers Wireless Radio Install	223	137
RTU Substation Wireless Radio Install	218	0
Fiber Cutover: Connect DSCADA to existing TFI Fiber at 12 substations	12	0
Fiber Install: New fiber install at Company operations locations and substations	33	1

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. The Network Monitoring Analytics Server was installed and operational on February 10, 2021. The Network Lab Environment was completed and operational on February 25, 2022.

Operations (Centers) and Substations Fiber Install (new fiber communication):

New fiber connections have been installed for Thirty Three (33) locations (8 Company operations locations and 25 Substations). All have been cutover to the Company's TFI fiber communication network and are in service as of January 31, 2023. The remaining one (1) station will be Cutover and In Service by June 30, 2023.

Work/Activity	Completed to Date March 31 st , 2023 (Number of Projects)
Substations In-Service	25
Operations Locations In-service	8
Outside Plant (OP) ADSS Circuit Runs and Inside Plant (IP) Engineered	34
Outside Plant (OP) ADSS Circuit Runs and Inside Plant (IP) Construction Complete	34
Outside Plant (OP) ADSS Circuit Runs and Inside Plant (IP) Construction in progress	0

Fiber Cutover: Completed

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. Twelve (12) stations have been put in-service, completing the ESII fiber cutover scope.

- *Grid Modernization – ADMS:*

- A. Program Summary: Company will develop an Advanced Distribution Management System ("ADMS") incorporating upgrade to the existing platform (SCADA), replacing the Outage Management System (OMS) and addition of DMS/DERMS. The new ADMS system will incorporate data from Geographic Information System ("GIS") and SCADA, intelligent fault indicators, Smart Meters, and other advanced metering infrastructure ("AMI").

- B. Expenditures incurred through March 31, 2023 (*including COR*) : \$41.7M
- i. The cost of removal: \$0M
 - ii. The amount of allocated overhead : \$1.4M

C. Appropriate Metric:

ADMS Component	Equipment/Scope	In- service as of 03/31/2023 (Actual)	In-service as of 07/31/2023 (Forecast)
Platform Upgrade	Platform Hardware & Software	X	X
DMS/DERMS	DMS/DERMS Applications Releases 1, 2 & 3	X	X

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

OMS - SIT (System Integration Testing) prep sessions onsite with testers; SIT prep completed with DR-QAS & QAS environments in sync; OMS progressed in Build Areas – Model, Damage Records (AMP – Asset Management Platform), System Hierarchy, Downstream Configs; Completed AI/ CD (Active Inactive/ Connect Disconnect) Field Mapping meetings with MWMS (Mobile Work Management System) on Meter Shutoffs/Disconnects; QAS Load Balancers Ordered; Continued data analysis and defining PowerBI reports; Submitted Test Management Plan for final approval; Completed Test automation POC (Proof of Concept).

DMS/DEMRS - Completed Go-Live for Release 1,2 and 3 for 9 modules; Completed end user training to PSEG SME's; hyper care variance resolution, completed 7 out of 33; achieved 80% circuit convergence (target is 95%); DMS/DERMS was placed In Service on January 31, 2023.

Platform - Built Newark and Edison core networks; Built six division networks; Decommissioned legacy DSCADA environments in Edison; moved Disaster Recovery (DR) production and Quality Assurance (QA) environments from Newark to Edison; Completed all workstation and printer migrations pre-and post-go-live; completed site work include for pre cutover site surveys, network hardware programming and installations, installed, configured, tested monarch application; Infrastructure included installs of racks, power, and other supporting equipment; procured ~86 network devices (e.g., load balancers, firewalls, routers, switches), ancillary equipment, software/firmware, licenses, and support including ~260 server and software licenses.

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*	Apr-24	See note below*	None
Electric	Contingency Reconfiguration	Dec -23	None	None
Electric	Grid Modernization-Communication	Dec-23	None	None
Electric	Grid Modernization – ADMS	Jun-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 #4

		Actual Feb-23	Actual Mar-23	Forecast Apr-23	Forecast May-23	Forecast Jun-23	Forecast Jul-23	Total
	1							
	2							
Station Flood Mitigation	3 Direct Install	\$ 1,861	\$ 1,243	\$ 3,769	\$ 3,957	\$ 7,805	\$ 5,043	\$ 23,677
Station Flood Mitigation	4 COR/Salvage	\$ 760	\$ 779	\$ 96	\$ 480	\$ 889	\$ 163	\$ 3,167
Station Flood Mitigation	5 CWIP Install	\$ 5,682	\$ 7,240	\$ 8,801	\$ 13,426	\$ 17,173	\$ 18,598	\$ 70,921
Station Flood Mitigation	6 Total	\$ 8,303	\$ 9,262	\$ 12,666	\$ 17,863	\$ 25,866	\$ 23,803	\$ 97,764
Station Flood Mitigation	7 CWIP Transf to Serv	\$ -	\$ -	\$ 33,676	\$ 13,391	\$ 8,630	\$ 19,709	\$ 75,407
	8							
	9							
Contingency Reconfiguration	10 Direct Install	\$ 2,914	\$ 2,624	\$ 3,375	\$ 3,315	\$ 2,792	\$ 2,128	\$ 17,149
Contingency Reconfiguration	11 COR/Salvage	\$ 186	\$ 128	\$ -	\$ -	\$ -	\$ -	\$ 314
Contingency Reconfiguration	12 CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Reconfiguration	13 Total	\$ 3,100	\$ 2,752	\$ 3,375	\$ 3,315	\$ 2,792	\$ 2,128	\$ 17,462
Contingency Reconfiguration	14 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	15							
	16							
Communication Infrastructure	17 Direct Install	\$ 419	\$ 318	\$ 965	\$ 755	\$ 895	\$ 601	\$ 3,952
Communication Infrastructure	18 COR/Salvage	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0
Communication Infrastructure	19 CWIP Install	\$ 37	\$ 61	\$ 63	\$ (289)	\$ 1	\$ 0	\$ (127)
Communication Infrastructure	20 Total	\$ 456	\$ 378	\$ 1,028	\$ 466	\$ 896	\$ 601	\$ 3,825
Communication Infrastructure	21 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ 1,862	\$ -	\$ 1,862
	22							
	23							
ADMS	24 Direct Install	\$ 335	\$ 327	\$ 237	\$ 1,007	\$ 77	\$ -	\$ 1,983
ADMS	25 COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMS	26 CWIP Install	\$ -	\$ -	\$ -	\$ (741)	\$ -	\$ -	\$ (741)
ADMS	27 Total	\$ 335	\$ 327	\$ 237	\$ 266	\$ 77	\$ -	\$ 1,242
ADMS	28 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	29							
	43							
	Direct Install	\$ 5,529	\$ 4,512	\$ 8,346	\$ 9,034	\$ 11,569	\$ 7,771	\$ 46,761
	COR/Salvage	\$ 946	\$ 907	\$ 96	\$ 480	\$ 889	\$ 163	\$ 3,480
	CWIP Install	\$ 5,719	\$ 7,301	\$ 8,864	\$ 12,396	\$ 17,174	\$ 18,599	\$ 70,053
	Total	\$ 12,194	\$ 7,301	\$ 8,864	\$ 12,396	\$ 17,174	\$ 18,599	\$ 76,528
	CWIP Transf to Serv	\$ -	\$ -	\$ 33,676	\$ 13,391	\$ 10,492	\$ 19,709	\$ 77,269

**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 Rate
Adjustments Pursuant to the Energy Strong II Program**

BPU Docket Nos. _____

DIRECT TESTIMONY

OF

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

May 1, 2023

ATTACHMENT 2

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

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

A. My name is Stephen Swetz, and I am the Sr. Director – Corporate Rates and Revenue Requirements for PSEG Services Corporation. My credentials are set forth in the attached Schedule SS-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 rates for the ES II Component of the Infrastructure Investment Recovery Charge ("IIRC"). The proposed changes to the IIRC in this filing are to recover the revenue requirement associated with its Second Energy Strong Program ("ES II" or "Program") through the ES II Rate

ATTACHMENT 2

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

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

13 **COST RECOVERY MECHANISM**

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

15 A. PSE&G is proposing to recover the Program’s annual electric revenue requirements
16 with the ES II Rate Mechanism as approved in the ES II Order. The basis of the revenue
17 requirements includes the actual plant in-service and cost of removal expenditures that have
18 not been included in a prior base rate adjustments. This filing’s plant in-service and cost of
19 removal expenditures are actual results from February 1, 2023 through March 31, 2023, and a

ATTACHMENT 2

1 forecast through July 31, 2023. The forecasted portion of this filing will be trued-up with actual
2 results and filed by August 21, 2023.

3 **Q. Will PSE&G be seeking a proposed electric and gas filing as it did in the**
4 **Company's 2022 ES II filing?**

5 A. No, PSE&G is proposing to recover the annual revenue requirements associated with
6 its fourth electric rate filing only. The gas portion of the ES II program has reached its \$50.5
7 million accelerated program cap in PSE&G's 2022 ES II Filing (BPU Docket No.
8 GR22110670).

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

11 A. The Company is proposing a forecasted annual electric revenue requirement of \$14.7
12 million, assuming adjusted base rates go into effect November 1, 2023. The revenue
13 requirements are calculated in Schedules SS-ESII-2.

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

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

17 Revenue Requirements = ((Energy Strong Rate Base * After Tax WACC) +
18 Depreciation Expense (net of tax) + Tax Adjustments)) * Revenue Factor

ATTACHMENT 2

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

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

4 This is the forth-actual ES II electric rate adjustment filing, and its Investment Costs
5 consist of actual plant placed into service from February 1, 2023 through March 31, 2023 and
6 a forecast of capital expenditures through July 31, 2023. This is consistent with both the
7 Proposed Rate Adjustment Schedule, in the ES II Order and the IIP, which I discuss later in
8 my testimony. Forecasted data will be trued up with actual data. For details on the electric
9 Energy Strong Investment Costs, see Schedule EFG-ESII-3.

10 Accumulated Depreciation is the sum of the depreciation expense incurred from the
11 date the ES II projects are placed in service and the effective date of the base rate change. The
12 ES II Order anticipates the this rate adjustment filing to result in rates effective November 1,
13 2023, so the Accumulated Depreciation and the calculation of Accumulated Depreciation in
14 the filing is through October 31, 2023.

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

16 A. Yes. Pursuant to the ES II Order, this rate adjustment requires an initial filing “no
17 earlier than May 1, 2023”, so the Company’s filing has four months of forecasted financial
18 data from April 1, 2023 through July 31, 2023.

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

20 A. No. Final revenue requirements are set upon all actual data. Forecasted data, through
21 July 31, 2023, will be replaced with actual results at the time the Company updates its filing
22 by August 21, 2023.

