



February 3, 2025

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of the Next Phase of the Gas System
Modernization Program and Associated Cost
Recovery Mechanism (“GSMP II Extension”)
(February 2025 GSMP II Extension Rate Filing)

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

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

Dear Secretary Lewis:

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

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

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", is written over a light blue horizontal line.

C Attached service list (via e-mail)

BPU

Board Secretary
Board of Public Utilities
44 South Clinton Avenue
9th Floor
Trenton NJ 08625-0350
board.secretary@bpu.nj.gov

BPU

Joseph Costa
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-2836
joseph.costa@bpu.nj.gov

BPU

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4517
stacy.peterson@bpu.nj.gov

PSE&G

Joseph F. Accardo, Jr.
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark NJ 07102
joseph.accardojr@pseg.com

PSE&G

Maria Barling
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark NJ 07102
maria.barling@pseg.com

Rate Counsel

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

BPU

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

BPU

Christine Lin
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2956
christine.lin@bpu.nj.gov

BPU

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

PSE&G

Danielle Lopez Esq.
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark NJ 07102
danielle.lopez@pseg.com

PSE&G

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T20
Newark NJ 07102-4194
bernard.smalls@pseg.com

Rate Counsel

Megan Lupo
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
mlupo@rpa.nj.gov

BPU

Maura Caroselli
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-2836
joseph.costa@bpu.nj.gov

BPU

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

DAG

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

PSE&G

Caitlyn White
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark NJ 07102
caitlyn.white@pseg.com

Rate Counsel

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

Rate Counsel

Carlena Morrison
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
cmorrison@rpa.nj.gov

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

IN THE MATTER OF THE PETITION OF :
PUBLIC SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE NEXT : BPU DOCKET NO. _____
PHASE OF THE GAS SYSTEM MODERNIZATION :
PROGRAM AND ASSOCIATED COST :
RECOVERY MECHANISM (“GSMP II EXTENSION”) :
(FEBRUARY 2025 GSMP II EXTENSION RATE FILING) :

VERIFIED PETITION

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

INTRODUCTION AND OVERVIEW

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service (“BGS”), and distribution of gas and the provision of Basic Gas Supply Service (“BGSS”), for residential, commercial, and industrial purposes within the State of New Jersey. PSE&G provides service to approximately 2.3 million electric and 1.9 million gas customers in an area having a population more than 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 regulation by the Board for the purposes of setting its retail distribution rates and to assure the safe, adequate, and reliable electric distribution and natural gas distribution services pursuant to *N.J.S.A.* 48:2-13, *et seq.*

3. PSE&G is filing this Petition seeking Board approval for gas base rate changes to provide for cost recovery associated with the extension of the Company's second Gas System Modernization Program ("GSMP II Extension" or the "Program") as approved by the Board Order dated October 11, 2023 in BPU Docket No. GR17070776 ("GSMP II Order"). The GSMP II Extension includes continued investment in the PSE&G gas distribution system, continued use of the accelerated rate recovery mechanism established in the GSMP II Stipulation ("GSMP II Rate Mechanism") including rate adjustments for investments included in the GSMP II Rate Mechanism. In the GSMP II Extension Order, the Board adopted a Stipulation (the "GSMP II Extension Stipulation") that authorizes three (3) rate adjustments with the first two (2) rate adjustments to be made during the two (2)-year term of the GSMP II Extension in accordance with the parameters set forth in the Stipulation and a third rate adjustment to capture GSMP II Extension close out work as referenced in Paragraph 35 of the Stipulation. This rate filing is the first of the two (2) filings for rates effective August 1, 2025.

4. Paragraph 34 of the Stipulation provides a schedule for the agreed upon timing for rate recovery petitions and other activities related to the recovery of GSMP II Extension investments, with an illustrative example of the timing of a cost recovery filing. To effectuate the cost recovery process for the GSMP II Rate Mechanism investments, the Company provided Staff and Rate Counsel with notice of its intent to file its GSMP II Extension rate adjustment on October 16, 2024—anticipating a filing request no earlier than December 16, 2024. Thereafter on December 27, 2024 the Company provided an update to Staff and Rate Counsel that it would likely submit its filing on or about January 31, 2025. The schedule below

anticipates no less than 60-days advanced notice of filing, public hearings, and rate adjustments to cover all rate changes for the GSMP II Extension investments.

5. In accordance with the timing set forth in Paragraph 34 the schedule for Notification of Filing, Initial Filing, Investment as of, and True-up Filing dates, and Rate Effective date for this current GSMP II Extension rate adjustment is reflected below.

Event	Timing	Date
Notification of Filing Date	Not less than 60 days prior to Filing Date	10/16/24
Filing Date	First day of calendar month	2/3/25
Net Investment in Service as of	Net investment in service as of the last day of the third month from “Filing Date”	4/30/25
Update Filing for Actual Data	No later than 21 days following “Net Investment in Service as of” date	No later than 5/21/25
Rates Effective	No earlier than the 1st day of the fourth month following the “Net Investment in Service as of” date. After the completion of discovery and upon Board approval.	As early as 8/1/25

BACKGROUND

6. On July 27, 2017, PSE&G filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to implement and administer the next phase of its GSMP II and an associated cost recovery mechanism.¹ The Program was an extension of

¹*In re the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism*, BPU Docket No. GR17070776 (Petition filed July 27, 2017).

PSE&G's then-existing Gas System Modernization Program ("GSMP I"), which was approved by the Board in accordance with an Order dated November 16, 2015.²

7. On April 18, 2018, the parties in the GSMP II matter executed a stipulation resolving all the issues in the GSMP II proceeding ("GSMP II Stipulation"), and on May 22, 2018, the Board issued a decision and order approving the GSMP II Stipulation and adopting the GSMP II Stipulation in its entirety.³

8. Paragraph 13 of the GSMP II Stipulation provides, in relevant part, "The [GSMP II] Program will be implemented over a five (5) year term, commencing on January 1, 2019, and ending December 31, 2023, except as provided herein."⁴

9. Paragraph 14 of the GSMP II Stipulation provides, in relevant part, "The Company will have the option of seeking Board approval to extend the Program beyond the term provided above. Any such extension proposal shall be supported by the results of activities from the first three and one-half years under this Program."⁵

² *In re the Public Service Electric and Gas Company for Approval of a Gas System Modernization Program and Associated Cost Recovery Mechanism*, BPU Docket No. GR15030272 (Order dated November 16, 2015).

³ *In re the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism* ("GSMP II"), BPU Docket No. GR17070776 (Order dated May 22, 2018) ("GSMP II Order").

⁴ *Id.* at GSMP II Stipulation ¶ 13.

⁵ *Id.* at GSMP II Stipulation ¶ 14.

10. On February 15, 2023, New Jersey Governor, Philip J. Murphy, issued Executive Order 317 (“EO317”)⁶. EO317 ordered the BPU to initiate a formal stakeholder process regarding the development of natural gas utility plans that reduce emissions from the natural gas sector to levels that are consistent with achieving the State’s 50 percent reduction in greenhouse gas emissions below 2006 levels by 2030, as directed in Executive Order No. 274 (2021).⁷ EO317 further ordered the BPU to issue a report no later than 18 months from the date of EO317 summarizing the findings of the proceeding and will provide recommendations to address issues raised in the proceeding, while advancing the goal of reducing greenhouse gas emissions and keeping costs to ratepayers in check. EO317 states that the New Jersey 2019 Energy Master Plan “identified electrification as a significantly more cost-effective means of meeting emissions targets than switching to carbon-neutral fuels.”

11. On March 1, 2023, PSE&G filed a petition with the Board seeking approval to implement and administer the next phase of its Gas System Modernization Program and associated cost recovery for a three (3)-year period as an extension of GSMP II (“GSMP III Petition”).⁸ In the GSMP III Petition, PSE&G proposed to invest a total of \$2.54 billion, which included the replacement of 1,140 miles of leak-prone gas main, a hydrogen blending project, and a Renewable Natural Gas (“RNG”) project.

⁶ Governor Murphy, Executive Order 317 at p2 (Feb. 15, 2023), available at <https://nj.gov/infobank/eo/056murphy/pdf/EO-317.pdf>.

⁷ Governor Murphy, Executive Order 274 at p2 (Nov. 10, 2021), available at <https://nj.gov/infobank/eo/056murphy/pdf/EO-274.pdf>

⁸ *In re the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Mechanism* (“GSMP III”), BPU Docket No. GR23030102 (March 1, 2023).

12. By Order dated April 12, 2023, the Board determined that the GSMP III Petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, designated Commissioner Zenon Christodoulou as the presiding officer authorized to rule on all motions that arise during the pendency of the proceedings and modify any schedules.⁹ On June 27, 2023, Commissioner Christodoulou issued an Order ruling on the motions to intervene and/or participate.¹⁰

13. Following proper notice, two (2) virtual public hearings were held on July 31, 2023. The public hearings were well attended by the public, the parties, and municipal officials.

14. In light of the current stakeholder process to implement EO317 (BPU Docket No. GO23020099), the Board approved a Stipulation to hold the GSMP III matter in abeyance while approving a two-year extension of GSMP II—commencing on January 1, 2024—for the replacement of a minimum of 400 miles of PSE&G’s Utilization Pressure Cast Iron (“UPCI”) mains (and associated services) and/or Unprotected Steel mains (and associated services), with a maximum accelerated investment of \$752 million (“GSMP II Extension Stipulation”).

15. The GSMP II Extension Stipulation also requires that the Company make certain investments not eligible for accelerated recovery (Stipulated Base), as well as for investments to maintain baseline capital expenditures.

⁹ *GSMP III*, Order Designating Commissioner and Setting Manner of Service and Bar Date, BPU Docket No. GR23030102, Order dated April 12, 2023 (“April 2023 Order”).

¹⁰ In re the Implementation of Executive Order 317 Requiring the Development of Natural Gas Utility Plans, BPU Docket No. GO23020099, Order dated March 6, 2023.

16. The Company is required to spend at least \$150.4 million during the two-year Program, with no less than \$20 million expended in each calendar year on certain capital projects not eligible for accelerated rate recovery. These Stipulated Base expenditures can include all work approved for accelerated recovery in addition to: costs required to uprate the UPCI systems (including the uprating of associated protected steel and plastic mains and associated services) to higher pressures; costs associated with the installation of excess flow valves and, the elimination of district regulators, where applicable; costs incurred to replace elevated pressure cast iron ("EPCI") mains; reinforce EPCI joints; replace plastic and cathodically protected steel main; relocate inside meter sets associated with GSMP II Rate Mechanism work or Stipulated Base main replacements to outdoor location and install excess flow valves associated with the Stipulated Base expenditures.

17. Additionally, the GSMP II Extension Stipulation requires that the O&M savings from leak reductions, associated with the Program, must flow back to customers at the same rate per mile of the main replaced as provided in Paragraph 33(a) of the GSMP II Stipulation. To flow these savings to customers, an O&M expense reduction of \$3,771/mile will be incorporated to each rate adjustment based upon the miles of main in service related to each rate roll-in.