ATTACHMENT 2

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

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

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

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

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

17 A. Depreciation expense is calculated as Gross Plant in-Service multiplied by the
18 applicable annual depreciation rate for the assets being placed into service. The ES II Order
19 specified the depreciation rates would be based on the depreciation rates applied to the same
20 asset in current base rates. The Company’s 2018 base rate case established new depreciation

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

ATTACHMENT 2

1 rates by asset class. The general asset classes applicable to the ES II electric investment are
2 Station Equipment, Overhead Conductors and Devices, Software, and Communication
3 Equipment. The annual electric depreciation rates for Station Equipment, Overhead
4 Conductors and Devices, Communication Equipment and Software are 2.06%, 1.80%, 10.00%
5 and 20.00%, respectively, as established in the 2018 base rate case. The depreciation rates are
6 applicable to the ES II plant as the equipment is placed into service. Since the net revenue
7 requirement for the rate adjustment will be grossed up by the revenue factor in the revenue
8 requirement formula approved by the Board, the depreciation expense must be calculated net
9 of tax. The tax basis associated with the depreciation expense is calculated as direct in-service
10 expenditures plus any CWIP capital expenditures transferred into service, plus the debt
11 component of any AFUDC transferred into service. The depreciation expense net of tax is
12 calculated as the annual depreciation expense less the tax associated with the depreciation
13 expense as described above. The equity portion of the AFUDC transferred into service is not
14 recognized in the tax basis of the plant transferred into service. As a result, there is no tax
15 depreciation expense associated with that portion of Plant in-Service. Therefore, the
16 depreciation expense net of tax must be multiplied by the revenue factor to recover the tax
17 gross-up related to the AFUDC-equity.

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

19 A. Yes. For the Advanced Data Management System (“ADMS”), the capital
20 determination the life of depreciation is based upon the remaining life of the Company’s
21 DSCADA system that went into service in October 2016 with a 15-year life. This results in
22 monthly depreciation rates set each month based upon the end of life of September 2031. In

ATTACHMENT 2

1 addition, others assets with various depreciation rates or lives will be included in revenue
2 requirements in accordance with the Company's capital asset accounting policy.

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

4 A. No. Direct Install expenditures do not accrue AFUDC, and CWIP expenditures accrue
5 AFUDC only during the construction phase. Once CWIP expenditures are placed into service,
6 AFUDC is no longer applied.

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

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

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

15 A. The Tax Adjustment is calculated as the Cost of Removal included in this rate
16 adjustment multiplied by the percentage of electric pre-1981 asset retirements for the year,
17 divided by five for the five-year amortization period, and multiplied by the Federal Statutory
18 Tax Rate. The percentage of electric assets with a vintage before 1981 is currently 14.11%.

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

20 A. The Revenue Factor adjusts the net of tax revenue requirement for federal and state
21 income taxes, and the costs associated with the BPU and Division of Rate Counsel (RC) Annual
22 Assessments and Gas Revenue Uncollectibles. The BPU/RC Assessment Expenses consist of

ATTACHMENT 2

1 payments, based upon a percentage of revenues collected (updated annually), to the State based
2 on the electric and gas intrastate operating revenues for the utility. The Company has utilized
3 the respective BPU/RC assessment rates based on the 2023 fiscal year assessment, which are
4 0.21% and 0.05%, respectively, and the Gas Revenue Uncollectible rate of 1.60%, which was
5 set in the Company's 2018 base rate case. See Schedule SS-ESII-4 for the calculation of the
6 revenue factor.

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

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

11 **Q. Have you provided the detailed calculations supporting the revenue**
12 **requirements?**

13 A. Yes. The detailed calculations supporting the electric revenue requirements described
14 above are provided in electronic workpaper WP-SS-ESII-1.xlsx.

15 **RATE DESIGN**

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

17 A. The proposed electric rate adjustment uses the rate design methodology corresponding
18 to the latest Board approved electric and gas base rate case and as approved in the ES II order.
19 In accordance with paragraph 42 of the Stipulation approved in the ES II order, the billing
20 determinants utilize the weather normalized annualized billing determinants from the latest
21 Board approved electric base rate case, which are based on July 2017 through June 2018.

22 The detailed calculations supporting the electric rate design is shown in Schedule SS-
23 ESII-5. The schedule contains the proposed ES II rates related to this rate adjustment as well

ATTACHMENT 2

1 as the new total ES II component rates of the Company's electric IIPC's effective May 1, 2023.
2 The electric ES II rates can be found in the last two columns on pages 26 and 27 of Schedule
3 SS-ESII-5.

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

5 A. Based upon rates effective May 1, 2023, the annual average bill impacts of the rates
6 requested are set forth in Schedule SS-ESII-6.

7 The annual impact of the proposed rates to the typical residential electric customer
8 using 740 kWh in a summer month and 6,920 kWh annually would be an increase in the annual
9 bill from \$1,342.48 to \$1,348.64 or \$6.16 , or approximately 0.46% (based upon Delivery Rates
10 and BGS-RSCP charges in effect May 1, 2023 and assuming that the customer receives BGS-
11 RSCP service from PSE&G).

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

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

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

21 A. Yes. The ES II Rate Mechanism was approved for \$641 million of accelerated
22 electrical cost recovery per paragraph 21 of the Stipulation approved in the ES II Order, and
23 thus the 10% threshold is \$64.1 million for electric. As shown in Schedule EFG-ESII-3, the

ATTACHMENT 2

1 Company anticipates total electric plant in-service of \$127.5 million, exceeding the \$64.1
2 million electric threshold, excluding AFUDC.

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

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

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

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

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

14 A. The earnings test for this filing will be based on the latest twelve-month financial
15 statements, available August 21, 2023, the date of this filing’s update, that will be filed with
16 FERC and/or the BPU, which will be June 2022 through June 2023. Since some actual results
17 through June 2023 are not currently available, the earnings test in this initial filing contains
18 actual net income results through December 2022 and forecasted net income results through
19 June 2023. However, PSE&G will updated the electric earnings test with all actual results as
20 part of its update filing by August 21, 2023.

ATTACHMENT 2

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

2 A. The Company uses the common equity balance from its financial statements filed with
3 FERC and/or the BPU.

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

5 A. Net Income is calculated as the Company's operating income less Interest Expense,
6 which is included in Operating Income. The Net Income calculation excludes earnings from
7 the Company's transmission and Green Programs, both of which are excluded from the
8 Company's distribution rate base.

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

10 A. For the twelve-month period ending September 2021, the Company estimates an ROE
11 of 8.65% for its electric operations. The electric ROE is below the threshold of 10.1% as
12 discussed above, and therefore the Company's earnings do not preclude this rate adjustment.
13 The Company will update the electric earnings test for actual results by August 21, 2023, along
14 with the update for ES II investments. Please see Schedules SS-ESII-8 for the earnings test
15 calculation.

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

17 A. Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

Schedule SS-ESII-1	Credentials
Schedule SS-ESII-2	Electric 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	Electric Typical Residential Annual Bill Impacts
Schedule SS-ESII-7	Electric Earnings Test - Confidential

ELECTRONIC WORKPAPER INDEX

WP-SS-ESII-1.xlsx

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

OF

STEPHEN SWETZ

SR. DIRECTOR-CORPORATE RATES AND REVENUE REQUIREMENTS

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

WORK EXPERIENCE

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

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

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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	G	GR23030102	written	May-23	Gas System Modernization Program III (GSMPIII)
Public Service Electric & Gas Company	E	ER23020061	written	Feb-23	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	E/G	GR23010050	written	Jan-23	Remediation Adjustment Charge-RAC 30
Public Service Electric & Gas Company	E/G	GR23010009 and GR23010010	written	Jan-23	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	G	GR22120749	written	Dec-22	Gas System Modernization Program II (GSMPII) - Eighth Roll-In
Public Service Electric & Gas Company	E/G	ER22110669 & GR22110670	written	Nov-22	Energy Strong II Program (Energy Strong II) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER22100667 & GR22100668	written	Oct-22	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	written	Sep-22	Clean Energy Future - Energy Efficiency Extension Program
Public Service Electric & Gas Company	E/G	ER22070413 & GR22070414	written	Jul-22	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	E	ER22060408	written	Jul-22	SPRC 2022
Public Service Electric & Gas Company	G	GR22060409	written	Jun-22	Gas System Modernization Program II (GSMPII) - Seventh Roll-In
Public Service Electric & Gas Company	G	GR22060367	written	Jun-22	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR22060362	written	Jun-22	Conservation Incentive Program (GCIP)
Public Service Electric & Gas Company	E/G	GR22030152	written	Mar-22	Remediation Adjustment Charge-RAC 29
Public Service Electric & Gas Company	E	ER22020035	written	Feb-22	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	G	GR21121256	written	Dec-21	Gas System Modernization Program II (GSMPII) - Sixth Roll-In
Public Service Electric & Gas Company	E	ER21121242	written	Dec-21	Solar Successor Incentive Program (SuSI)
Public Service Electric & Gas Company	E/G	EO21111211 & GO21111212	written	Nov-21	Infrastructure Advancement Program (IAP)
Public Service Electric & Gas Company	E/G	ER21111209 & GR21111210	written	Nov-21	Energy Strong II Program (Energy Strong II) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER21101201 & GR21101202	written	Oct-21	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER21070965 & 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	Energy Strong II Program (Energy Strong II) - First Roll-In
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 (GSMPI) - 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 & GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design

LIST OF PRIOR TESTIMONIES

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

PSE&G Energy Strong II
Electric Filing
Rate Adjustment #4

in (\$000)

Schedule SS-ESII-2

Rate Effective Date 11/1/2023
Plant In Service as of Date 7/31/2023
Rate Base Balance as of Date 10/31/2023

RATE BASE CALCULATION

	Total	Notes
1 Gross Plant	\$127,653	= ln 16
2 Accumulated Depreciation	\$2,059	= ln 19
3 Net Plant	\$129,711	= ln 1 + ln 2
4 Accumulated Deferred Taxes	-\$1,869	= See "Dep-" Wkps Row 774
5 Rate Base	\$127,843	= ln 3 + ln 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-ESII-3
7 Return Requirement (After Tax)	\$8,286	= ln 5 * ln 6
8 Depreciation Exp, net	\$2,247	= ln 25
9 Tax Adjustment	-\$21	= See "Roll-ins Detail" Wkps ln 35
10 Revenue Factor	1.3947	See Schedule SS-ESII-4
11 Roll-in Revenue Requirement	\$14,663	= (ln 7 + ln 8 + ln 9) * ln 10

SUPPORT

Gross Plant

12 Plant in-service	\$46,761	= See "Dep-" Wkps Row 752
13 CWIP Transferred into Service	\$77,269	= See "Dep-" Wkps Row 753
14 AFUDC on CWIP Transferred Into Service - Debt	\$946	= See "Dep-" Wkps Row 754
15 AFUDC on CWIP Transferred Into Service - Equity	\$2,677	= See "Dep-" Wkps Row 755
16 Total Gross Plant	\$127,653	= ln 12 + ln 13 + ln 14 + ln 15

Accumulated Depreciation

17 Accumulated Depreciation	-\$1,421	= See "Dep-" Wkps Row 761
18 Cost of Removal	\$3,480	= See "Dep-" Wkps Row 756
19 Net Accumulated Depreciation	\$2,059	= ln 17 + ln 18

Depreciation Expense (Net of Tax)

20 Depreciable Plant (xAFUDC-E)	\$124,976	= ln 12 + ln 13 + ln 14
21 AFUDC-E	\$2,677	= ln 15
22 Depreciation Rate	2.45%	= ln 23 / (ln 20 + ln 21)
23 Depreciation Expense	\$3,126	= See "Dep-" Wkps Row 756
24 Tax @ 28.11%	\$879	= ln 20 * ln 22 * Tax Rate
25 Depreciation Expense (Net of Tax)	\$2,247	= 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	0.2130	0.2130	2023 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0502</u>	<u>0.0502</u>	2023 RC Assessment
Income before State of NJ Bus. Tax	99.7367	98.1367	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9763</u>	<u>8.8323</u>	
Income Before Federal Income Taxes	90.7604	89.3044	
Federal Income Taxes @ 21%	<u>19.0597</u>	<u>18.7539</u>	
Return	<u>71.7007</u>	<u>70.5505</u>	
Revenue Factor	<u>1.3947</u>	<u>1.4174</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 (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 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, Conservation Incentive Program Charge, 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 May 1, 2023.