18. The Company also agreed to conduct leak detection surveying as discussed in Paragraph 23 of the GSMP II Extension Stipulation. Because these leak detection surveying expenses were incurred in 2023-2024 upon Program approval, the Company deferred these expenses. The total deferred expense will be amortized over a two (2)-year period and the annual amortization amount will be included in the next rate roll-in revenue requirement following the

completion of the amortization of the costs of the leak surveying completed in accordance with Paragraph 24 of the GSMP II Stipulation.

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

REQUEST FOR COST RECOVERY

20. Consistent with the GSMP II Extension Order, PSE&G is seeking BPU approval to recover the revenue requirements associated with certain capitalized investment costs of GSMP II Extension through April 30, 2025. The annualized increase in gas revenue requirement associated with those investment costs is approximately \$53.4 million in revenue and is supported by Attachment 2, Schedule SS-GSMP II Extension-2 attached hereto. The rate adjustment in this filing is for recovery of costs associated with GSMP II Extension Program investment that are anticipated to be placed in service by April 30, 2025. The projected amounts of plant expected to be placed in service through the forecast period, January 1, 2025 through April 30, 2025, will be updated for actual results by May 21, 2025. In addition this rate adjustment includes a pre-tax expense adjustment totaling approximately \$1.1 million of savings (\$0.8 million after-tax) consisting of O&M savings totaling approximately \$1.1 million associated with 302 miles of replaced main as offset by approximately \$10,000 of annual methane mapping amortization expense.

21. As required by the GSMP II Extension Order and Stipulation, the proposed gas rate adjustments are structured consistent with the rate design methodology used to set rates in

the Company's most recent base rate case. The Company has utilized weather normalized annualized billing determinants from the latest approved base rate case. The detailed calculation supporting the gas rate design is shown in Attachment 2, Schedule SS-GSMPII Extension-5.

22. Attachment 1 is the testimony of Craig O. Bartley, Senior Director – Gas Transmission & Distribution Engineering addressing the progress of the GSMP II Extension and the anticipated plant in-service at the end of April 30, 2025. Attachment 2 is the testimony of Stephen Swetz supporting the revenue requirement and rate calculations.

23. The average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-GSMPII Extension-6. The impact of the proposed rates to the typical residential gas heating customer using 172 therms in a winter month and 87 therms in an average month (1,040 therms annually) is an increase in the average monthly bill from \$98.79 to \$100.88 or \$2.09 or approximately 2.12% (based upon Delivery Rates and BGSS-RSG charges in effect as of January 1, 2025, and assuming that the customer receives BGSS service from PSE&G).

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

25. In accordance with the Board's Covid-19 order,^[1] notice of this filing, the Petition, testimony, and schedules will be served upon the Division of Law, Public Utilities Section, R.J. Hughes Justice Complex, 25 Market St. 7th Floor West, PO Box 112, Trenton, NJ 08625 and upon the Director, Division of Rate Counsel, 140 East Front Street 4th Floor, Trenton, N.J. 08625 by electronic mail. Electronic copies of the Petition, testimony, and schedules will also be sent to the persons identified on the service list provided with this filing.

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

27. PSE&G requests the Board find that the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule SS-GSMPII Extension-5, are just and reasonable, and that PSE&G should be authorized to implement the proposed rates as set forth herein, effective August 1, 2025 upon issuance of a written BPU order.

28. 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.

^[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.

COMMUNICATIONS

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

Danielle Lopez, Esq.
Associate Counsel – Regulatory
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark, New Jersey 07102
Danielle.Lopez@pseg.com

Caitlyn White
Regulatory Filings & Systems Supervisor
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark, New Jersey 07102
Caitlyn.White@pseg.com

Maria Barling
Regulatory Case Coordinator
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark, New Jersey 07102
Maria.Barling@pseg.com

Bernard Smalls
Paralegal
PSE&G
80 Park Plaza, T20
P.O. Box 570
Newark, New Jersey 07102
Bernard.Smalls@pseg.com

CONCLUSION AND REQUESTS FOR APPROVAL

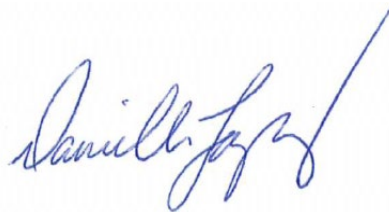
For all the foregoing reasons, PSE&G respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

30. PSE&G is authorized to recover all costs identified herein associated with GSMP II Extension Program costs incurred through April 30, 2025, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and

31. The rates as calculated in the proof of revenue, Attachment 2, Schedule SS-GSMPII Extension-5, are just and reasonable and may be implemented for service rendered on and after August 1, 2025.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



By _____
Danielle Lopez
Associate Counsel - Regulatory
PSE&G
80 Park Plaza, T20
P. O. Box 570
Newark, New Jersey 07102

DATED: February 3, 2025

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


IN THE MATTER OF THE PETITION OF :
PUBLIC SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE NEXT : BPU DOCKET NO. _____
PHASE OF THE GAS SYSTEM MODERNIZATION :
PROGRAM AND ASSOCIATED COST :
RECOVERY MECHANISM (“GSMP II EXTENSION”) :
(FEBRUARY 2025 GSMP II EXTENSION RATE FILING) :

CERTIFICATION

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

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

Dated: February 3, 2025

BY 

David J. Zarra

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

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

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of the Next Phase of the Gas
System Modernization Program and Associated Cost
Recovery Mechanism (“GSMP II Extension”)
(February 2025 GSMP II Extension Rate Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

**Craig O. Bartley
SENIOR DIRECTOR – GAS TRANSMISSION &
DISTRIBUTION ENGINEERING**

February 3, 2025

ATTACHMENT 1

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
2 **DIRECT TESTIMONY**
3 **OF**
4 **CRAIG O. BARTLEY**
5 **DIRECTOR – GAS TRANSMISSION & DISTRIBUTION ENGINEERING**

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

7 A. My name is Craig O. Bartley. I am the Senior Director – Gas Transmission &
8 Distribution Asset Strategy for Public Service Electric and Gas Company (“PSE&G”, “the
9 Company”, or “Petitioner”). I am responsible for gas system planning and reliability as well
10 as the safe and efficient engineering, design, and operating procedures of PSE&G’s gas
11 transmission and distribution assets. I am also responsible for the management of the gas
12 Transmission and Distribution Integrity Management Programs, operation and maintenance of
13 54 metering and regulating stations, four gas plants, and gas control to PSE&G’s gas
14 customers. My credentials are set forth in the attached Schedule COB-GSMPII Extension-1.

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

16 A. This testimony provides information on the status of certain projects and expenditures
17 related to the extension of PSE&G’s Next Phase of the Gas System Modernization Program and
18 Associated Cost Recovery Mechanism (“GSMP II Extension”), which was approved by way of
19 New Jersey Board of Public Utilities (“BPU” or “Board”) Order dated October 11, 2023, in BPU
20 Docket No. GR17070776 (“GSMP II Extension Order”).

1 **OVERVIEW OF GAS SYSTEM MODERNIZATION II EXTENSION PROGRAM**

2 **Q. Please describe the approved extension of the Company’s GSMP II Program.**

3 A. The GSMPII Extension Stipulation (“Stipulation”), approved by way of the GSMP II
4 Extension Order, allows for continued investment in PSE&G’s gas distribution system and the
5 continued use of the accelerated rate recovery mechanism established during the Program’s
6 approval. PSE&G has been authorized to seek accelerated recovery on certain investments up
7 to \$752 million, referred to as “Program Investment”. The Stipulation also requires that the
8 Company make certain investments not eligible for accelerated recovery (“Stipulated Base”),
9 as well maintain baseline capital expenditures.

10 The GSMP II Extension Program commenced on January 1, 2024, and ends on
11 December 31, 2025, with additional time allotted for associated close out work.

12 **Q. Please describe the GSMP II Extension Program Investments eligible for**
13 **accelerated recovery.**

14 A. The GSMP II Extension allows for investment up to \$752 million—representing
15 replacement of a minimum 400 miles of PSE&G’s Utilization Pressure Cast Iron (“UPCI”) mains
16 (and associated services) and/or Unprotected Steel mains (and associated services). The Program
17 also includes the costs required to uprate the UPCI systems (including the uprating of
18 associated protected steel and plastic mains and associated services) to higher pressures; and
19 costs associated with the installation of excess flow valves and, the elimination of district
20 regulators, where applicable. In addition, the GSMP II Extension Stipulation requires that the
21 O&M savings from leak reductions, associated with the Program, must flow back to customers
22 at the same rate per mile of the main replaced as provided in Paragraph 33(a) of the GSMP II

ATTACHMENT 1

1 Stipulation. To flow these savings to customers, an O&M expense reduction of \$3,771/mile
2 will be incorporated in the rate adjustment based upon the miles of main in service related to
3 each rate roll-in as noted in the testimony of Mr. Stephen Swetz (Attachment 2).

4 Lastly, the Company also agreed to conduct leak detection surveying. These leak
5 detection surveying expenses were incurred in 2023-2024 upon Program approval. As such,
6 the Company deferred these expenses.

7 **Q. Is there a cost per mile cap for accelerated recovery in GSMP II Extension?**

8 A. No. Per the GSMP II Extension Order, costs recoverable under the accelerated
9 mechanism are not subject to the \$1.80 million per mile limit for accelerated cost recovery.
10 metric, which was a requirement in the preceding GSMP II Order.

11 **Q. Please describe the Stipulated Base requirement associated with the GSMP II**
12 **Extension.**

13 A. The GSMP II Extension Stipulation requires that the Company make certain
14 investments not eligible for accelerated recovery. The Company is required to spend at least
15 \$150.4 million during the two-year Program, with no less than \$20 million expended in each
16 calendar year on certain capital projects. Stipulated Base expenditures can include all work
17 approved for accelerated recovery in addition to: costs associated with the installation of excess
18 flow valves and, the elimination of district regulators, where applicable; costs incurred to
19 replace elevated pressure cast iron ("EPCI") main, reinforce EPCI joints, replace plastic and
20 cathodically protected steel main, relocate inside meter sets—associated with GSMP II Rate
21 Mechanism work or Stipulated Base main replacements—to outdoor location, and install

ATTACHMENT 1

1 excess flow valves associated with the Stipulated Base expenditures. The Stipulated Base
2 requirement excludes the costs of replacement meters or expenditures related to leak repairs.

3 **Q. Is there also a baseline capital expenditure requirement?**

4 A. Yes. During the term of GSMP II Extension, as pursuant to the GSMP II Extension
5 Order, the Company is required to maintain baseline capital expenditures levels of at least \$225
6 million per year.

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

9 A. Yes. The Company agreed to continue to reduce its year-end open leak inventory each
10 year of the Program's Extension, except under extraordinary circumstances such as extreme
11 weather, acts of war or terrorism, or other force majeure extraordinary circumstances that
12 prevent the achievement of the annual reduction. The cap for the first year of the GSMP II
13 Extension has been set at the 5-year average number of year-end open leaks the Company has
14 experienced from 2019 through 2023. The cap would be reduced by one (1) percent for the
15 second year of the GSMP II Extension.