The Supply-BGS rates in the Column (2) reflect the rates in effect as of May 1, 2023 and for CIEP energy, reflect the class average hourly rates from January 1, 2022 to December 31, 2022. 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 base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on pages 26 and 27 of this schedule.

Cost of Service and Rate Design Sync

Step 1: Initial Sync

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
line	Rate							
#	Schedule	Streetlighting	Access	Local Delivery	System Delivery	Customer Service	Measurement	Total
1	RS	\$ -	\$ 31,883,843.32	\$ 323,259,297	\$ 196,397,486	\$ 88,062,886	\$ 63,782,402	\$ 703,385,915
2	RHS	\$ -	\$ 247,509.64	\$ 3,206,927	\$ 917,179	\$ 512,204	\$ 335,069	\$ 5,218,889
3	RLM	\$ -	\$ 325,933.79	\$ 4,287,442	\$ 3,373,454	\$ 592,245	\$ 447,425	\$ 9,026,499
4	WH	\$ -	\$ 2,088.26	\$ 2,632	\$ -	\$ 46,207	\$ 83,817	\$ 134,745
5	WHS	\$ -	\$ 29.99	\$ 24	\$ -	\$ 599	\$ 1,199	\$ 1,852
6	HS	\$ -	\$ -	\$ 406,414	\$ 203,930	\$ 42,894	\$ 28,324	\$ 681,562
7	BPL	\$ 43,197,026	\$ -	\$ 2,255,948	\$ -	\$ 164,743	\$ -	\$ 45,617,717
8	BPL-POF	\$ 277,921	\$ -	\$ 104,947	\$ -	\$ 3,734	\$ -	\$ 386,601
9	PSAL	\$ 13,992,547	\$ -	\$ 1,078,327	\$ -	\$ 863,023	\$ -	\$ 15,933,896
10	GLP	\$ -	\$ 16,043,581.09	\$ 104,679,788	\$ 95,813,438	\$ 15,957,512	\$ 12,567,316	\$ 245,061,635
11	LPL-S	\$ -	\$ 1,087,951.24	\$ 91,704,794	\$ 100,522,764	\$ 3,345,120	\$ 13,261,282	\$ 209,921,911
12	LPL-P	\$ -	\$ 96,111.08	\$ 14,632,266	\$ 24,934,124	\$ 296,271	\$ 1,425,940	\$ 41,384,713
13	HTS-S	\$ -	\$ 56,886.71	\$ 19,648,753	\$ 13,820,570	\$ 76,587	\$ 811,434	\$ 34,414,231
14	HTS-HV	\$ -	\$ 47,606.29	\$ 37,257	\$ -	\$ 5,882	\$ 72,631	\$ 163,377
15	Total	\$ 57,467,494	\$ 49,791,541	\$ 565,304,816	\$ 435,982,944	\$ 109,969,906	\$ 92,816,841	\$ 1,311,333,542

Notes:

2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	Sum (Col 2 - Col 7)

Step 2: ES2 Sync

16	Total Rev Req Increase to be Recovered Through Rates	\$	14,662,613	Schedule SS-ESII-2
17	Total Target Distribution Revenue Requirements	\$	1,269,359,357	= Line 16 + page 4, Col 3, Line 21
18	Rate Case Minus Streetlight Fixtures	\$	1,253,866,048	= col 8, line 15 - col 2, line 15
19	Target Minus Streetlight Fixtures	\$	1,211,891,863	= line 17 - col 2, line 15
20	Final Sync Adjustment Factor		0.96652	= line 19 / line 18

		Streetlighting	Access	Local Delivery	System Delivery	Cust Svs	Measurement	Total
21	RS	\$ -	\$ 30,816,506	\$ 312,437,930	\$ 189,822,920	\$ 85,114,909	\$ 61,647,235	\$ 679,839,499
22	RHS	\$ -	\$ 239,224	\$ 3,099,572	\$ 886,476	\$ 495,057	\$ 323,853	\$ 5,044,183
23	RLM	\$ -	\$ 315,023	\$ 4,143,917	\$ 3,260,524	\$ 572,419	\$ 432,447	\$ 8,724,330
24	WH	\$ -	\$ 2,018	\$ 2,544	\$ -	\$ 44,660	\$ 81,011	\$ 130,234
25	WHS	\$ -	\$ 29	\$ 23	\$ -	\$ 579	\$ 1,158	\$ 1,790
26	HS	\$ -	\$ -	\$ 392,809	\$ 197,103	\$ 41,459	\$ 27,376	\$ 658,746
27	BPL	\$ 43,197,026	\$ -	\$ 2,180,428	\$ -	\$ 159,228	\$ -	\$ 45,536,682
28	BPL-POF	\$ 277,921	\$ -	\$ 101,433	\$ -	\$ 3,609	\$ -	\$ 382,963
29	PSAL	\$ 13,992,547	\$ -	\$ 1,042,229	\$ -	\$ 834,132	\$ -	\$ 15,868,908
30	GLP	\$ -	\$ 15,506,509	\$ 101,175,547	\$ 92,606,006	\$ 15,423,321	\$ 12,146,615	\$ 236,857,998
31	LPL-S	\$ -	\$ 1,051,531	\$ 88,634,901	\$ 97,157,683	\$ 3,233,139	\$ 12,817,350	\$ 202,894,604
32	LPL-P	\$ -	\$ 92,894	\$ 14,142,439	\$ 24,099,434	\$ 286,354	\$ 1,378,206	\$ 39,999,326
33	HTS-S	\$ -	\$ 54,982	\$ 18,990,995	\$ 13,357,915	\$ 74,023	\$ 784,271	\$ 33,262,186
34	HTS-HV	\$ -	\$ 46,013	\$ 36,010	\$ -	\$ 5,685	\$ 70,200	\$ 157,908
35	Total	\$ 57,467,494	\$ 48,124,729	\$ 546,380,778	\$ 421,388,061	\$ 106,288,574	\$ 89,709,721	\$ 1,269,359,357

(1)

(2)

(3)

(4)

(5)

(6)

(7)

(8)

Notes:

Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Sum (Col 2 - Col 7)

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 =	\$ 14,663	Schedule SS-ESII-2
2	Present Distribution Revenue =	\$ 1,254,697	Page 4, col 3, line 21
3	Present Total Customer Bills (all on BGS) =	\$ 6,505,791	Page 4, col 5, line 21
4	Average Distribution Increase =	1.169%	= Line 1 / Line 2
5	Average Total Bill Increase =	0.225%	= Line 1 / Line 3
6	Lower Distribution increase limit =	0.585% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 =	2.046% in Distribution charges	= 1.75 * Line 4
8	Upper Bill increase limit #2 =	0.450% 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)
		Proposed Distribution Revenue Requirement (from COS)	Present Distribution Revenue	Unlimited COS Distribution Charge \$ Increase	Present Total Bill Revenue (all on BGS)	Unlimited Distribution Charge Increase	Limited Final Distribution Charge Increase	Proposed Total Bill Increase	Proposed Distribution Revenue Increase
line #	Rate Schedule	(in \$1,000)	(in \$1,000)	(in \$1,000)	(in \$1,000)	(%)	(%)	(%)	(in \$1,000)
1	RS	\$ 679,839	\$ 597,284	\$ 82,555	\$ 2,346,171	13.822%	1.768%	0.450%	\$ 10,557
2	RHS	\$ 5,044	\$ 4,407	\$ 637	\$ 18,071	14.458%	1.838%	0.448%	\$ 81
3	RLM	\$ 8,724	\$ 7,778	\$ 946	\$ 36,175	12.167%	2.046%	0.440%	\$ 159
4	WH *	\$ 130.234	\$ 52.355	\$ 77.879	\$ 129.904	148.752%	1.115%	0.450%	\$ 0.584
5	WHS *	\$ 1.790	\$ 0.160	\$ 1.630	\$ 1.289	1018.460%	2.046%	0.233%	\$ 0.003
6	HS	\$ 659	\$ 740	\$ (81)	\$ 2,833	-10.980%	0.585%	0.141%	\$ 4
7	BPL	\$ 45,537	\$ 56,059		\$ 75,621				
8	Distribution Only	\$ 2,340	\$ 1,943	\$ 397		20.415%	0.607%	0.016%	\$ 12
9	Luminaires and Poles	\$ 43,197	\$ 54,116	\$ (10,919)		0.000%	0.000%	0.000%	\$ -
10	BPL-POF *	\$ 382.963	\$ 322.229		\$ 1,302.334				
11	Distribution Only	\$ 105.042	\$ 99.229	\$ 5.813		5.858%	1.552%	0.118%	\$ 1.540
12	Luminaires and Poles	\$ 277.921	\$ 223.000	\$ 54.921		0.000%	0.000%	0.000%	\$ -
13	PSAL	\$ 15,869	\$ 27,815		\$ 38,469				
14	Distribution Only	\$ 1,876	\$ 1,108	\$ 768		69.347%	0.622%	0.018%	\$ 7
15	Luminaires and Poles	\$ 13,993	\$ 26,707	\$ (12,714)		0.000%	0.000%	0.000%	\$ -
16	GLP	\$ 236,858	\$ 264,859	\$ (28,001)	\$ 1,249,242	-10.572%	0.585%	0.124%	\$ 1,549
17	LPL-S	\$ 202,895	\$ 223,909	\$ (21,014)	\$ 1,577,838	-9.385%	0.585%	0.083%	\$ 1,310
18	LPL-P	\$ 39,999	\$ 38,961	\$ 1,038	\$ 485,484	2.665%	0.900%	0.072%	\$ 351
19	HTS-S	\$ 33,262	\$ 30,175	\$ 3,087	\$ 625,835	10.231%	2.046%	0.099%	\$ 617
20	HTS-HV	\$ 158	\$ 2,335	\$ (2,177)	\$ 48,618	-93.237%	0.585%	0.029%	\$ 14
21	Total	\$ 1,269,359	\$ 1,254,697	\$ 14,663	\$ 6,505,791	1.169%	1.169%	0.225%	\$ 14,663