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

17 A. Yes. The Company agreed to continue to conduct a methane leak survey as described
18 in Paragraph 24 of the GSMP II Stipulation. Considering the two (2)-year term of this GSMP
19 II Extension, the methane leak survey will be conducted over all B grids [10-15 Hazard Index
20 per mile ("HI/mile")]. Any grid exceeding the threshold established based upon the survey
21 data, and in consultation with the Environmental Defense Fund, is anticipated to be replaced

1 in the first year of the GSMP II Extension, up to a maximum of 95 miles of UPCI replacement
2 and report the results in accordance with Attachment D of the GSMP II Order.

3 **GSMP II EXTENSION STATUS UPDATE**

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

6 A. Yes. All aspects of the Program are proceeding well. Through December 31, 2024, the
7 Company has replaced 225 miles of main and a total of 302 miles are expected to be replaced by
8 April 30, 2025. The rate adjustment in this filing is for the recovery of costs associated with gas
9 main replacements anticipated to be completed by April, 30, 2025, but not previously placed in
10 service in any prior rate adjustment. A breakdown of this work on investment proposed to be in
11 rates is provided in the monthly reports provided in Schedule COB-GSMPII Extension-2.

12 The expenditures are listed in Schedule COB-GSMPII Extension-3 and include actual
13 expenditures from January 1, 2024, through December 31, 2024, and a four (4) month forecast of
14 gas capital expenditures from January 1, 2025, through April 30, 2025, for gas main replacements
15 anticipated to be completed by April 30, 2025.

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

17 A. Yes. To address the possibility that PSE&G may experience higher replacements and/or
18 higher expenditures than currently anticipated by April 30, 2025, the four (4) month forecast is
19 inclusive of contingency for this rate filing. Pursuant to the GSMP II Extension Order, PSE&G
20 will update this filing's forecasted financial data with actual results through April 30, 2025,
21 and adjust the rate impacts accordingly, by May 21, 2025.

ATTACHMENT 1

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

2 A. Regarding the Program investments, PSE&G anticipates having a total of 302 miles of
3 main installed and in-service, approximately 16,700 services replaced and in-service and 12
4 district regulators abandoned as of April 30, 2025.

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

6 A. The Company currently expects Stipulated Base expenditures through April 30, 2025, of
7 approximately \$63 million, exceeding the minimum annual required investment of \$20 million
8 for 2024.

9 **Q. Does the Company anticipate meeting the \$225 million baseline expenditure**
10 **requirement?**

11 A. Yes. The Company has invested approximately \$588 million in baseline expenditures
12 during 2024, exceeding the \$225 million annual baseline requirement.

13 **Q. What was the Company's 2024 open leak inventory and resulting 5-year average**
14 **leak inventory for 2019 – 2023?**

15 A. The Company's 2024 open leak inventory was 363. Based on the open leak inventory
16 from 2019 – 2023 as specified in paragraph 26 of the Stipulation approved in the GSMP II
17 Extension Order, the 5- year average leak inventory is 807 as set forth in the below chart.

ATTACHMENT 1

Year	Year end Open leaks
2019	1123
2020	965
2021	808
2022	637
2023	501
5- year Average	807

1 **Q. What is the Company’s cap on open leaks for 2024?**

2 A. For 2024, the Company’s cap is set at the average number of year-end leaks the
3 Company has experienced over the prior five (5) calendar years (2019-2023), which is 807.
4 This cap continues to be reduced by at least 1% for 2025.

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

7 A. Yes. The Company conducted the survey in 2023 and 2024 at a total cost of \$20,807,
8 and will submit its report to the BPU on March 1, 2025, as required by Attachment D of the
9 GSMP II Order.

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

11 A. Yes, it does.

ATTACHMENT 1

SCHEDULE INDEX

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

**CREDENTIALS
OF
CRAIG O. BARTLEY
SENIOR DIRECTOR – GAS TRANSMISSION & DISTRIBUTION
ENGINEERING**

My name is Craig O. Bartley. I am the Senior Director – Gas Transmission and Distribution Engineering for Public Service Electric and Gas. I am responsible for ensuring the reliability of PSE&G’s gas transmission and distribution assets and overseeing various functions that support the safe, affordable and reliable delivery of gas service to customers.

EDUCATIONAL BACKGROUND

I received a Bachelor of Science degree in Mechanical Engineering from Rutgers University in 1998. I also earned a Master of Business Administration from University of Phoenix. I am Lean Six Sigma Green Belt certified.

WORK EXPERIENCE

I have more than 26 years of experience in leadership, engineering, operations, financials, business planning and asset management at PSE&G. I held positions at various PSE&G departments such as Gas Distribution, Appliance Service, Marketing, Meter Reading, Field Collections, Call Center, Energy Efficiency and Asset Management.

I was employed by PSE&G in January 1999 as an Engineer in Gas Field Operations providing engineering and supervisory support. I was responsible for ensuring safety, reliability, regulatory compliance and customer satisfaction. I supervised personnel in

1 planning, design, construction, operations and maintenance of gas distribution and
2 appliance service work. I also managed the budgets and work plans.

3 I became a District Manager responsible for safety, employees, customers,
4 regulatory compliance, financials, emergency response, operations and maintenance,
5 replacement and construction of gas facilities as well as appliance service work.

6 I transferred to Customer Operations as the Manager of Meter Reading and Field
7 Collections. I provided leadership for the safety and effectiveness of employees as well as
8 the budget in a field meter reading and collections department at PSE&G.

9 I transferred to PSE&G's call center as the Manager of Process Integration and
10 Work Planning where I oversaw the customer contact process integration and work
11 planning functions, including safety, customer satisfaction, financial forecasting and
12 management, capacity planning, and scheduling.

13 I held the position of Manager of Processes, Operations and Resources responsible
14 for supporting all functions work functions across Gas Operations. I provided guidance to
15 the management team in running the daily operations and ensured regulatory compliance
16 within Gas Operations. I was responsible for the development and management of Gas
17 Operation's work plans and approximately \$1B in financial plans for Capital, O&M and
18 Competitive Services revenue.

1 I was appointed the role of interim Senior Director of Gas Construction responsible
2 for safely executing the 4-year \$1.9 billion Gas System Modernization Program (GSMP)
3 II and Stipulated Base II Program. I provided leadership and guidance to project and
4 construction managers and a department of approximately 360 associates. I oversaw safety,
5 customer satisfaction, project management, field construction, financials, planning,
6 procurement, and controls for the department.

7 I led the implementation of residential, commercial and industrial energy efficiency
8 (EE) programs as the Director of Energy Services in our Renewables and Energy Solutions
9 (RES) department. I was directly responsible for a team management associates
10 implementation contractors, vendors/suppliers and hundreds of third-party contractors. I
11 ensured regulatory compliance as well as financial and business controls.

12 In October 2023, I assumed the role of the Senior Director of Gas Transmission and
13 Distribution Engineering responsible for gas asset management. I am responsible for gas
14 system planning and reliability as well as the safe and efficient engineering, design, and
15 operating procedures of PSE&G's gas transmission and distribution assets. I am also
16 responsible for the management of the gas Transmission and Distribution Integrity
17 Management Programs, operation and maintenance of 54 Metering and Regulating
18 ("M&R") stations, four gas plants, and gas control to PSE&G's gas customers. I am the
19 Committee sponsor for PSE&G's Gas Engineering Committee which is responsible for

1 approval of action items due to regulatory changes and changes to Company technical
2 manuals, the Operator Qualification program, Integrity Management programs, and new
3 technology and materials. I am a member of the Operations Safety Regulatory Action
4 committee and the Engineering committee of the American Gas Association.

March 28, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – JANUARY 2024**

Dear Secretary Golden:

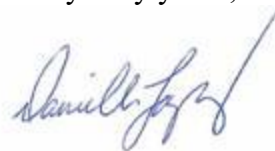
Attached hereto is Public Service Electric and Gas Company's ("PSE&G") monthly report for January 2024 on its Next Phase of the Gas System Modernization Program ("GSMP II").

GSMP II was approved by the New Jersey Board of Public Utilities (the "Board") by Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G executed GSMP II. Subsequently on October 11, 2023, the Board issued an Order adopting a Stipulation to extend GSMP II under the terms and conditions described in the Stipulation ("GSMP II Extension" or the "Program"). This report is being filed pursuant to paragraph 41 of this Stipulation and is designed to address the first four items contained in its Attachment C.

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

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 Division of Rate Counsel. No paper copies will follow.

Very truly yours,

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

Danielle Lopez

cc - E-Mail Only:
Robert Brabston
Stacy Peterson
Ilene Lampitt
Brian Lipman
Karen Forbes
Matko Illic
Maura Caroselli
Loni Diaz
Carol Artale
Pamela Owen

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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

Jan PTD Budget	Jan PTD Actual
\$ 1,388,781	\$ 1,137
\$ 232,918	\$ -
\$ -	\$ -
\$ 1,621,699	\$ 1,137

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

Jan PTD Budget	Jan PTD Actual
\$ 255,805	\$ -
\$ 105,754	\$ -
\$ -	\$ -
\$ 46,246	\$ -
\$ 407,805	\$ -

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

Expenditures Incurred To Date GSMP II Ext. Projects	Jan PTD Actual Internal Labor \$	Jan PTD Actual Material \$	Jan PTD Actual Other \$	Jan PTD Actual Total \$
Replacement Main	\$ 807	\$ -	\$ 330	\$ 1,137
Replacement Service	\$ -	\$ -	\$ -	\$ -
Regulator Elimination	\$ -	\$ -	\$ -	\$ -
Total	\$ 807	\$ -	\$ 330	\$ 1,137
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	12			
Internal Labor - Overtime Hours	-			

Amount to Plant In-Service
\$ 1,137
\$ -
\$ -
\$ 1,137

Expenditures Incurred To Date Stipulated Base II Ext. Projects	Jan PTD Actual Internal Labor \$	Jan PTD Actual Material \$	Jan PTD Actual Other \$	Jan PTD Actual Total \$
Replacement Main	\$ -	\$ -	\$ -	\$ -
Replacement Service	\$ -	\$ -	\$ -	\$ -
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	-			
Internal Labor - Overtime Hours	-			

Amount to Plant In-Service
\$ -
\$ -
\$ -
\$ -
\$ -

April 30, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – FEBRUARY 2024**

Dear Secretary Golden:

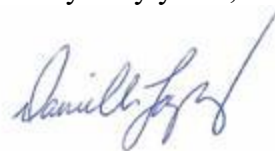
Attached hereto is Public Service Electric and Gas Company's ("PSE&G") monthly report for February 2024 on its Next Phase of the Gas System Modernization Program ("GSMP II").

GSMP II was approved by the New Jersey Board of Public Utilities (the "Board") by Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G executed GSMP II. Subsequently on October 11, 2023, the Board issued an Order adopting a Stipulation to extend GSMP II under the terms and conditions described in the Stipulation ("GSMP II Extension" or the "Program"). This report is being filed pursuant to paragraph 41 of this Stipulation and is designed to address the first four items contained in its Attachment C.

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

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 Division of Rate Counsel. No paper copies will follow.

Very truly yours,



Danielle Lopez

cc - E-Mail Only:
Robert Brabston
Stacy Peterson
Ilene Lampitt
Brian Lipman
Karen Forbes
Matko Illic
Maura Caroselli
Loni Diaz
Carol Artale
Pamela Owen

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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

February PTD Budget	February PTD Actual
\$ 2,883,563	\$ 614,071
\$ 310,310	\$ -
\$ 7,191	\$ -
\$ 3,201,064	\$ 614,071

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

February PTD Budget	February PTD Actual
\$ 505,395	\$ -
\$ 203,053	\$ -
\$ -	\$ -
\$ 86,360	\$ -
\$ 794,808	\$ -

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

Expenditures Incurred To Date GSMP II Ext. Projects	February PTD Actual Internal Labor \$	February PTD Actual Material \$	February PTD Actual Other \$	February PTD Actual Total \$
Replacement Main	\$ 16,026	\$ -	\$ 598,046	\$ 614,071
Replacement Service	\$ -	\$ -	\$ -	\$ -
Regulator Elimination	\$ -	\$ -	\$ -	\$ -
Total	\$ 16,026	\$ -	\$ 598,046	\$ 614,071
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	133			
Internal Labor - Overtime Hours	61			

Amount to Plant In-Service
\$ 614,071
\$ -
\$ -
\$ 614,071

Expenditures Incurred To Date Stipulated Base II Ext. Projects	February PTD Actual Internal Labor \$	February PTD Actual Material \$	February PTD Actual Other \$	February PTD Actual Total \$
Replacement Main	\$ -	\$ -	\$ -	\$ -
Replacement Service	\$ -	\$ -	\$ -	\$ -
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	-			
Internal Labor - Overtime Hours	-			

Amount to Plant In-Service
\$ -
\$ -
\$ -
\$ -
\$ -

May 21, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – MARCH 2024**

Dear Secretary Golden:

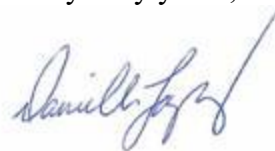
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Very truly yours,

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Danielle Lopez

cc - E-Mail Only:
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**PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT**

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GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

March PTD Budget	March PTD Actual
\$ 4,288,164	\$ 4,402,032
\$ 549,773	\$ 375,288
\$ 7,191	\$ -
\$ 4,845,128	\$ 4,777,320

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

March PTD Budget	March PTD Actual
\$ 808,959	\$ 5,452
\$ 309,853	\$ -
\$ -	\$ -
\$ -	\$ -
\$ 1,118,812	\$ 5,452

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

Expenditures Incurred To Date GSMP II Ext. Projects	March PTD Actual Internal Labor \$	March PTD Actual Material \$	March PTD Actual Other \$	March PTD Actual Total \$
Replacement Main	\$ 598,617	\$ 188,287	\$ 3,615,128	\$ 4,402,032
Replacement Service	\$ 132,053	\$ -	\$ 243,235	\$ 375,288
Regulator Elimination	\$ -	\$ -	\$ -	\$ -
Total	\$ 730,670	\$ 188,287	\$ 3,858,363	\$ 4,777,320
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	5,560			
Internal Labor - Overtime Hours	1,923			

Amount to Plant In-Service
\$ 4,402,032
\$ 375,288
\$ -
\$ 4,777,320

Expenditures Incurred To Date Stipulated Base II Ext. Projects	March PTD Actual Internal Labor \$	March PTD Actual Material \$	March PTD Actual Other \$	March PTD Actual Total \$
Replacement Main	\$ -	\$ -	\$ 5,452	\$ 5,452
Replacement Service	\$ -	\$ -	\$ -	\$ -
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ 5,452	\$ 5,452
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	-			
Internal Labor - Overtime Hours	-			

Amount to Plant In-Service
\$ 5,452
\$ -
\$ -
\$ -
\$ 5,452

June 27, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – APRIL 2024**

Dear Secretary Golden:

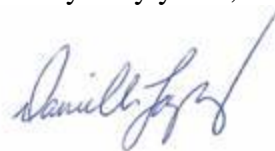
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Danielle Lopez

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

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Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

April PTD Budget	April PTD Actual
\$ 8,238,322	\$ 15,119,235
\$ 1,922,534	\$ 1,810,670
\$ -	\$ 406,149
\$ 10,160,856	\$ 17,336,054

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

April PTD Budget	April PTD Actual
\$ 1,186,429	\$ 41,249
\$ 435,521	\$ 2,880
\$ -	\$ -
\$ -	\$ -
\$ 1,621,950	\$ 44,128

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

Expenditures Incurred To Date GSMP II Ext. Projects	April PTD Actual Internal Labor \$	April PTD Actual Material \$	April PTD Actual Other \$	April PTD Actual Total \$
Replacement Main	\$ 1,403,433	\$ 796,850	\$ 12,918,952	\$ 15,119,235
Replacement Service	\$ 352,943	\$ 7,224	\$ 1,450,503	\$ 1,810,670
Regulator Elimination	\$ 4,363	\$ 269,670	\$ 132,116	\$ 406,149
Total	\$ 1,760,739	\$ 1,073,744	\$ 14,501,571	\$ 17,336,054
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	13,712			
Internal Labor - Overtime Hours	5,399			

Amount to Plant In-Service
\$ 15,047,349
\$ 1,810,670
\$ 406,149
\$ 17,264,168

Expenditures Incurred To Date Stipulated Base II Ext. Projects	April PTD Actual Internal Labor \$	April PTD Actual Material \$	April PTD Actual Other \$	April PTD Actual Total \$
Replacement Main	\$ 19,355	\$ -	\$ 21,893	\$ 41,249
Replacement Service	\$ 1,604	\$ -	\$ 1,276	\$ 2,880
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ -	\$ -	\$ -	\$ -
Total	\$ 20,959	\$ -	\$ 23,169	\$ 44,128
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	184			
Internal Labor - Overtime Hours	104			

Amount to Plant In-Service
\$ 41,249
\$ 2,880
\$ -
\$ -
\$ 44,128

July 23, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – MAY 2024**

Dear Secretary Golden:

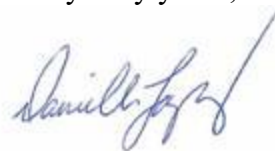
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GSMP II was approved by the New Jersey Board of Public Utilities (the "Board") by Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G executed GSMP II. Subsequently on October 11, 2023, the Board issued an Order adopting a Stipulation to extend GSMP II under the terms and conditions described in the Stipulation ("GSMP II Extension" or the "Program"). This report is being filed pursuant to paragraph 41 of this Stipulation and is designed to address the first four items contained in its Attachment C.

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Very truly yours,



Danielle Lopez

cc - E-Mail Only:

Robert Brabston

Stacy Peterson

Ilene Lampitt

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Maura Caroselli

Loni Diaz

Carol Artale

Pamela Owen

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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main \$	\$ 599,808,000
Replacement Service \$	\$ 148,895,294
Regulator Elimination \$	\$ 3,296,705
Total	\$ 752,000,000

May PTD Budget	May PTD Actual
\$ 18,519,082	\$ 22,809,682
\$ 4,920,968	\$ 7,144,869
\$ 17,083	\$ 466,897
\$ 23,457,133	\$ 30,421,448

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main \$	\$ 108,500,000
Replacement Service \$	\$ 24,933,000
Large Diameter HP Joints \$	-
GSMP Meter Reconstruction \$	\$ 16,967,000
Total	\$ 150,400,000

May PTD Budget	May PTD Actual
\$ 1,986,055	\$ 309,830
\$ 727,178	\$ 13,260
\$ -	\$ -
\$ 221,644	\$ -
\$ 2,934,877	\$ 323,089

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

Expenditures Incurred To Date GSMP II Ext. Projects	May PTD Actual Internal Labor \$	May PTD Actual Material \$	May PTD Actual Other \$	May PTD Actual Total \$
Replacement Main	\$ 2,560,972	\$ 1,184,402	\$ 19,064,308	\$ 22,809,682
Replacement Service	\$ 1,094,921	\$ 14,964	\$ 6,034,983	\$ 7,144,869
Regulator Elimination	\$ 18,977	\$ 269,670	\$ 197,227	\$ 466,897
Total	\$ 3,674,871	\$ 1,469,036	\$ 25,296,518	\$ 30,421,448
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	31,483			
Internal Labor - Overtime Hours	12,355			

Amount to Plant In-Service
\$ 22,498,561
\$ 7,139,704
\$ 462,979
\$ 30,101,244

Expenditures Incurred To Date Stipulated Base II Ext. Projects	May PTD Actual Internal Labor \$	May PTD Actual Material \$	May PTD Actual Other \$	May PTD Actual Total \$
Replacement Main	\$ 85,155	\$ -	\$ 224,674	\$ 309,830
Replacement Service	\$ 7,555	\$ -	\$ 5,705	\$ 13,260
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ -	\$ -	\$ -	\$ -
Total	\$ 92,710	\$ -	\$ 230,379	\$ 323,089
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	920			
Internal Labor - Overtime Hours	433			

Amount to Plant In-Service
\$ 178,706
\$ 13,260
\$ -
\$ -
\$ 191,965

August 27, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – JUNE 2024**

Dear Secretary Golden:

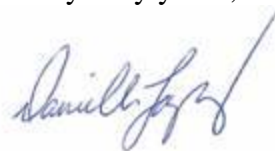
Attached hereto is Public Service Electric and Gas Company's ("PSE&G") monthly report for June 2024 on its Next Phase of the Gas System Modernization Program ("GSMP II").

GSMP II was approved by the New Jersey Board of Public Utilities (the "Board") by Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G executed GSMP II. Subsequently on October 11, 2023, the Board issued an Order adopting a Stipulation to extend GSMP II under the terms and conditions described in the Stipulation ("GSMP II Extension" or the "Program"). This report is being filed pursuant to paragraph 41 of this Stipulation and is designed to address the first four items contained in its Attachment C.

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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 Division of Rate Counsel. No paper copies will follow.