* 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)
1	Average Distribution Increase = 1.169% page 3, Line 4								
	Rate	Access	Measurement	Customer Service	Rev Req		Cost Based	Current	Proposed
	<u>Schedule</u>	<u>Segment</u>	<u>Segment</u>	<u>Segment</u>	<u>to be recovered</u>	<u># of</u>	<u>Monthly</u>	<u>Monthly</u>	<u>Limited</u>
		<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>through</u>	<u>Customers</u>	<u>Service</u>	<u>Service</u>	<u>Monthly</u>
		<u>Requirement</u>	<u>Requirement</u>	<u>Requirements</u>	<u>Service Charge</u>		<u>Charge</u>	<u>Charge</u>	<u>Service</u>
							<u>(\$/month)</u>	<u>(\$/month)</u>	<u>(\$/month)</u>
2	RS	\$ 30,816,506	\$ 61,647,235	\$ 85,114,909	\$ 177,578,649	1,868,649	\$ 7.92	\$ 4.64	\$ 4.64 see Note 1
3	RHS	\$ 239,224	\$ 323,853	\$ 495,057	\$ 1,058,134	9,233	\$ 9.55	\$ 4.64	\$ 4.64 see Note 1
4	RLM	\$ 315,023	\$ 432,447	\$ 572,419	\$ 1,319,888	12,158	\$ 9.05	\$ 13.07	\$ 13.07 see Note 2
5	WH	no service charge							
6	WHS	\$ 29	\$ 1,158	\$ 579	\$ 1,766	18	\$ 8.20	\$ 0.62	\$ 0.63 see Note 2
7	HS	\$ -	\$ 27,376	\$ 41,459	\$ 68,834	1,091	\$ 5.26	\$ 3.71	\$ 3.78 see Note 2
8	BPL	no service charge							
9	BPL-POF	no service charge							
10	PSAL	no service charge							
11	GLP	\$ 15,506,509	\$ 1,378,206	\$ 15,423,321		261,946			
12	GLP Metered					256,116	\$ 10.29	\$ 4.73	\$ 4.81 see Note 3
13	GLP Unmetered					5,766	\$ 9.84	\$ 2.18	\$ 2.22 see Note 4
14	GLP-NU					64			\$ 347.77 set equal to LPL-S
15	LPL-S	\$ 1,051,531	\$ 12,817,350	\$ 3,233,139	\$ 17,102,021	8,645	\$ 164.85	\$ 347.77	\$ 347.77 see Note 2
16	LPL-P	\$ 92,894	\$ 1,378,206	\$ 286,354	\$ 1,757,453	754	\$ 194.30	\$ 347.77	\$ 347.77 see Note 2
17	LPL-P <100 kW						\$ 162.21	\$ 21.35	\$ 21.72 see Note 5
18	HTS-S	\$ 54,982	\$ 784,271	\$ 74,023	\$ 913,277	193	\$ 393.80	\$ 1,911.39	\$ 1,911.39 see Note 2
19	HTS-HV	\$ 46,013	\$ 70,200	\$ 5,685	\$ 121,898	14	\$ 734.74	\$ 1,720.25	\$ 1,720.25 see Note 2

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

<u>Rate Schedule</u>			Annualized Weather Normalized		Proposed		Increase	
			<u>kWhrs</u>	<u>Revenue</u>	<u>kWhrs</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
			(1)	(2)	(3)	(4)	(5)	(6)
1	Residential	RS	12,934,045	\$2,346,171	12,934,045	\$2,356,728	\$10,557	0.45
2	Residential Heating	RHS	126,581	18,071	126,581	18,152	81	0.45
3	Residential Load Management	RLM	211,824	36,175	211,824	36,334	159	0.44
4	Water Heating	WH	1,086	129.904	1,086	130.488	0.584	0.45
5	Water Heating Storage	WHS	16	1.289	16	1.292	0.003	0.23
6								
7	Building Heating	HS	16,145	2,833	16,145	2,837	4	0.14
8	General Lighting and Power	GLP	7,764,699	1,249,242	7,764,699	1,250,791	1,549	0.12
9	Large Power & Lighting-Sec	LPL-S	11,276,802	1,577,838	11,276,802	1,579,148	1,310	0.08
10	Large Power & Lighting-Pri	LPL-P	3,235,414	485,484	3,235,414	485,835	351	0.07
11	High Tension-Subtr.	HTS-S	4,566,472	625,835	4,566,472	626,452	617	0.10
12	High Tension-HV	HTS-HV	417,997	48,618	417,997	48,632	14	0.03
13								
14	Body Politic Lighting	BPL	282,858	75,621	282,858	75,633	12	0.02
15	Body Politic Lighting-POF	BPL-POF	14,450	1,302.334	14,450	1,303.874	1.540	0.12
16	Private Street & Area Lighting	PSAL	151,732	38,469	151,732	38,476	7	0.02
17								
18								
19		Totals	41,000,121	\$6,505,791	41,000,121	\$6,520,454	\$14,663	0.23
20								
21								
22		Notes:	All customers assumed to be on BGS.					
23			WH, WHS & BPL-POF revenues shown to 3 decimals.					
24			Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023					

(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
<u>Delivery</u>		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
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	0.044501	157,005	3,528,124	0.046454	163,895	6,890	4.39
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	0.048322	93,340	1,931,618	0.050275	97,112	3,772	4.04
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	0.009766	126,314	12,934,045	0.009766	126,314	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	0.004000	51,736	12,934,045	0.004000	51,736	0	0.00
11	Solar Pilot Recovery Charge	12,934,045	0.000063	815	12,934,045	0.000063	815	0	0.00
12	Green Programs Recovery Charge	12,934,045	0.002698	34,896	12,934,045	0.002698	34,896	0	0.00
13	Tax Adjustment Credit	12,934,045	(0.006156)	(79,622)	12,934,045	(0.006156)	(79,622)	0	0.00
14	ECIP	12,934,045	(0.001108)	(14,331)	12,934,045	(0.001108)	(14,331)	0	0.00
15	Green Enabling Mechanism	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
16	Facilities Chg.			-			0	0	0.00
17	Minimum			-			0	0	0.00
18	Miscellaneous			(240)			(237)	3	(1.25)
19	Delivery Subtotal	12,934,045		\$723,492	12,934,045		\$734,157	\$10,665	1.47
20	Unbilled Delivery			(7,303)			(7,411)	(108)	1.48
21	Delivery Subtotal w unbilled			\$716,189			\$726,746	\$10,557	1.47
22									
23	<u>Supply-BGS</u>								
24	BGS 0-600 June - September	3,528,124	0.123684	\$436,372	3,528,124	0.123684	\$436,372	\$0	0.00
25	BGS 0-600 October - May	5,657,900	0.126766	717,229	5,657,900	0.126766	717,229	0	0.00
26	BGS over 600 June - September	1,931,618	0.132815	256,548	1,931,618	0.132815	256,548	0	0.00
27	BGS over 600 October - May	1,816,403	0.126766	230,258	1,816,403	0.126766	230,258	0	0.00
28	BGS Reconciliation-RSCP	12,934,045	0.000000	0	12,934,045	0.000000	0	0	0.00
29	Miscellaneous			(1)			(1)	0	0.00
30	Supply Subtotal	12,934,045		\$1,640,406	12,934,045		\$1,640,406	\$0	0.00
31	Unbilled Supply			(10,424)			(10,424)	0	0.00
32	Supply Subtotal w unbilled			\$1,629,982			\$1,629,982	\$0	0.00
33									
34	Total Delivery + Supply	12,934,045		\$2,346,171	12,934,045		\$2,356,728	\$10,557	0.45

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
Schedule SS-ESII-5
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	110.79	\$4.64	\$514	110.79	\$4.64	\$514	\$0	0.00
2 Distribution 0-600 June - September	19,973	0.052144	1,041	19,973	0.053247	1,064	23	2.21
3 Distribution 0-600 October - May	41,979	0.034396	1,444	41,979	0.034901	1,465	21	1.45
4 Distribution over 600 June - September	10,227	0.057044	583	10,227	0.058147	595	12	2.06
5 Distribution over 600 October - May	54,402	0.016796	914	54,402	0.017301	941	27	2.95
6 SBC	126,581	0.009766	1,236	126,581	0.009766	1,236	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	0.004000	506	126,581	0.004000	506	0	0.00
11 Solar Pilot Recovery Charge	126,581	0.000063	8	126,581	0.000063	8	0	0.00
12 Green Programs Recovery Charge	126,581	0.002698	342	126,581	0.002698	342	0	0.00
13 Tax Adjustment Credit	126,581	(0.008168)	(1,034)	126,581	(0.008168)	(1,034)	0	0.00
14 ECIP	126,581	(0.001108)	(140)	126,581	(0.001108)	(140)	0	0.00
15 Green Enabling Mechanism	126,581	0.000000	-	126,581	0.000000	0	0	0.00
16 Facilities Chg.			-			0	0	0.00
17 Minimum			-			0	0	0.00
18 Miscellaneous			(2)			(2)	0	0.00
19 Delivery Subtotal	126,581		\$5,415	126,581		\$5,498	\$83	1.53
20 Unbilled Delivery			(105)			(107)	(2)	1.90
21 Delivery Subtotal w unbilled			\$5,310			\$5,391	\$81	1.53
22								
23 Supply-BGS								
24 BGS 0-600 June - September	19,973	0.096587	\$1,929	19,973	0.096587	\$1,929	\$0	0.00
25 BGS 0-600 October - May	41,979	0.102642	4,309	41,979	0.102642	4,309	0	0.00
26 BGS over 600 June - September	10,227	0.108798	1,113	10,227	0.108798	1,113	0	0.00
27 BGS over 600 October - May	54,402	0.102642	5,584	54,402	0.102642	5,584	0	0.00
28 BGS Reconciliation-RSCP	126,581	0.000000	0	126,581	0.000000	0	0	0.00
29 Miscellaneous			0			0	0	0.00
30 Supply Subtotal	126,581		\$12,935	126,581		\$12,935	\$0	0.00
31 Unbilled Supply			(174)			(174)	0	0.00
32 Supply Subtotal w unbilled			\$12,761			\$12,761	\$0	0.00
33								
34 Total Delivery + Supply	126,581		\$18,071	126,581		\$18,152	\$81	0.45
35								
36								
37								
38								
39								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE
Schedule SS-ESII-5
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	145.90	13.07	\$1,907	145.899	13.07	\$1,907	\$0	0.00
2 Distribution June - September On Peak	43,971	0.075686	3,328	43,971	0.077710	3,417	89	2.67
3 Distribution June - September Off Peak	48,084	0.015800	760	48,084	0.016228	780	20	2.63
4 Distribution October - May On Peak	51,653	0.015800	816	51,653	0.016228	838	22	2.70
5 Distribution October - May Off Peak	68,116	0.015800	1,076	68,116	0.016228	1,105	29	2.70
6 SBC	211,824	0.009766	2,069	211,824	0.009766	2,069	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	0.004000	847	211,824	0.004000	847	0	0.00
11 Solar Pilot Recovery Charge	211,824	0.000063	13	211,824	0.000063	13	0	0.00
12 Green Programs Recovery Charge	211,824	0.002698	572	211,824	0.002698	572	0	0.00
13 Tax Adjustment Credit	211,824	(0.005757)	(1,219)	211,824	(0.005757)	(1,219)	0	0.00
14 ECIP	211,824	(0.000598)	(127)	211,824	(0.000598)	(127)	0	0.00
15 Green Enabling Mechanism	211,824	0.000000	0	211,824	0.000000	0	0	0.00
16 Facilities Chg.			0			0	0	0.00
17 Minimum			0			0	0	0.00
18 Miscellaneous			(9)			(8)	1	(11.11)
19 Delivery Subtotal	211,824		\$10,038	211,824		\$10,199	\$161	1.60
20 Unbilled Delivery			(128)			(130)	(2)	1.56
21 Delivery Subtotal w unbilled			\$9,910			\$10,069	\$159	1.60
22								
23 Supply-BGS								
24 BGS June - September On Peak	43,971	0.218439	\$9,605	43,971	0.218439	\$9,605	\$0	0.00
25 BGS June - September Off Peak	48,084	0.048231	2,319	48,084	0.048231	2,319	0	0.00
26 BGS October - May On Peak	51,653	0.214081	11,058	51,653	0.214081	11,058	0	0.00
27 BGS October - May Off Peak	68,116	0.052229	3,558	68,116	0.052229	3,558	0	0.00
28 BGS Reconciliation-RSCP	211,824	0.000000	0	211,824	0.000000	0	0	0.00
29 Miscellaneous			0			0	0	0.00
30 Supply Subtotal	211,824		<u>\$26,540</u>	211,824		<u>\$26,540</u>	\$0	0.00
31 Unbilled Supply			(275)			(275)	0	0.00
32 Supply Subtotal w unbilled			<u>\$26,265</u>			<u>\$26,265</u>	\$0	0.00
33								
34 Total Delivery + Supply	211,824		<u>\$36,175</u>	211,824		<u>\$36,334</u>	<u>\$159</u>	0.44
35								
36								
37								
38								
39								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