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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

June PTD Budget	June PTD Actual
\$ 33,890,855	\$ 37,196,962
\$ 8,602,557	\$ 11,984,930
\$ 74,147	\$ 487,843
\$ 42,567,559	\$ 49,669,735

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

June PTD Budget	June PTD Actual
\$ 4,169,130	\$ 1,442,693
\$ 1,288,312	\$ 47,096
\$ -	\$ -
\$ -	\$ 1,825
\$ 5,457,442	\$ 1,491,614

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

Expenditures Incurred To Date GSMP II Ext. Projects	June PTD Actual Internal Labor \$	June PTD Actual Material \$	June PTD Actual Other \$	June PTD Actual Total \$
Replacement Main	\$ 4,585,682	\$ 2,105,374	\$ 30,505,906	\$ 37,196,962
Replacement Service	\$ 2,140,359	\$ 461,409	\$ 9,383,162	\$ 11,984,930
Regulator Elimination	\$ 23,763	\$ 279,477	\$ 184,604	\$ 487,843
Total	\$ 6,749,804	\$ 2,846,260	\$ 40,073,672	\$ 49,669,735
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	59,738			
Internal Labor - Overtime Hours	22,100			

Amount to Plant In-Service
\$ 36,188,004
\$ 11,970,426
\$ 480,217
\$ 48,638,648

Expenditures Incurred To Date Stipulated Base II Ext. Projects	June PTD Actual Internal Labor \$	June PTD Actual Material \$	June PTD Actual Other \$	June PTD Actual Total \$
Replacement Main	\$ 197,423	\$ 34,584	\$ 1,210,687	\$ 1,442,693
Replacement Service	\$ 12,742	\$ -	\$ 34,354	\$ 47,096
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 1,669	\$ -	\$ 156	\$ 1,825
Total	\$ 211,834	\$ 34,584	\$ 1,245,196	\$ 1,491,614
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	1,830			
Internal Labor - Overtime Hours	977			

Amount to Plant In-Service
\$ 1,294,220
\$ 47,096
\$ -
\$ 1,825
\$ 1,343,141

October 2, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – JULY 2024**

Dear Secretary Golden:

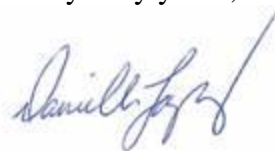
Attached hereto is Public Service Electric and Gas Company's ("PSE&G") monthly report for July 2024 on its Next Phase of the Gas System Modernization Program ("GSMP II").

GSMP II was approved by the New Jersey Board of Public Utilities (the "Board") by Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G executed GSMP II. Subsequently on October 11, 2023, the Board issued an Order adopting a Stipulation to extend GSMP II under the terms and conditions described in the Stipulation ("GSMP II Extension" or the "Program"). This report is being filed pursuant to paragraph 41 of this Stipulation and is designed to address the first four items contained in its Attachment C.

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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 Division of Rate Counsel. No paper copies will follow.

Very truly yours,



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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

July PTD Budget	July PTD Actual
\$ 66,990,088	\$ 57,500,977
\$ 16,796,179	\$ 17,786,836
\$ 156,694	\$ 811,608
\$ 83,942,961	\$ 76,099,421

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

July PTD Budget	July PTD Actual
\$ 7,413,531	\$ 3,191,408
\$ 2,246,416	\$ 279,880
\$ -	\$ -
\$ -	\$ 16,610
\$ 9,659,947	\$ 3,487,897

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

Expenditures Incurred To Date GSMP II Ext. Projects	July PTD Actual Internal Labor \$	July PTD Actual Material \$	July PTD Actual Other \$	July PTD Actual Total \$
Replacement Main	\$ 8,182,452	\$ 3,389,453	\$ 45,929,072	\$ 57,500,977
Replacement Service	\$ 3,581,108	\$ 713,735	\$ 13,491,993	\$ 17,786,836
Regulator Elimination	\$ 81,380	\$ 327,264	\$ 402,964	\$ 811,608
Total	\$ 11,844,941	\$ 4,430,452	\$ 59,824,029	\$ 76,099,421
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	108,930			
Internal Labor - Overtime Hours	36,663			

Amount to Plant In-Service
\$ 55,835,582
\$ 17,771,144
\$ 778,420
\$ 74,385,146

Expenditures Incurred To Date Stipulated Base II Ext. Projects	July PTD Actual Internal Labor \$	July PTD Actual Material \$	July PTD Actual Other \$	July PTD Actual Total \$
Replacement Main	\$ 405,089	\$ 113,564	\$ 2,672,754	\$ 3,191,408
Replacement Service	\$ 57,967	\$ -	\$ 221,913	\$ 279,880
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 10,632	\$ -	\$ 5,978	\$ 16,610
Total	\$ 473,688	\$ 113,564	\$ 2,900,645	\$ 3,487,897
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	4,162			
Internal Labor - Overtime Hours	1,953			

Amount to Plant In-Service
\$ 3,018,478
\$ 279,880
\$ -
\$ 16,610
\$ 3,314,968

October 28, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – AUGUST 2024**

Dear Secretary Golden:

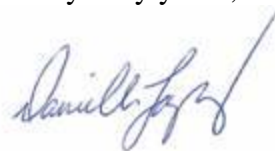
Attached hereto is Public Service Electric and Gas Company's ("PSE&G") monthly report for August 2024 on its Next Phase of the Gas System Modernization Program ("GSMP II").

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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

August PTD Budget	August PTD Actual
\$ 105,861,171	\$ 94,658,948
\$ 26,604,701	\$ 25,432,640
\$ 242,823	\$ 946,503
\$ 132,708,695	\$ 121,038,091

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

August PTD Budget	August PTD Actual
\$ 10,690,975	\$ 8,984,528
\$ 3,323,837	\$ 1,081,514
\$ -	\$ -
\$ 557,490	\$ 680,743
\$ 14,572,302	\$ 10,746,785

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

Expenditures Incurred To Date GSMP II Ext. Projects	August PTD Actual Internal Labor \$	August PTD Actual Material \$	August PTD Actual Other \$	August PTD Actual Total \$
Replacement Main	\$ 13,571,166	\$ 6,166,207	\$ 74,921,576	\$ 94,658,948
Replacement Service	\$ 5,243,073	\$ 1,027,130	\$ 19,162,436	\$ 25,432,640
Regulator Elimination	\$ 135,699	\$ 338,235	\$ 472,569	\$ 946,503
Total	\$ 18,949,938	\$ 7,531,572	\$ 94,556,581	\$ 121,038,091
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	171,712			
Internal Labor - Overtime Hours	60,989			

Amount to Plant In-Service
\$ 92,246,431
\$ 25,416,948
\$ 884,697
\$ 118,548,075

Expenditures Incurred To Date Stipulated Base II Ext. Projects	August PTD Actual Internal Labor \$	August PTD Actual Material \$	August PTD Actual Other \$	August PTD Actual Total \$
Replacement Main	\$ 976,695	\$ 547,539	\$ 7,460,294	\$ 8,984,528
Replacement Service	\$ 150,713	\$ 28,160	\$ 902,642	\$ 1,081,514
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 275,025	\$ -	\$ 405,718	\$ 680,743
Total	\$ 1,402,433	\$ 575,699	\$ 8,768,653	\$ 10,746,785
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	4,161			
Internal Labor - Overtime Hours	4,843			

Amount to Plant In-Service
\$ 8,259,590
\$ 1,081,514
\$ -
\$ 680,743
\$ 10,021,847

December 11, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
("GSMP II EXTENSION") MONTHLY REPORT – SEPTEMBER 2024**

Dear Secretary Golden:

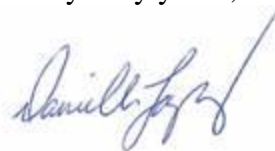
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**PSE&G - GAS SYSTEM MODERNIZATION PROGRAM
ATTACHMENT C - MONTHLY REPORT**

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GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

September PTD Budget	September PTD Actual
\$ 144,377,197	\$ 142,905,448
\$ 36,368,272	\$ 36,018,248
\$ 730,725	\$ 1,101,162
\$ 181,476,194	\$ 180,024,858

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

September PTD Budget	September PTD Actual
\$ 14,828,604	\$ 13,846,297
\$ 4,592,650	\$ 1,663,571
\$ -	\$ -
\$ 696,873	\$ 1,605,201
\$ 20,118,127	\$ 17,115,068

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

Expenditures Incurred To Date GSMP II Ext. Projects	September PTD Actual Internal Labor \$	September PTD Actual Material \$	September PTD Actual Other \$	September PTD Actual Total \$
Replacement Main	\$ 21,199,062	\$ 10,787,417	\$ 110,918,969	\$ 142,905,448
Replacement Service	\$ 7,511,897	\$ 1,585,249	\$ 26,921,102	\$ 36,018,248
Regulator Elimination	\$ 158,700	\$ 344,776	\$ 597,685	\$ 1,101,162
Total	\$ 28,869,659	\$ 12,717,442	\$ 138,437,757	\$ 180,024,858
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	258,429			
Internal Labor - Overtime Hours	93,290			

Amount to Plant In-Service
\$ 139,320,828
\$ 36,000,753
\$ 1,005,831
\$ 176,327,412

Expenditures Incurred To Date Stipulated Base II Ext. Projects	September PTD Actual Internal Labor \$	September PTD Actual Material \$	September PTD Actual Other \$	September PTD Actual Total \$
Replacement Main	\$ 1,641,114	\$ 835,131	\$ 11,370,052	\$ 13,846,297
Replacement Service	\$ 214,863	\$ 36,871	\$ 1,411,836	\$ 1,663,571
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 657,372	\$ -	\$ 947,829	\$ 1,605,201
Total	\$ 2,513,349	\$ 872,002	\$ 13,729,718	\$ 17,115,068
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	4,161			
Internal Labor - Overtime Hours	8,526			

Amount to Plant In-Service
\$ 12,343,655
\$ 1,662,411
\$ -
\$ 1,601,250
\$ 15,607,316

December 30, 2024

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
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Dear Secretary Golden:

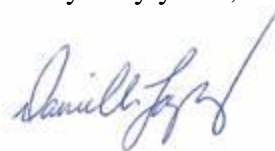
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Pamela Owen

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

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

GSMP II Extension Major Project Categories	Overall Approved Program	October PTD Budget	October PTD Actual
Replacement Main \$	\$ 599,808,000	\$ 177,607,636	\$ 196,537,808
Replacement Service \$	\$ 148,895,294	\$ 44,053,954	\$ 46,749,595
Regulator Elimination \$	\$ 3,296,705	\$ 462,123	\$ 1,156,037
Total	\$ 752,000,000	\$ 222,123,713	\$ 244,443,440

Stipulated Base II Major Project Categories	Overall Approved Program	October PTD Budget	October PTD Actual
Replacement Main \$	\$ 108,500,000	\$ 19,900,674	\$ 22,576,448
Replacement Service \$	\$ 24,933,000	\$ 6,024,020	\$ 2,359,563
Large Diameter HP Joints \$	\$ -	\$ -	\$ -
GSMP Meter Reconstruction \$	\$ 16,967,000	\$ 742,193	\$ 2,256,214
Total	\$ 150,400,000	\$ 26,666,887	\$ 27,192,225

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

Expenditures Incurred To Date GSMP II Ext. Projects	October PTD Actual Internal Labor \$	October PTD Actual Material \$	October PTD Actual Other \$	October PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 28,773,528	\$ 14,952,222	\$ 152,812,058	\$ 196,537,808	\$ 191,755,065
Replacement Service	\$ 9,687,960	\$ 2,161,395	\$ 34,900,239	\$ 46,749,595	\$ 46,728,200
Regulator Elimination	\$ 180,148	\$ 349,548	\$ 626,341	\$ 1,156,037	\$ 1,036,162
Total	\$ 38,641,637	\$ 17,463,166	\$ 188,338,638	\$ 244,443,440	\$ 239,519,428
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	345,727				
Internal Labor - Overtime Hours	128,877				

Expenditures Incurred To Date Stipulated Base II Ext. Projects	October PTD Actual Internal Labor \$	October PTD Actual Material \$	October PTD Actual Other \$	October PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 2,038,444	\$ 1,054,284	\$ 19,483,720	\$ 22,576,448	\$ 20,753,192
Replacement Service	\$ 312,629	\$ 36,871	\$ 2,010,063	\$ 2,359,563	\$ 2,358,403
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 907,597	\$ 1,791	\$ 1,346,826	\$ 2,256,214	\$ 2,252,263
Total	\$ 3,258,671	\$ 1,092,946	\$ 22,840,608	\$ 27,192,225	\$ 25,363,859
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	10,693				
Internal Labor - Overtime Hours	11,375				



January 24, 2025

VIA ELECTRONIC MAIL ONLY

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION
PROGRAM (“GSMP II EXTENSION”) MONTHLY REPORT – NOVEMBER
2024**

Dear Secretary Golden:

Attached hereto is Public Service Electric and Gas Company’s (“PSE&G”) monthly report for November 2024 on its Next Phase of the Gas System Modernization Program (“GSMP II”).

GSMP II was approved by the New Jersey Board of Public Utilities (the “Board”) by Order dated May 22, 2018 in BPU Docket No. GR17070776. That Order adopted a Stipulation pursuant to which PSE&G executed GSMP II. Subsequently on October 11, 2023, the Board issued an Order adopting a Stipulation to extend GSMP II under the terms and conditions described in the Stipulation (“GSMP II Extension” or the “Program”). This report is being filed pursuant to paragraph 41 of this Stipulation and is designed to address the first four items contained in its Attachment C.

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

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 Division of Rate Counsel. No paper copies will follow.

Very truly yours,

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

Danielle Lopez

cc - E-Mail Only:

Robert Brabston

Stacy Peterson

Ilene Lampitt

Brian Lipman

Karen Forbes

Matko Illic

Maura Caroselli

Loni Diaz

Carol Artale

Pamela Owen

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

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

GSMP II Extension Major Project Categories	Overall Approved Program
Replacement Main	\$ 599,808,000
Replacement Service	\$ 148,895,294
Regulator Elimination	\$ 3,296,705
Total	\$ 752,000,000

November PTD Budget	November PTD Actual
\$ 216,389,243	\$ 245,729,886
\$ 53,412,270	\$ 56,461,530
\$ 573,300	\$ 990,958
\$ 270,374,813	\$ 303,182,374

Stipulated Base II Major Project Categories	Overall Approved Program
Replacement Main	\$ 108,500,000
Replacement Service	\$ 24,933,000
Large Diameter HP Joints	\$ -
GSMP Meter Reconstruction	\$ 16,967,000
Total	\$ 150,400,000

November PTD Budget	November PTD Actual
\$ 24,329,625	\$ 24,136,921
\$ 7,375,612	\$ 2,703,839
\$ -	\$ -
\$ 870,772	\$ 4,456,605
\$ 32,576,009	\$ 31,297,364

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

Expenditures Incurred To Date GSMP II Ext. Projects	November PTD Actual Internal Labor \$	November PTD Actual Material \$	November PTD Actual Other \$	November PTD Actual Total \$
Replacement Main	\$ 34,496,376	\$ 17,757,385	\$ 193,476,125	\$ 245,729,886
Replacement Service	\$ 11,256,034	\$ 2,466,416	\$ 42,739,080	\$ 56,461,530
Regulator Elimination	\$ 191,229	\$ 79,878	\$ 719,851	\$ 990,958
Total	\$ 45,943,640	\$ 20,303,679	\$ 236,935,055	\$ 303,182,374
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	413,346			
Internal Labor - Overtime Hours	149,398			

Amount to Plant In-Service
\$ 239,779,985
\$ 56,440,135
\$ 805,356
\$ 297,025,476

Expenditures Incurred To Date Stipulated Base II Ext. Projects	November PTD Actual Internal Labor \$	November PTD Actual Material \$	November PTD Actual Other \$	November PTD Actual Total \$
Replacement Main	\$ 2,213,621	\$ 1,082,039	\$ 20,841,260	\$ 24,136,921
Replacement Service	\$ 327,763	\$ 36,871	\$ 2,339,205	\$ 2,703,839
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 2,604,948	\$ 2,312	\$ 1,849,346	\$ 4,456,605
Total	\$ 5,146,331	\$ 1,121,222	\$ 25,029,811	\$ 31,297,364
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	25,535			
Internal Labor - Overtime Hours	18,819			

Amount to Plant In-Service
\$ 22,240,205
\$ 2,702,679
\$ -
\$ 4,456,605
\$ 29,399,489

PSE&G Gas System Modernization II Extension Program (GSMP II Extension)
Capital Expenditures

Attach 1 Schedule COB-GSMP II Ext-3

Roll-In	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	Program Total	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Total	
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025			
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25						
Miles of Main Replaced	-	-	0.8	14.7	12.0	19.8	23.1	26.5	37.9	49.0	28.0	13.7	18.0	19.0	20.0	20.0					302	
<u>GSMP II Extension - Total Program</u>																						
Direct Install	\$1,987	\$612,083	\$4,163,249	\$12,485,961	\$12,832,960	\$18,527,646	\$25,735,110	\$44,151,677	\$57,763,112	\$63,173,670	\$57,491,242	\$37,070,571	\$44,592,705	\$44,549,516	\$44,449,727	\$45,619,516					\$513,220,731	
COR (less Salvage)	\$0	\$0	\$0	\$72,771	\$252,433	\$720,642	\$694,577	\$786,992	\$1,223,655	\$1,244,912	\$1,247,692	\$413,972	\$884,641	\$994,541	\$1,105,113	\$1,182,653					\$10,824,596	
Total	\$1,987	\$612,083	\$4,163,249	\$12,558,733	\$13,085,393	\$19,248,288	\$26,429,687	\$44,938,669	\$58,986,766	\$64,418,582	\$58,738,934	\$37,484,543	\$45,477,346	\$45,544,056	\$45,554,841	\$46,802,169					\$524,045,327	
<u>GSMP II Extension - Mains</u>																						
Direct Install	\$1,987	\$604,129	\$3,612,918	\$10,468,131	\$7,188,684	\$12,530,818	\$18,035,254	\$33,901,685	\$42,022,604	\$48,649,919	\$44,386,587	\$26,633,348	\$31,320,836	\$31,061,760	\$31,524,330	\$32,042,386					\$373,985,375	
COR (less Salvage)	\$0	\$0	\$0	\$72,771	\$243,146	\$707,274	\$667,351	\$758,079	\$1,187,688	\$1,215,822	\$1,181,425	\$345,483	\$816,469	\$907,188	\$997,906	\$1,088,625					\$10,189,226	
Total	\$1,987	\$604,129	\$3,612,918	\$10,540,902	\$7,431,829	\$13,238,091	\$18,702,605	\$34,659,765	\$43,210,292	\$49,865,740	\$45,568,012	\$26,978,831	\$32,137,305	\$31,968,948	\$32,522,236	\$33,131,011					\$384,174,602	
<u>GSMP II Extension - Services</u>																						
Direct Install	\$0	\$0	\$550,331	\$1,748,160	\$5,644,276	\$5,388,861	\$6,845,942	\$8,850,673	\$12,117,801	\$13,157,372	\$11,861,765	\$9,243,735	\$11,931,883	\$12,183,081	\$11,460,888	\$12,214,480					\$123,199,249	
COR (less Salvage)	\$0	\$0	\$0	\$0	\$9,287	\$13,368	\$27,226	\$28,913	\$35,967	\$29,091	\$66,267	\$68,489	\$68,172	\$87,353	\$107,207	\$94,028					\$635,370	
Total	\$0	\$0	\$550,331	\$1,748,160	\$5,653,563	\$5,402,230	\$6,873,169	\$8,879,586	\$12,153,768	\$13,186,462	\$11,928,032	\$9,312,225	\$12,000,056	\$12,270,434	\$11,568,095	\$12,308,509					\$123,834,619	
<u>GSMP II Extension - Regulators</u>																						
Direct Install	\$0	\$7,954	\$0	\$269,670	\$0	\$607,966	\$853,914	\$1,399,318	\$3,622,707	\$1,366,379	\$1,242,890	\$1,193,488	\$1,339,985	\$1,304,675	\$1,464,510	\$1,362,650					\$16,036,107	
COR (less Salvage)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	
Total	\$0	\$7,954	\$0	\$269,670	\$0	\$607,966	\$853,914	\$1,399,318	\$3,622,707	\$1,366,379	\$1,242,890	\$1,193,488	\$1,339,985	\$1,304,675	\$1,464,510	\$1,362,650					\$16,036,107	
<u>Stipulated Base Spend</u>																						
Direct Install	\$0	\$0	\$5,452	\$38,676	\$147,837	\$1,151,175	\$1,971,827	\$6,706,879	\$5,585,469	\$9,756,542	\$4,035,630	\$1,898,979	\$5,278,268	\$5,362,050	\$6,505,673	\$9,561,412					\$58,005,871	
COR (less Salvage)	\$0	\$0	\$0	\$0	\$131,124	\$17,350	\$24,456	\$552,009	\$782,814	\$320,615	\$69,509	\$712,074	\$712,361	\$649,736	\$496,808	\$442,448					\$4,911,302	
Total	\$0	\$0	\$5,452	\$38,676	\$278,961	\$1,168,525	\$1,996,283	\$7,258,888	\$6,368,283	\$10,077,157	\$4,105,139	\$2,611,053	\$5,990,629	\$6,011,786	\$7,002,481	\$10,003,860					\$62,917,172	
<u>Baseline Spend</u>																						
Direct Install	\$55,713,597	\$63,529,460	\$59,612,126	\$60,332,490	\$68,857,703	\$48,720,358	\$47,751,238	\$32,252,804	\$26,618,822	\$34,962,351	\$25,096,379	\$27,218,171	\$20,969,032	\$22,008,533	\$25,326,281	\$24,829,566					\$643,798,912	
COR (less Salvage)	\$3,287,540	\$2,763,224	\$2,734,543	\$3,241,028	\$3,903,850	\$4,274,272	\$3,518,540	\$3,790,813	\$2,294,323	\$2,717,747	\$2,154,270	\$2,467,261	\$1,237,337	\$957,265	\$1,161,774	\$1,333,831					\$41,837,617	
Total	\$59,001,137	\$66,292,684	\$62,346,669	\$63,573,518	\$72,761,553	\$52,994,630	\$51,269,778	\$36,043,617	\$28,913,145	\$37,680,098	\$27,250,649	\$29,685,432	\$22,206,369	\$22,965,798	\$26,488,055	\$26,163,397					\$685,636,529	

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

**In the Matter of the Petition of Public Service Electric and
Gas Company for Approval of the Next Phase of the Gas
System Modernization Program and Associated Cost
Recovery Mechanism (“GSMP II Extension”)
(February 2025 GSMP II Extension Rate Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

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

February 3, 2025

ATTACHMENT 2

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

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

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

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

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

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

21 A. The purpose of my testimony is to support PSE&G’s proposed change in base rates to
22 recover the revenue requirement associated with the Gas System Modernization Program II
23 Extension (“GSMP II Extension” or “Program”) through the GSMP II Extension Rate
24 Mechanism approved by the Board of Public Utilities (“Board” or “BPU”), on October 11,

ATTACHMENT 2

1 2023, as described in paragraphs 29 through 38 of GSMP II's Stipulation of Settlement in
2 Docket No. GR17070776 on May 22, 2018 ("GSMP II Order"). The GSMP II Extension
3 includes continued investment in the PSE&G gas distribution system, continued use of the
4 accelerated rate recovery mechanism established in the GSMP II Stipulation, including rate
5 adjustments for investments included in the GSMP II Rate Mechanism. In the GSMP II
6 Extension Order, the Board adopted a Stipulation (the "GSMP II Extension Stipulation") that
7 authorizes three (3) rate adjustments with the first two (2) rate adjustments to be made during
8 the two (2)-year term of the GSMP II Extension in accordance with the parameters set forth in
9 the Stipulation and a third rate adjustment to capture GSMP II Extension close out work as
10 referenced in Paragraph 35 of the Stipulation.