RATE SCHEDULE WH
WATER HEATING SERVICE
Schedule SS-ESII-5
 (Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1	Distribution Sum	329.000	0.049130	\$16.164	329.000	0.049668	\$16.341	\$0.177	1.10
2	Distribution Win	757	0.049130	\$37.191	757	0.049668	\$37.599	\$0.408	1.10
3	SBC	1,086	0.009766	\$10.606	1,086	0.009766	\$10.606	\$0.000	0.00
4	NGC	1,086	0.000024	\$0.026	1,086	0.000024	\$0.026	\$0.000	0.00
5	STC-TBC	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
6	STC-MTC-Tax	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
7	Zero Emission Certificate Recovery Charge	1,086	0.004000	\$4.344	1,086	0.004000	\$4.344	\$0.000	0.00
8	Solar Pilot Recovery Charge	1,086	0.000063	\$0.068	1,086	0.000063	\$0.068	\$0.000	0.00
9	Green Programs Recovery Charge	1,086	0.002698	\$2.930	1,086	0.002698	\$2.930	\$0.000	0.00
10	Tax Adjustment Credit	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
11	Green Enabling Mechanism	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
12	Facilities Chg.			\$0.000			\$0.000	\$0.000	0.00
13	Minimum			\$0.000			\$0.000	\$0.000	0.00
14	Miscellaneous			\$0.000			\$0.009	\$0.009	0.00
15	Delivery Subtotal	1,086		\$71.329	1,086		\$71.923	\$0.594	0.83
16	Unbilled Delivery			<u>-\$1.209</u>			<u>-\$1.219</u>	<u>-\$0.010</u>	0.83
17	Delivery Subtotal w unbilled			\$70.120			\$70.704	\$0.584	0.83
18									
19	<u>Supply-BGS</u>								
20	BGS Summer	329	0.054336	\$17.877	329	0.054336	\$17.877	\$0.000	0.00
21	BGS Winter	757	0.055359	\$41.907	757	0.055359	\$41.907	\$0.000	0.00
22	BGS Reconciliation-RSCP	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
23	Miscellaneous			\$0.000			\$0.000	\$0.000	0.00
24	Supply Subtotal	1,086		\$59.784	1,086		\$59.784	\$0.000	0.00
25	Unbilled Supply			<u>\$0.000</u>			<u>\$0.000</u>	<u>\$0.000</u>	0.00
26	Supply Subtotal w unbilled			\$59.784			\$59.784	\$0.000	0.00
27									
28	Total Delivery + Supply	1,086		<u>\$129.904</u>	1,086		<u>\$130.488</u>	<u>\$0.584</u>	0.45

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 5/1/2023

RATE SCHEDULE WHS
WATER HEATING STORAGE SERVICE
Schedule SS-ESII-5
(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)
<u>Delivery</u>								
1 Service Charge	0.215	0.62	\$0.133	0.215	0.63	\$0.135	\$0.002	1.50
2 Distribution June - September	3.646	0.001925	0.007	3.646	0.001988	0.007	0.000	0.00
3 Distribution October - May	12.454	0.001925	0.024	12.454	0.001988	0.025	0.001	4.17
4 SBC	16.100	0.009766	0.157	16.100	0.009766	0.157	0.000	0.00
5 NGC	16.100	0.000024	0.000	16.100	0.000024	0.000	0.000	0.00
6 STC-TBC	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
7 STC-MTC-Tax	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
8 Zero Emission Certificate Recovery Charge	16.100	0.004000	0.064	16.100	0.004000	0.064	0.000	0.00
9 Solar Pilot Recovery Charge	16.100	0.000063	0.001	16.100	0.000063	0.001	0.000	0.00
10 Green Programs Recovery Charge	16.100	0.002698	0.043	16.100	0.002698	0.043	0.000	0.00
11 Tax Adjustment Credit	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
12 Green Enabling Mechanism	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
13 Facilities Chg.			0.000			0.000	0.000	0.00
14 Minimum			0.000			0.000	0.000	0.00
15 Miscellaneous			0.000			0.000	0.000	0.00
16 Delivery Subtotal	16		\$0.429	16		\$0.432	\$0.003	0.70
17 Unbilled Delivery			(0.009)			(0.009)	0.000	0.00
18 Delivery Subtotal w unbilled			\$0.420			\$0.423	\$0.003	0.71
19								
<u>Supply-BGS</u>								
21 BGS- June - September	3.646	0.054336	\$0.198	3.646	0.054336	\$0.198	\$0.000	0.00
22 BGS- October - May	12.454	0.054991	0.685	12.454	0.054991	0.685	0.000	0.00
23 BGS Reconciliation-RSCP	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
24 Miscellaneous			0.000			0.000	0.000	0.00
25 Supply Subtotal	16.100		0.883	16.100		0.883	\$0.000	0.00
26 Unbilled Supply			(0.014)			(0.014)	0.000	0.00
27 Supply Subtotal w unbilled			\$0.869			\$0.869	\$0.000	0.00
28								
29 Total Delivery + Supply	16.100		<u>\$1.289</u>	16.100		<u>\$1.292</u>	<u>\$0.003</u>	0.23
30								
31								
32								
33 Notes:			All customers assumed to be on BGS.					
34			WH, WHS & BPL-POF revenues shown to 3 decimals.					
35			Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023					
36								
37								
38								

RATE SCHEDULE HS
BUILDING HEATING SERVICE
Schedule SS-ESII-5
 (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)
<u>Delivery</u>								
1 Service Charge	13.093	3.71	\$49	13.093	3.78	\$49	\$0	0.00
2 Distribution June - September	3,469	0.097723	339	3,469	0.098299	341	2	0.59
3 Distribution October - May	12,676	0.029268	371	12,676	0.029426	373	2	0.54
4 SBC	16,145	0.009766	158	16,145	0.009766	158	0	0.00
5 NGC	16,145	0.000024	0	16,145	0.000024	0	0	0.00
6 STC-TBC	16,145	0.000000	0	16,145	0.000000	0	0	0.00
7 STC-MTC-Tax	16,145	0.000000	0	16,145	0.000000	0	0	0.00
8 Zero Emission Certificate Recovery Charge	16,145	0.004000	65	16,145	0.004000	65	0	0.00
9 Solar Pilot Recovery Charge	16,145	0.000063	1	16,145	0.000063	1	0	0.00
10 Green Programs Recovery Charge	16,145	0.002698	44	16,145	0.002698	44	0	0.00
11 Tax Adjustment Credit	16,145	-0.003854	-62	16,145	-0.003854	-62	0	0.00
12 Green Enabling Mechanism	16,145	0.000000	0	16,145	0.000000	0	0	0.00
13 Facilities Chg.			0			0	0	0.00
14 Minimum			0			0	0	0.00
15 Miscellaneous			(1)			(1)	0	0.00
16 Delivery Subtotal	16,145		\$964	16,145		\$968	\$4	0.41
17 Unbilled Delivery			(23)			(23)	0	0.00
18 Delivery Subtotal w unbilled			\$941			\$945	\$4	0.43
19								
<u>Supply-BGS</u>								
21 BGS- June - September	3,469	0.118872	\$412	3,469	0.118872	\$412	\$0	0.00
22 BGS- October - May	12,676	0.119294	1512	12,676	0.119294	1512	0	0.00
23 BGS Reconciliation-RSCP	16,145	0.000000	0	16,145	0.000000	0	0	0.00
24 Miscellaneous			0			0	0	0.00
25 Supply Subtotal	16,145		\$1,924	16,145		\$1,924	\$0	0.00
26 Unbilled Supply			(32)			(32)	0	0.00
27 Supply Subtotal w unbilled			\$1,892			\$1,892	\$0	0.00
28								
29 Total Delivery + Supply	16,145		<u>\$2,833</u>	16,145		<u>\$2,837</u>	<u>\$4</u>	0.14
30								
31								
32								
33 Notes:			All customers assumed to be on BGS.					
34			Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023					
35								
36								
37								
38								

RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
Schedule SS-ESII-5
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	3,042.260	4.73	\$14,390	3,042.260	4.81	\$14,633	\$243	1.69
2 Service Charge-unmetered	100.329	2.18	219	100.329	2.22	223	4	1.83
3 Service Charge-Night Use	0.767	347.77	267	0.767	347.77	267	0	0.00
4 Distrib. KW Annual	28,477	3.7541	106,906	28,477	3.7735	107,458	552	0.52
5 Distrib. KW Summer	10,394	9.4141	97,850	10,394	9.4629	98,357	507	0.52
6 Distribution kWhr, June-September	2,784,306	0.003069	8,545	2,784,306	0.003085	8,590	45	0.53
7 Distribution kWhr, October-May	4,958,973	0.007833	38,844	4,958,973	0.007874	39,047	203	0.52
8 Distribution kWhr, Night use, June-September	7,441	0.007833	58	7,441	0.007874	59	1	1.72
9 Distribution kWhr, Night use, October-May	13,979	0.007833	109	13,979	0.007874	110	1	0.92
10 SBC	7,764,699	0.009766	75,830	7,764,699	0.009766	75,830	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	0.004000	31,059	7,764,699	0.004000	31,059	0	0.00
15 Solar Pilot Recovery Charge	7,764,699	0.000063	489	7,764,699	0.000063	489	0	0.00
16 Green Programs Recovery Charge	7,764,699	0.002698	20,949	7,764,699	0.002698	20,949	0	0.00
17 Tax Adjustment Credit	7,764,699	-0.001852	-14,380	7,764,699	-0.001852	-14,380	0	0.00
18 ECIP	28,477	0.637100	18,143	28,477	0.637100	18,143	0	0.00
19 Green Enabling Mechanism	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
20 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	5		\$2.22/\$3.20	5	0	0.00
21 Facilities Chg.		1.45%	63		1.45%	63	0	0.00
22 Minimum			42			42	0	0.00
23 Distrib. Miscellaneous			(1,726)			(1,729)	(3)	0.17
24 Delivery Subtotal	7,764,699		\$397,848	7,764,699		\$399,401	\$1,553	0.39
25 Unbilled Delivery			(1,068)			(1,072)	(4)	0.37
26 Delivery Subtotal w unbilled			\$396,780			\$398,329	\$1,549	0.39