11 The proposed GSMP II Extension revenue requirements are based upon the actual costs
12 of engineering, design and construction, cost of removal (net of salvage) and property
13 acquisition, including actual labor, materials, overhead, and any capitalized Allowance for
14 Funds Used During Construction ("AFUDC") on GSMP II Extension projects. As specified
15 in more detail below, the Board-approved revenue requirement formula for the GSMP II
16 Extension Rate Mechanism allows the Company to recover a return of and on its GSMP II
17 Extension investment costs, less an agreed upon expense reduction adjustment and any tax
18 adjustment for flow-through items or any tax law changes codified by the IRS, the State of
19 New Jersey, or any other taxing authority. This testimony provides an overview of the cost
20 recovery mechanism along with a description of the revenue requirement calculations and rate
21 design mechanism.

ATTACHMENT 2

1 COST RECOVERY MECHANISM

2 **Q. Please briefly describe PSE&G's proposed cost recovery.**

3 A. PSE&G is proposing to recover the annual revenue requirement associated with the
4 Program consistent with the GSMP II Extension Rate Mechanism approved in paragraph 38
5 of the GSMP II Order. The revenue requirement is based on expected plant in-service and
6 cost of removal expenditures that have not been included in a prior rate adjustment. The
7 plant in-service and cost of removal expenditures are based on actual results from the
8 Program's inception, January 1, 2024, through December 31, 2024 and a forecast thereafter
9 through April 30, 2025. The forecast from January 1, 2025 through April 30, 2025 will be
10 trued-up with actual results and filed by May 21, 2025.

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

13 A. The Company is proposing a forecasted annual revenue requirement increase of \$53.4
14 million based upon the actual and forecasted expenditures discussed above and assuming
15 adjusted base rates go into effect August 1, 2025. The revenue requirement increase is
16 calculated in Schedule SS-GSMP II Extension-2.

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

18 A. The GSMP II Extension revenue requirement is calculated using the following formula
19 approved by the Board in, paragraph 38, the GSMP II Order:

20 Revenue Requirements = ((GSMP II Extension Rate Mechanism Rate Base *
21 After Tax WACC) + Depreciation Expense (net of tax) + Expense Adjustment
22 + Tax Adjustments) * Revenue Factor

ATTACHMENT 2

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

2 A. Per the GSMP II Order, the GSMP II Extension Rate Base is calculated as the GSMP
3 II Extension Investment Costs less Accumulated Depreciation and less Accumulated Deferred
4 Income Taxes (“ADIT”). The GSMP II Extension Investment Costs consist of actual plant
5 placed into service from January 1, 2024 through December 31, 2024 and a forecast of capital
6 expenditures through April 30, 2025 for projects expected to be placed in service by April 30,
7 2025. For details on the GSMP II Extension Investment Costs, see Schedule COB-GSMPII
8 Extension-3. Accumulated Depreciation is the sum of the depreciation expense incurred from
9 the date the GSMP II Extension projects are placed into service and through the effective date
10 of the base rate change. The GSMP II Extension Order anticipates the first roll in filing to
11 result in rates effective August 1, 2025, so the Accumulated Depreciation in the filing is
12 through July 31, 2025. Consistent with the calculation of Accumulated Depreciation, ADIT is
13 also calculated through July 31, 2025.

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

16 A. Per the GSMP II Order, paragraph 38, the WACC for the GSMP II Rate Mechanism is
17 based upon the authorized return on equity (“ROE”) and capital structure including income tax
18 effects decided by the Board in the Company’s most recently approved base rate case
19 proceeding. In October 2024, the Board approved the Company’s 2023 base rate case¹, which
20 set the WACC at 7.07%, or 6.57% on an after-tax basis, based on a return on equity of 9.60%

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. 17 Electric And B.P.U.N.J. No. 17 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.

ATTACHMENT 2

1 and a cost of long-term debt of 3.98%. This WACC is utilized in the GSMPII Extension Rate
2 Mechanism consistent with the GSMP II Order. For the calculation of the WACC and after-
3 tax WACC, see Schedule SS-GSMPII Extension-3.

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

5 A. Depreciation expense is calculated as Gross Plant in-service multiplied by the
6 applicable annual depreciation rate for the assets being placed into service. The GSMP II Order
7 specified the depreciation rates would be based on the depreciation rates applied to the same
8 asset in current base rates. The Company's 2023 base rate case maintained the existing
9 depreciation rates by asset class as previously approved in the Company's 2018 base rate case
10 proceeding. The asset classes expected to be applicable to the GSMP II Extension investment
11 are mains, services and regulators. The depreciation rates for mains, services, and regulators
12 will be 1.39%, 1.81%, and 3.27% respectively, as re-established in the 2023 base rate case and
13 are applicable to the GSMP II Extension plant placed into service. Since the net revenue
14 requirement for the roll-in will be grossed up by the revenue factor in the revenue requirement
15 formula approved by the Board, the depreciation expense must also be calculated net of tax.
16 The tax basis associated with the depreciation expense is calculated as direct in-service
17 expenditures plus any CWIP capital expenditures transferred into service, plus the debt
18 component of any AFUDC transferred into service. The depreciation expense net of tax is
19 calculated as the annual depreciation expense less the tax associated with the depreciation
20 expense as described above. The equity portion of the AFUDC transferred into service is not
21 recognized in the tax basis of the plant transferred into service. As a result, there is no tax
22 depreciation expense associated with that portion of Plant in-Service. Therefore, the

ATTACHMENT 2

1 depreciation expense net of tax must be multiplied by the revenue factor to recover the tax
2 gross-up related to the AFUDC-equity. The Company currently does not anticipate any CWIP
3 related capital expenditures associated with GSMP II Extension.

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

5 A. The Expense Adjustment captures the estimated O&M savings related to leak
6 reductions, partially offset by the expenses related to leak detection surveying. In accordance
7 with paragraph 37a of the Stipulation approved in the GSMP II Extension Order, the
8 replacement of 400 miles of main will have an O&M saving of \$1.5 million for the entire
9 program, which is \$3,771 per mile and will be incorporated to each rate adjustment based
10 upon the miles of main in service related to each rate roll-in. This cost per mile will be
11 applied to the miles of main replaced during this roll-in period, which is estimated to be 302
12 miles for an after-tax O&M savings of approximately \$820,000. In accordance with
13 paragraph 37b, the Company conducted leak detection surveying. The total leak detection
14 surveying cost for the GSMP II Extension program was \$20,087 and is being amortized over
15 two years beginning with this first rate adjustment filing. There are no future additional leak
16 detection surveying costs to be recovered in this program. For the calculation of the Expense
17 Adjustment and after-tax Expense Adjustment, see Schedule SS-GSMPII Extension-2.

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

19 A. The Tax Adjustment captures the effects of any flow through items associated with the
20 GSMPII Extension investment that is not included in the Company's Tax Adjustment Credit
21 and any tax law changes codified by the IRS, the State of New Jersey, or any other taxing
22 authority.

ATTACHMENT 2

1 **Q. Does the Company anticipate a Tax Adjustment in this GSMP II Extension Rate**
2 **Mechanism?**

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

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

6 A. The Revenue Factor adjusts the revenue requirement net of tax for federal and state
7 income taxes and the costs associated with the BPU and Division of Rate Counsel (RC) Annual
8 Assessments. The BPU/RC Assessment Expenses consist of payments, based upon a
9 percentage of revenues collected (updated annually), to the State based on the electric and gas
10 intrastate operating revenues for the utility. The Company has utilized the respective BPU/RC
11 assessment rates based on the 2024 fiscal year assessment, which are 0.22% and 0.05%,
12 respectively. The BPU/RC assessment rates will be trued-up with the 2025 assessments with
13 the updated filing that will be submitted with all actual results, replacing any forecasted
14 amounts, to be filed by May 21, 2025. See Schedule SS-GSMPII Extension-4 for the
15 calculation of the revenue factor.

16 **Q. Have you included any risk and contingency in the proposed revenue**
17 **requirements?**

18 A. Yes. The detailed calculations include a 30% risk and contingency applied to the four-
19 month forecasted period. Any forecasted amounts will be trued up with actual results, and the
20 updated revenue requirements that will be submitted on May 21, 2025 will not include risk and
21 contingency.

ATTACHMENT 2

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

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

5 **RATE DESIGN**

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

7 A. The proposed gas base rate adjustments use the rate design methodology in the latest
8 Board approved electric and gas base rate case proceeding. In accordance with paragraph 38
9 of the Stipulation approved in the GSMP II Extension Order, the billing determinants utilize
10 the weather normalized annualized billing determinants from the latest Board approved gas
11 base rate case, which are based on June 2023 through May 2024 as described in Paragraph 39
12 of the GSMP II Stipulation.

13 The detailed calculations supporting the rate design are shown in Schedule SS-GSMPII
14 Extension-5. This schedule contains the proposed base rates as a result of the GSMP II
15 Extension base rate adjustment effective for August 1, 2025.

16 **Q. What are the anticipated rate impacts to the typical residential customer?**

17 A. Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG)
18 charges in effect as of February 1, 2025, the annual average bill impacts of the rates requested
19 are set forth in Schedule SS-GSMPII Extension-6.

20 The impact of the proposed rates to the typical residential gas heating customers using
21 172 therms in a winter month and 1,040 therms annually would be an increase in the average
22 monthly bill from \$98.79 to \$100.88 or \$2.09 or approximately 2.12% (based upon Delivery

ATTACHMENT 2

1 Rates and BGSS-RSG charges in effect as of February 1, 2025, and assuming that the customer
2 receives BGSS service from PSE&G).