RATE SCHEDULE LPL-Sec
LARGE POWER & LIGHTING SERVICE-SECONDARY
Schedule SS-ESII-5
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	103,740	347.77	\$36,078	103,740	347.77	\$36,078	\$0	0.00
2 Distrib. KW Annual	28,389	3.6070	102,399	28,389	3.6320	103,109	710	0.69
3 Distrib. KW June - September	10,139	8.5812	87,005	10,139	8.6407	87,608	603	0.69
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	0.009766	110,129	11,276,802	0.009766	110,129	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	0.004000	45,107	11,276,802	0.004000	45,107	0	0.00
13 Solar Pilot Recovery Charge	11,276,802	0.000063	710	11,276,802	0.000063	710	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	0.002698	30,425	11,276,802	0.002698	30,425	0	0.00
16 Tax Adjustment Credit	11,276,802	-0.001131	-12,754	11,276,802	-0.001131	-12,754	0	0.00
17 ECIP	28,389	0.610800	17,340	28,389	0.610800	17,340	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			(1,202)			(1,201)	1	-0.08
22 Delivery Subtotal	11,276,802		\$416,486	11,276,802		\$417,800	\$1,314	0.32
23 Unbilled Delivery			(1,384)			(1,388)	(4)	0.29
24 Delivery Subtotal w unbilled			\$415,102			\$416,412	\$1,310	0.32

RATE SCHEDULE LPL-Pri
LARGE POWER & LIGHTING SERVICE-PRIMARY
Schedule SS-ESII-5
(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)
<u>Delivery</u>								
1 Service Charge	8.672	347.77	\$3,016	8.672	347.77	\$3,016	\$0	0.00
2 Service Charge-Alternate	0.373	21.35	8	0.373	21.72	8	0	0.00
3 Distrib. KW Annual	7,243	1.6785	12,157	7,243	1.6952	12,278	121	1.00
4 Distrib. KW June - September	2,493	9.3175	23,229	2,493	9.4102	23,460	231	0.99
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	0.009614	31,105	3,235,414	0.009614	31,105	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	0.004000	12,942	3,235,414	0.004000	12,942	0	0.00
14 Solar Pilot Recovery Charge	3,235,414	0.000063	204	3,235,414	0.000063	204	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	0.002698	8,729	3,235,414	0.002698	8,729	0	0.00
17 Tax Adjustment Credit	3,235,414	-0.000693	-2,242	3,235,414	-0.000693	-2,242	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			<u>(304)</u>			<u>(304)</u>	<u>0</u>	0.00
23 Delivery Subtotal	3,235,414		\$90,410	3,235,414		\$90,762	\$352	0.39
24 Unbilled Delivery			<u>(342)</u>			<u>(343)</u>	<u>(1)</u>	0.29
25 Delivery Subtotal w unbilled			\$90,068			\$90,419	\$351	0.39

RATE SCHEDULE LPL-Pri
LARGE POWER & LIGHTING SERVICE-PRIMARY
Schedule SS-ESII-5
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
Supply-BGS									
1	Generation Capacity Obl June-September	2,368	8.4087	\$19,912	2,368	8.4087	\$19,912	\$0	0.00
2	Generation Capacity Obl October-May	4,724	8.4087	39,723	4,724	8.4087	39,723	0	0.00
3	Transmission Capacity Obl	6,170	12.4591	76,873	6,170	12.4591	76,873	0	0.00
4	BGS kWhr June-September On Peak	543,764	0.089014	48,403	543,764	0.089014	48,403	0	0.00
5	BGS kWhr June-September Off Peak	627,198	0.089014	55,829	627,198	0.089014	55,829	0	0.00
6	BGS kWhr October-May On Peak	938,452	0.072390	67,935	938,452	0.072390	67,935	0	0.00
7	BGS kWhr October-May Off Peak	1,126,000	0.072390	81,511	1,126,000	0.072390	81,511	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		\$390,186	3,235,414		\$390,186	\$0	0.00
11	Unbilled Supply			<u>5,230</u>			<u>5,230</u>	<u>0</u>	0.00
12	Supply Subtotal w unbilled			\$395,416			\$395,416	\$0	0.00
13									
14	Total Delivery + Supply	3,235,414		<u>\$485,484</u>	3,235,414		<u>\$485,835</u>	<u>\$351</u>	0.07

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

RATE SCHEDULE HTS-SUBTR.
HIGH TENSION SERVICE-SUBTRANSMISSION
Schedule SS-ESII-5
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	2,319	1,911.39	\$4,433	2,319	1,911.39	\$4,433	\$0	0.00
2 Distrib. KW Annual	11,987	1.1274	13,514	11,987	1.1547	13,841	327	2.42
3 Distrib. KW June - September	2,962	4.0754	12,071	2,962	4.1740	12,363	292	2.42
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	0.009541	43,569	4,566,472	0.009541	43,569	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	0.004000	18,266	4,566,472	0.004000	18,266	0	0.00
13 Solar Pilot Recovery Charge	4,566,472	0.000063	288	4,566,472	0.000063	288	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	0.002698	12,320	4,566,472	0.002698	12,320	0	0.00
16 Tax Adjustment Credit	4,566,472	-0.000650	-2,968	4,566,472	-0.000650	-2,968	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			(527)			(527)	0	0.00
22 Delivery Subtotal	4,566,472		\$102,547	4,566,472		\$103,166	\$619	0.60
23 Unbilled Delivery			(366)			(368)	(2)	0.55
24 Delivery Subtotal w unbilled			\$102,181			\$102,798	\$617	0.60

**RATE SCHEDULE HTS-SUBTR.
HIGH TENSION SERVICE-SUBTRANSMISSION
Schedule SS-ESII-5
(Units & Revenue in Thousands)**

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
<u>Supply-BGS</u>									
1	Generation Capacity Obl June-September	2,724	8.4087	\$22,905	2,724	8.4087	\$22,905	\$0	0.00
2	Generation Capacity Obl October-May	5,423	8.4087	45,600	5,423	8.4087	45,600	0	0.00
3	Transmission Capacity Obl	7,276	12.4591	90,652	7,276	12.4591	90,652	0	0.00
4	BGS kWhr June-September	1,616,031	0.086107	139,152	1,616,031	0.086107	139,152	0	0.00
5	Spare	0	0.086107	0	0	0.086107	0	0	0.00
6	BGS kWhr October-May	2,950,441	0.069347	204,604	2,950,441	0.069347	204,604	0	0.00
7	Spare	0	0.069347	0	0	0.069347	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		\$502,889	4,566,472		\$502,889	\$0	0.00
11	Unbilled Supply			<u>20,765</u>			<u>20,765</u>	0	0.00
12	Supply Subtotal w unbilled			\$523,654			\$523,654	\$0	0.00
13									
14	Total Delivery + Supply	4,566,472		<u>\$625,835</u>	4,566,472		<u>\$626,452</u>	<u>\$617</u>	0.10

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19 Notes: All customers assumed to be on BGS.

20 Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

RATE SCHEDULE HTS-HV
HIGH TENSION SERVICE-HIGH VOLTAGE
Schedule SS-ESII-5
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	0.166	1,720.25	\$286	0.166	1,720.25	\$286	\$0	0.00
2 Distrib. KW Annual	3,286	0.6298	2,070	3,286	0.6341	2,084	14	0.68
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	0.009474	3,960	417,997	0.009474	3,960	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	0.004000	1,672	417,997	0.004000	1,672	0	0.00
13 Solar Pilot Recovery Charge	417,997	0.000063	26	417,997	0.000063	26	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	0.002698	1,128	417,997	0.002698	1,128	0	0.00
16 Tax Adjustment Credit	417,997	-0.000152	-64	417,997	-0.000152	-64	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			(79)			(79)	0	0.00
21 Delivery Subtotal	417,997		\$9,105	417,997		\$9,119	\$14	0.15
22 Unbilled Delivery			101			101	0	0.00
23 Delivery Subtotal w unbilled			\$9,206			\$9,220	\$14	0.15

RATE SCHEDULE BPL
BODY POLITIC LIGHTING SERVICE
Schedule SS-ESII-5
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
<u>Delivery</u>									
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	0.006866	\$495	72,030	0.006912	\$498	3	0.61
8	Distribution October-May	210,828	0.006866	1,448	210,828	0.006912	1,457	9	0.62
9	SBC	282,858	0.009766	2,762	282,858	0.009766	2,762	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	0.004000	1,131	282,858	0.004000	1,131	0	0.00
14	Solar Pilot Recovery Charge	282,858	0.000063	18	282,858	0.000063	18	0	0.00
15	Green Programs Recovery Charge	282,858	0.002698	763	282,858	0.002698	763	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			\$60,740			\$60,752	\$12	0.02
23	Unbilled Delivery			0			0	0	0.00
24	Delivery Subtotal w unbilled			\$60,740			\$60,752	\$12	0.02
25									
26	<u>Supply-BGS</u>								
27	BGS June-September	72,030	0.050311	3,624	72,030	0.050311	3,624	0	0.00
28	BGS October-May	210,828	0.053886	11,361	210,828	0.053886	11,361	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			\$14,881			\$14,881	\$0	0.00
32	Unbilled Supply			0			0	0	0.00
33	Supply Subtotal w unbilled			\$14,881			\$14,881	\$0	0.00
34									
35	Total Delivery + Supply	282,858		<u>\$75,621</u>	282,858		<u>\$75,633</u>	<u>\$12</u>	0.02

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

RATE SCHEDULE BPL-POF
BODY POLITIC LIGHTING SERVICE-POF
Schedule SS-ESII-5
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
<u>Delivery</u>									
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	0.006867	\$ 29.247	4,259	0.006974	\$ 29.702	\$0.455	1.56
8	Distribution October-May	10,191	0.006867	\$ 69.982	10,191	0.006974	\$ 71.072	\$1.090	1.56
9	SBC	14,450	0.009766	\$ 141.119	14,450	0.009766	\$ 141.119	\$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	0.004000	\$ 57.800	14,450	0.004000	\$ 57.800	\$0.000	0.00
14	Solar Pilot Recovery Charge	14,450	0.000063	\$ 0.910	14,450	0.000063	\$ 0.910	\$0.000	0.00
15	Green Programs Recovery Charge	14,450	0.002698	\$ 38.986	14,450	0.002698	\$ 38.986	\$0.000	0.00
16	Tax Adjustment Credit	14,450	-0.001556	\$ (22.484)	14,450	-0.001556	\$ (22.484)	\$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			\$ 10.995	-\$0.005	(0.05)
22	Delivery Subtotal			\$ 538.907			\$ 540.447	\$1.540	0.29
23	Unbilled Delivery			\$ -			\$ -	\$0.000	0.00
24	Delivery Subtotal w unbilled			\$ 538.907			\$ 540.447	\$1.540	0.29
25									
26	<u>Supply-BGS</u>								
27	BGS June-September	4,259	0.050311	\$ 214.275	4,259	0.050311	\$ 214.275	\$0.000	0.00
28	BGS October-May	10,191	0.053886	\$ 549.152	10,191	0.053886	\$ 549.152	\$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			\$ 763.427			\$ 763.427	\$0.000	0.00
32	Unbilled Supply			\$ -			\$ -	\$0.000	0.00
33	Supply Subtotal w unbilled			\$ 763.427			\$ 763.427	\$0.000	0.00
34									
35	Total Delivery + Supply	14,450		\$ 1,302.334	14,450		\$ 1,303.874	\$1.540	0.12

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 5/1/2023

RATE SCHEDULE PSAL
PRIVATE STREET AND AREA LIGHTING SERVICE
Schedule SS-ESII-5
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		Units	Rate	Revenue	Units	Rate	Revenue	Revenue	Percent
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(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	0.007329	\$302	41,200	0.007375	\$304	2	0.66
8	Distribution October-May	110,532	0.007329	810	110,532	0.007375	815	5	0.62
9	SBC	151,732	0.009766	1,482	151,732	0.009766	1,482	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	0.004000	607	151,732	0.004000	607	0	0.00
14	Solar Pilot Recovery Charge	151,732	0.000063	10	151,732	0.000063	10	0	0.00
15	Green Programs Recovery Charge	151,732	0.002698	409	151,732	0.002698	409	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			\$30,415			\$30,422	\$7	0.02
23	Unbilled Delivery			(95)			(95)	0	0.00
24	Delivery Subtotal w unbilled			\$30,320			\$30,327	\$7	0.02
25									
26	Supply-BGS								
27	BGS June-September	41,200	0.050311	2,073	41,200	0.050311	2,073	0	0.00
28	BGS October-May	110,532	0.053886	5,956	110,532	0.053886	5,956	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			\$8,219			\$8,219	\$0	0.00
32	Unbilled Supply			(70)			(70)	0	0.00
33	Supply Subtotal w unbilled			\$8,149			\$8,149	\$0	0.00
34									
35	Total Delivery + Supply	151,732		<u>\$38,469</u>	151,732		<u>\$38,476</u>	<u>\$7</u>	0.02

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 5/1/2023

Electric Tariff Rates

		<u>Current Total Distribution Charges</u>		<u>Proposed Total Distribution Charges</u>		<u>ESII Rate Adjustment 4 IIP Charges</u>		<u>Total ESII IIP Charges</u>	
		<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>	<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>	<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>	<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>
<u>Rate Schedules</u>						<u>SUT</u>	<u>Charge w/ 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	\$0.044501	\$0.047449	\$0.046454	\$0.049532	\$0.001953	\$0.002083	\$0.008234	\$0.008780
	Distribution 0-600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000	\$0.000000	\$0.000000
	Distribution over 600 Sum	\$0.048322	\$0.051523	\$0.050275	\$0.053606	\$0.001953	\$0.002083	\$0.008234	\$0.008780
	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	\$0.052144	\$0.055599	\$0.053247	\$0.056775	\$0.001103	\$0.001176	\$0.004634	\$0.004941
	Distribution 0-600 Win	\$0.034396	\$0.036675	\$0.034901	\$0.037213	\$0.000505	\$0.000538	\$0.002117	\$0.002257
	Distribution over 600 Sum	\$0.057044	\$0.060823	\$0.058147	\$0.061999	\$0.001103	\$0.001176	\$0.004634	\$0.004941
	Distribution over 600 Win	\$0.016796	\$0.017909	\$0.017301	\$0.018447	\$0.000505	\$0.000538	\$0.002117	\$0.002257
	Common Use	\$0.057044	\$0.060823	\$0.058147	\$0.061999	\$0.001103	\$0.001176	\$0.004634	\$0.004941
RLM	Service Charge	\$13.07	\$13.94	\$13.07	\$13.94	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. kWhr Summer On	\$0.075686	\$0.080700	\$0.077710	\$0.082858	\$0.002024	\$0.002158	\$0.007164	\$0.007638
	Distrib. kWhr Summer Off	\$0.015800	\$0.016847	\$0.016228	\$0.017303	\$0.000428	\$0.000456	\$0.001501	\$0.001600
	Distrib. kWhr Winter On	\$0.015800	\$0.016847	\$0.016228	\$0.017303	\$0.000428	\$0.000456	\$0.001501	\$0.001600
	Distrib. kWhr Winter Off	\$0.015800	\$0.016847	\$0.016228	\$0.017303	\$0.000428	\$0.000456	\$0.001501	\$0.001600
WH	Distribution	\$0.049130	\$0.052385	\$0.049668	\$0.052959	\$0.000538	\$0.000574	\$0.002270	\$0.002421
WHS	Service Charge	\$0.62	\$0.66	\$0.63	\$0.67	\$0.01	\$0.01	\$0.04	\$0.04
	Distribution	\$0.001925	\$0.002053	\$0.001988	\$0.002120	\$0.000063	\$0.000067	\$0.000373	\$0.000398
HS	Service Charge	\$3.71	\$3.96	\$3.78	\$4.03	\$0.07	\$0.07	\$0.27	\$0.29
	Distribution June-September	\$0.097723	\$0.104197	\$0.098299	\$0.104811	\$0.000576	\$0.000614	\$0.002018	\$0.002151
	Distribution October-May	\$0.029268	\$0.031207	\$0.029426	\$0.031375	\$0.000158	\$0.000168	\$0.000631	\$0.000672
GLP	Service Charge	\$4.73	\$5.04	\$4.81	\$5.13	\$0.08	\$0.09	\$0.34	\$0.36
	Service Charge-unmetered	\$2.18	\$2.32	\$2.22	\$2.37	\$0.04	\$0.05	\$0.15	\$0.16
	Service Charge-Night Use	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$3.7541	\$4.0028	\$3.7735	\$4.0235	\$0.0194	\$0.0207	\$0.0804	\$0.0857
	Distrib. KW Summer	\$9.4141	\$10.0378	\$9.4629	\$10.0898	\$0.0488	\$0.0520	\$0.2018	\$0.2152
	Distribution kWhr, June-September	\$0.003069	\$0.003272	\$0.003085	\$0.003289	\$0.000016	\$0.000017	\$0.000066	\$0.000070
	Distribution kWhr, October-May	\$0.007833	\$0.008352	\$0.007874	\$0.008396	\$0.000041	\$0.000044	\$0.000168	\$0.000179
	Distribution kWhr, Night use, June-Septembe	\$0.007833	\$0.008352	\$0.007874	\$0.008396	\$0.000041	\$0.000044	\$0.000168	\$0.000179
	Distribution kWhr, Night use, October-May	\$0.007833	\$0.008352	\$0.007874	\$0.008396	\$0.000041	\$0.000044	\$0.000168	\$0.000179

Electric Tariff Rates

		<u>Current Total Distribution Charges</u>		<u>Proposed Total Distribution Charges</u>		<u>ESII Rate Adjustment 4 IIP Charges</u>		<u>Total ESII IIP Charges</u>	
		<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>	<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>	<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>	<u>Charge w/out SUT</u>	<u>Charge w/ SUT</u>
<u>Rate Schedules</u>						<u>SUT</u>			
LPL-Secondary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00	\$0.00	\$0.00
	Distrib. KW Annual	\$3.6070	\$3.8460	\$3.6320	\$3.8726	\$0.0250	\$0.0266	\$0.1040	\$0.1109
	Distrib. KW Summer	\$8.5812	\$9.1497	\$8.6407	\$9.2131	\$0.0595	\$0.0634	\$0.2473	\$0.2636
	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	\$21.35	\$22.76	\$21.72	\$23.16	\$0.37	\$0.40	\$1.52	\$1.62
	Distrib. KW Annual	\$1.6785	\$1.7897	\$1.6952	\$1.8075	\$0.0167	\$0.0178	\$0.0510	\$0.0544
	Distrib. KW Summer	\$9.3175	\$9.9348	\$9.4102	\$10.0336	\$0.0927	\$0.0988	\$0.2828	\$0.3015
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
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	\$1.1274	\$1.2021	\$1.1547	\$1.2312	\$0.0273	\$0.0291	\$0.0825	\$0.0880
	Distrib. KW Summer	\$4.0754	\$4.3454	\$4.1740	\$4.4505	\$0.0986	\$0.1051	\$0.2982	\$0.3179
	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	\$0.6298	\$0.6715	\$0.6341	\$0.6761	\$0.0043	\$0.0046	\$0.0175	\$0.0187
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
BPL	Distribution Sum	\$0.006866	\$0.007321	\$0.006912	\$0.007370	\$0.000046	\$0.000049	\$0.000177	\$0.000189
	Distribution Winter	\$0.006866	\$0.007321	\$0.006912	\$0.007370	\$0.000046	\$0.000049	\$0.000177	\$0.000189
BPL-POF	Distribution Sum	\$0.006867	\$0.007322	\$0.006974	\$0.007436	\$0.000107	\$0.000114	\$0.000246	\$0.000262
	Distribution Winter	\$0.006867	\$0.007322	\$0.006974	\$0.007436	\$0.000107	\$0.000114	\$0.000246	\$0.000262
PSAL	Distribution Sum	\$0.007329	\$0.007815	\$0.007375	\$0.007864	\$0.000046	\$0.000049	\$0.000191	\$0.000204
	Distribution Winter	\$0.007329	\$0.007815	\$0.007375	\$0.007864	\$0.000046	\$0.000049	\$0.000191	\$0.000204

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Energy Strong II (ESII) 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	\$378.60	\$380.12	\$1.52	0.40 %
370	3,464	697.84	700.92	3.08	0.44
740	6,920	1,342.48	1,348.64	6.16	0.46
803	7,800	1,507.04	1,513.73	6.69	0.44
1,337	12,500	2,403.76	2,414.92	11.16	0.46

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect May 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes increase in the ESII.

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	\$39.95	\$40.33	\$0.38	0.95 %
3,464	370	74.96	75.73	0.77	1.03
6,920	740	146.92	148.46	1.54	1.05
7,800	803	159.70	161.37	1.67	1.05
12,500	1,337	268.12	270.91	2.79	1.04

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect May 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes increase in the ESII.

ATTACHMENT 2
Schedule SS-ESII-7

CONFIDENTIAL

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

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

Docket No.

PLEASE TAKE NOTICE that, on May 1, 2023, Public Service Electric and Gas Company ("Public Service," "PSE&G," or "Company") filed a petition ("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 \$14.7 million from the Company's electric customers through the Energy Strong II Rate Mechanism associated with actual ES II investment costs incurred through March 31, 2023, and forecasted costs through July 31, 2023.

For illustrative purposes, the estimated ES II component of Infrastructure Investment Program ("IIP") charges effective November 1, 2023, including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RS, is shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to ES II, if approved by the Board, effective November 1, 2023. 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 typical 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 \$1,342.48 to \$1,348.64, or \$6.16, or approximately 0.46%. The approximate effect of the

proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3 below.

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 Petition 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. PSE&G's electric and natural gas costs addressed in the Petition and Update will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Any assistance required by customers in ascertaining the impact of the proposed rate increase will be provided by the Company upon request.

The Petition is available for review at the PSEG website: <http://www.pseg.com/pseandgfilings>.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, virtual public hearings are scheduled on the following date and times so that members of the public may present their views on the Petition.

DATE: TBD

TIMES: 4:30 p.m. and 5:30 p.m.

Join: Join Zoom Meeting
<https://pseg.zoom.us/j/92846158128?pwd=cZBtZHE5ZTh1Z1FveGlmSVg0R1NuQT09#success>

Go to www.Zoom.com and choose "Join a Meeting" at the top of the web page. When prompted, use Meeting number 928 4615 8128 to access the meeting.

-or-

Join by phone (toll-free):

Dial In: (888) 475-4499

Meeting ID: 928 4615 8128

When prompted, enter the Meeting ID number to access the meeting.

Representatives from the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public may participate by utilizing the link or dial-in number set forth above and may express their views on the Petition. To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's [Public Document Search](#). Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth

in N.J.A.C. 14:1-12.3. Due to the COVID-19 pandemic, certain rules requiring paper submissions have been temporarily waived. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's [webpage](https://www.nj.gov/bpu/agenda/efiling/).

Emailed and/or written comments may also be submitted to:
Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Table #1
ES II COMPONENT OF IIP CHARGES
for Residential RS Customers
Rates if Effective November 1, 2023

Rate Schedule			IIP Charges	
			Charges in Effect May 1, 2023 Including SUT	Proposed Charges in Effect November 1, 2023 Including SUT
RS	Service Charge	per month	\$0.00	\$0.00
	Distribution 0-600, June-September	\$/kWh	0.006697	0.008780
	Distribution 0-600, October-May	\$/kWh	0.000000	0.000000
	Distribution Over 600, June-September	\$/kWh	0.006697	0.008780
	Distribution Over 600, October-May	\$/kWh	0.000000	0.000000

Table #2
Proposed Percentage Change in Revenue
by Customer Class for Electric Service
for Rates if Effective November 1, 2023

	Rate Class	Percent Change (%)
Residential Service	RS	0.45
Residential Heating	RHS	0.45
Residential Load Management	RLM	0.44
Water Heating	WH	0.45
Water Heating Storage	WHS	0.23
Building Heating	HS	0.14
General Lighting & Power	GLP	0.12
Large Power & Lighting-Sec.	LPL-S	0.08
Large Power & Lighting-Pri.	LPL-P	0.07
High Tension-Subtr.	HTS-S	0.10
High Tension-HV	HTS-HV	0.03
Body Politic Lighting	BPL	0.02

Body Politic Lighting-POF	BPL-POF	0.12
Private Street & Area Lighting	PSAL	0.02
Overall		0.23

The percent increases noted above are based upon May 1, 2023, Delivery Rates and assumes that customers receive commodity service from Public Service Electric and Gas Company.

Table #3
Residential Electric Service for Rates if Effective November 1, 2023

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	\$39.95	\$40.33	\$0.38	0.95%
3,464	370	74.96	75.73	0.77	1.03
6,920	740	146.92	148.46	1.54	1.05
7,800	803	159.70	161.37	1.67	1.05
12,500	1,337	268.12	270.91	2.79	1.04

- (1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect May 1, 2023, 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 Investment Program Charges.

Danielle Lopez, Esq.
Associate Counsel—Regulatory

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

	<u>YTD 2022</u> '(\$000)
400 Electric Operating Revenues	\$ 3,600,587
Electric Operating Expenses:	
401 Operation Expense	2,558,833
402 Maintenance Expense	124,436
403 Depreciation Expense	320,702
404 Amortization of Limited Term Plant	23,804
407 Amortization of Property Losses	14,249
408.1 Taxes Other Than Income Taxes	25,219
409.1 Income Taxes - Federal	(77,644)
410.1 Provision for Deferred Income Taxes	418,520
411.1 Provision for Deferred Income Taxes - Credit	(344,854)
411.103 Accretion Expense-Electric	0
411.4 Investment Tax Credit Adjustments (Net)	(9,796)
Total Electric Utility Operating Expenses	<u>3,053,469</u>
Electric Utility Operating Income	<u>\$ 547,118</u>
	<u>YTD 2022</u>
400 Gas Operating Revenues	\$ 2,440,504
Gas Operating Expenses:	
401 Operation Expense	1,617,554
402 Maintenance Expense	38,190
403 Depreciation Expense	203,691
404 Amortization of Limited Term Plant	15,318
407 Amortization of Property Losses	30,048
407.3 Amortization of Excess cost of removal	9,747
407.4 Amortization of Excess cost of removal	0
408.1 Taxes Other Than Income Taxes	17,569
409.1 Income Taxes - Federal	55,177
410.1 Provision for Deferred Income Taxes	207,008
411.1 Provision for Deferred Income Taxes - Cr	(255,491)
411.4 Investment Tax Credit Adjustments (Net)	(748)
Total Gas Utility Operating Expenses	<u>1,938,065</u>
Gas Utility Operating Income	<u>\$ 502,439</u>
Net Utility Operating Income	<u>\$ 1,049,556</u>

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

Dec 31, 2022

Assets and Other Debits

Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$ 24,822,664
103	Electric Experimental Plant Unclassified	-
105	Electric Utility Plant Held for Future Use	34,362
106	Electric Completed Construction not classified- Electric	3,515,040
107	Electric Construction Work in Progress	1,184,330
	Total Electric Utility Plant	<u>29,556,395</u>

Gas Utility Plant

101	Gas Utility Plant in Service	\$ 10,817,780
103	Gas Experimental Plant Unclassified	-
105	Gas Utility Plant Held for Future Use	96
106	Gas Completed Construction not classified	97,330
107	Gas Construction Work in Progress	90,574
	Total Gas Utility Plant	<u>11,005,781</u>

Common Utility Plant

101	Common Utility Plant in Service	\$ 488,386
106	Common Completed Construction not classified	-
107	Common Construction Work in Progress	49,098
	Total Common Utility Plant	<u>537,483</u>

Property under capital leases

101.1	Electric & Gas Property under capital leases	86,226
		<u>86,226</u>

Total Utility Plant**41,185,885**Accumulated Provisions for Depreciation and Amortization of
Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(5,244,177)
108.5	Electric Utility Plant Held for Future Use	-
	Total Electric Utility Plant	<u>(5,244,177)</u>

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(2,517,747)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(298,968)
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Total Accumulated Provisions for
Depreciation and Amortization
of Utility Plant(8,060,892)

Net Utility Plant Excluding Nuclear Fuel

33,124,993

Nuclear Fuel

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

Accumulated Provisions for Amortization

120.5	120.5	Nuclear Fuel	-
		Net Nuclear Fuel	-
		Net Utility Plant	<u>33,124,993</u>

(0)

Other Property and Investments

121	Nonutility Property	3,264
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(1,121)
123 & 123.1	Investments in Associated & Subsidiary Companies	44,754
124	Other Investments	143,341
125-8	Special Funds	32,196
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	<u>222,434</u>

BALANCE SHEET
\$ (In Thousands)Dec 31, 2022

Current and Accrued Assets

131	Cash	\$	54,792
132-4	Special Deposits		48,324
135	Working Funds		-
136	Temporary Cash Investments		165,000
141-3	Notes and Accounts Receivable		1,385,656
144	Accumulated Provision for Uncollectible Accounts - Credit		(339,434)
145-6	Receivables from Associated Companies		16,403
151-5	Materials and Supplies (incl. 163)		307,024
158	Allowances		-
164	Gas Stored Underground - Current		-
165	Prepayments		6,110
171	Interest and Dividends Receivable		-
172	Rents Receivable		12,447
173	Accrued Utility Revenues		338,559
174	Miscellaneous Current and Accrued		4,661
175	Current Portion of Derivative Instrument Assets		-
	Total Current and Accrued Assets		1,999,541

Deferred Debits

181	Unamortized Debt Expense		66,714
182	Unrec'd Plt and Reg Costs and Other Reg Assets		4,800,054
183	Preliminary Survey and Investigation Charges		27,971
184	Clearing Accounts		2
185	Temporary Facilities		-
186	Miscellaneous Deferred Debits		32,748
188	Research and Development Expenditures		-
189	Unamortized Loss on Reacquired Debt		23,854
190	Accumulated Deferred Income Taxes		698,717
	Total Deferred Debits		5,650,060
	Total Assets and Other Debits	\$	<u>40,997,027</u>

BALANCE SHEET**\$ (In Thousands)**Dec 31, 2022

Liabilities and Other Credits

Proprietary Capital

201	Common Stock Issued	\$	892,260
204	Preferred Stock Issued		-
207	Premium on Capital Stock		-
208	Donations from Stockholders		2,155,443
210	Gain on Resale or Cancellation of Reacquired Capital Stock		-
211	Miscellaneous Paid-In Capital		-
215	Appropriated Retained Earnings		-
216	Unappropriated Retained Earnings		12,658,335
216.1	Unappropriated Undistributed Subsidiary Earnings		(328)
219	Other Comprehensive Income		(4,589)
	Total Proprietary Capital		<u>15,701,122</u>

Long-Term Debt

221	221 Bonds		12,790,001
223	223 Advances from Assoc. Co.		-
225	225 Unamortized Premium on Long-Term Debt		-
226	226 Unamortized Discount on Long-Term Debt		(27,768)
	Total Long-Term Debt		<u>12,762,232</u>

Other Non-Current Liabilities

227-9	Other Non-current Liabilities		775,001
244	Long-Term Portion of Derivative Instrument Liabilities		-
230	Asset Retirement Obligation		383,821
	Total Other Non-Current Liabilities		<u>1,158,822</u>

Current and Accrued Liabilities

231	Notes Payable		-
232	Accounts Payable		703,212
233-4	Payables to Associated Companies		475,519
235	Customer Deposits		66,649
236	Taxes Accrued		3,085
237	Interest Accrued		121,329
238	Dividends Declared		-
239	Matured Long-Term Debt		-
241	Tax Collections Payable		5,031
242	Miscellaneous Current and Accrued Liabilities		686,514
243	Obligations Under Capital leases		12,197
244	Current Portion of Derivative Instrument Liabilities		-
	Total Current and Accrued Liabilities		<u>2,073,537</u>

Deferred Credits

252	Customer Advances for Construction		87,244
253	Other Deferred Credits		275,078
254	Other Regulatory Liabilities		2,830,774
255	Accumulated Deferred Investment Tax Credits		108,108
281-3	Accumulated Deferred Income Taxes		6,000,110
	Total Deferred Credits		<u>9,301,314</u>

Total Liabilities and Other Credits

\$ 40,997,027