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

5 A. Yes. In paragraph 29 and associated footnote 13, of the GSMPII Extension Stipulation,
6 the Parties agreed that a rate adjustment must include a minimum investment level of 10% of
7 the total amount authorized to be recovered via the GSMP II Extension Rate Mechanism. The
8 Signatory Parties, however, acknowledge that the third-rate adjustment is not subject to the
9 10% minimum investment provision as the charges being sought are for GSMP II Extension
10 close out charges. In addition, while not part of the GSMP II Order, the Infrastructure
11 Investment Program (“IIP”) regulations require an earnings test with a cost recovery request.

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

14 A. Yes. The GSMP Rate Mechanism was approved for up to \$752 million of investment
15 per paragraph 15 of the Stipulation approved in the GSMP II Extension Order, and thus the
16 10% threshold is \$75.2 million. As shown in Schedule COB-GSMPII Extension-3, the
17 Company anticipates in-service investment of \$524.1 million, which exceeds the \$75.2 million
18 threshold.

ATTACHMENT 2

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

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

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

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

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

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

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

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

ATTACHMENT 2

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

2 A. The earnings test for this filing is based on the 12-month period of January 1, 2024
3 through December 31, 2024. Given the Company will update its filing for actual results through
4 April 30, 2025, the October through December Common Equity and Net Income represent
5 estimates, which will be replaced with actual results through December 31, 2024 as soon as
6 possible after the 2024 final financials are submitted to with FERC and/or the BPU.

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

8 A. The Company estimates its ROE for purposes of the earnings test is 5.53%. This is
9 below the ROE threshold in the IIP of 10.1%, and therefore the Company's earnings do not
10 preclude the rate roll-in in this case. The Company will update the earnings test for actual
11 results after the 2024 final financials are submitted to the FERC and/or the BPU. Please see
12 Schedule SS-GSMPII Extension-7 for the earnings test calculation.

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

14 A. Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

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

ELECTRONIC WORKPAPER INDEX

WP-SS-GSMPII Extension-1.xlsx

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

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

WORK EXPERIENCE

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

As Sr. Director of 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

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

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

7 **EDUCATIONAL BACKGROUND**

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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E	-	written	Jan-25	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	G	-	written	Jan-25	GSMP II Extension / Cost Recovery
Public Service Electric & Gas Company	E/G	ER24120878	written	Dec-24	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER24120878	written	Dec-24	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER24110838 and GR24110839	written	Nov-24	Infrastructure Advancement Program (IAP) - First Gas Roll-In and Second Electric Roll-In
Public Service Electric & Gas Company	E/G	ER24070484 and GR24070490	written	Jun-24	Green Programs Recovery Charge (GPRC)-Including CA, EEE, EEE Ext, S4A, SLII, S4AE, SLIII, EEE Ext 2, S4AEII, EE2017, CEF-EE, CSEP, SuSI and TREC
Public Service Electric & Gas Company	E	ER24060375	written	Jun-24	SPRC 2024
Public Service Electric & Gas Company	G	GR24060369	written	Jun-24	Conservation Incentive Program (GCIPI)
Public Service Electric & Gas Company	G	GR24060375	written	Jun-24	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER24020073	written	Feb-24	Electric Conservation Incentive Program (ECIP)
Public Service Electric & Gas Company	E/G	ER23120924 & GR23120925	written	Dec-23	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E/G	QQ23120874	written	Dec-23	Clean Energy Future - Energy Efficiency II Program
Public Service Electric & Gas Company	E/G	G018101112 and E018101113	written	Nov-23	Clean Energy Future - Energy Efficiency Extension 2 Program
Public Service Electric & Gas Company	E	ER23110783	written	Nov-23	Infrastructure Advancement Program (IAP) - First Roll-In
Public Service Electric & Gas Company	E/G	ER23050273	written	Nov-23	Energy Strong II Program (Energy Strong II) - Fifth Roll-In
Public Service Electric & Gas Company	E/G	ER - 23090634 & GR - 23090635	written	Sep-23	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	GR23070448	written	Jul-23	COVID-19 Filing
Public Service Electric & Gas Company	E/G	ER23070423 & GR23070424	written	Jul-23	Green Programs Recovery Charge (GPRC)-Including CA, EEE, EEE Ext, S4A, SLII, S4AE, SLIII, EEE Ext 2, S4AEII, EE2017, and CEF-EE
Public Service Electric & Gas Company	E	ER - ER23060412	written	Jul-23	SPRC 2023
Public Service Electric & Gas Company	G	GR23060330	written	Jun-23	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR23060332	written	Jun-23	Conservation Incentive Program (GCIPI)
Public Service Electric & Gas Company	E	ER23050273	written	May-23	Energy Strong II Program (Energy Strong II) - Fourth Roll-In
Public Service Electric & Gas Company	G	GR23030102	written	Mar-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 ER23010010	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	E018101113 & G018101112	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, S4AII, 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 (GCIPI)
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	E021111211 & G021111212	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, S4AII, 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, S4AII, 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, S4AII, 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	E018060629 & G018060630	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	E018101113 & G018101112	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	E018101113 & G018101112	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	E018101115	written	Oct-18	Clean Energy Future - Energy Cloud Program (EC)
Public Service Electric & Gas Company	E	E018101111	written	Oct-18	Clean Energy Future-Electric Vehicle And Energy Storage Programs (EVES)
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 & GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4AII, 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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
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
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 (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

PSE&G Gas System Modernization Program II Extension

Gas Roll-in Calculation

Attachment 2 - Schedule SS-GSMPII Ext-2

in (\$000)

Rate Effective Date	<u>8/1/2025</u>
Plant In Service as of Date	4/30/2025
Rate Base Balance as of Date	7/31/2025

RATE BASE CALCULATION

	<u>Total</u>	Notes
1 Gross Plant	\$513,221	= ln 17
2 Accumulated Depreciation	\$5,144	= ln 20
3 Net Plant	\$518,365	= ln 1 + ln 2
4 Accumulated Deferred Taxes	(\$9,899)	= See "Roll-In Detail" Wkps
5 Rate Base	\$508,466	= ln 3 + ln 4
6 Rate of Return - After Tax (Schedule WACC)	6.57%	See Schedule SS-GSMPII Extension-3
7 Return Requirement (After Tax)	\$33,402	= ln 5 * ln 6
8 Depreciation Exp, net	\$5,715	= ln 26
9 Expense Adjustment (After Tax)	(\$812)	= ln 35
10 Tax Adjustment	\$0	N/A
11 Revenue Factor	1.3947	See Schedule SS-GSMPII Extension-4
12 Roll-in Revenue Requirement	\$53,424	= (ln 7 + ln 8 + ln 9 + ln 10) * ln 11

SUPPORT

Gross Plant

13 Plant in-service	\$513,221	= See "Roll-In Detail" Wkps
14 CWIP Transferred into Service	\$0	= See "Roll-In Detail" Wkps
15 AFUDC on CWIP Transferred Into Service - Debt	\$0	= See "Roll-In Detail" Wkps
16 AFUDC on CWIP Transferred Into Service - Equity	\$0	= See "Roll-In Detail" Wkps
17 Total Gross Plant	\$513,221	= ln 13 + ln 14 + ln 15 + ln 16

Accumulated Depreciation

18 Accumulated Depreciation	(\$5,681)	= See "Roll-In Detail" Wkps
19 Cost of Removal	\$10,825	= See "Roll-In Detail" Wkps
20 Net Accumulated Depreciation	\$5,144	= ln 18 + ln 19

Depreciation Expense (Net of Tax)

21 Depreciable Plant (xAFUDC-E)	\$513,221	= ln 13 + ln 14 + ln 15
22 AFUDC-E	\$0	= ln 16
23 Depreciation Rate	1.55%	= See "Roll-In Detail" Wkps
24 Depreciation Expense	\$7,950	= (ln 21 + ln 22) * ln 23
25 Tax @28.11%	\$2,235	= ln 21 * ln 23 * Tax Rate
26 Depreciation Expense (Net of Tax)	\$5,715	= ln 24 - ln 25

Expense Adjustments

27 Miles of Main Replaced	302	= See "Roll-In Detail" Wkps
28 Agreed O&M Savings/ Mile	(\$3,771)	Stipulation
29 O&M Savings	(\$1,140)	= ln 27 * ln 28
30 GSMPII related methane mapping expenses	\$21	= See "Roll-In Detail" Wkps
31 Amortization period (years)	2	program period
32 Annual methane mapping amortization expense	\$10	= ln 30 / ln 31
33 Expense Adjustment	(\$1,130)	= ln 29 + ln 32
34 Tax @28.11%	(\$318)	= ln 33 * Tax Rate
35 Expense Adjustment (Net of Tax)	(\$812)	= ln 33 - ln 34

PSE&G Gas System Modernization Program II Extension

Attachment 2 - Schedule SS-GSMPII Ext-3

Weighted Average Cost of Capital (WACC)

	<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	55.00%	9.60%	5.28%	7.34%	5.28%
Customer Deposits	0.22%	5.06%	0.01%	0.01%	0.01%
Long-Term Debt	44.78%	3.98%	1.78%	1.78%	1.28%
Total	<u>100.00%</u>		<u>7.07%</u>	<u>9.14%</u>	<u>6.57%</u>

Income Tax Rates

Federal Income Tax	21.00%
State NJ Business Incm Tax	9.00%
Fed Benefit of State Tax Deductic	<u>-1.89%</u>
Tax Rate	28.11%

PSE&G Gas System Modernization Program II Extension
Revenue Factor Calculation

Attachment 2 - Schedule SS-GSMPII Ext-4

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		0.0000	2024 Base Rate Case
BPU Assessment Rate	0.2176	0.2176	2024 BPU Assessment
Rate Counsel Assessment Rate	0.0455	0.0455	2024 RC Assessment
Income before State of NJ Bus. Tax	99.7369	99.7369	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9763</u>	<u>8.9763</u>	
Income Before Federal Income Taxes	90.7606	90.7606	
Federal Income Taxes @ 21%	<u>19.0597</u>	<u>19.0597</u>	
Return	<u>71.7008</u>	<u>71.7008</u>	
Revenue Factor	<u>1.3947</u>	<u>1.3947</u>	

Gas Revenue Requirement Allocation Explanation of Format

Pages 2 through 5 presented in Schedule SS-GSMPII Extension-5 are the four (4) relevant pages from the complete cost of service and revenue requirement allocation methodology based on the 2023 Base Rate Case Settlement, approved by the Board on October 9, 2024. Page 2 Part 1 shows the “Final” revenue requirement allocation to each rate class and its associated functions as defined in the 2023 PSE&G Base Rate Case (Rate Case). Part 2 allocates the GSMPII Extension Revenue Increase in accordance with the Rate Case Board Order. Pages 3 and 4 provide the interclass revenue allocations based upon the rate rules approved in the Rate Case. Page 5 provides the service charges calculations for each rate class by which are calculated in accordance with the Rate Case Board Order.

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

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

Pages 6 through 16 presented in Schedule SS- SS-GSMPII Extension-5 are the are the selected applicable columns of the relevant pages from the complete rate change workpapers from the Company’s 2023 Gas Base Rate Case and have been appropriately modified per my testimony to reflect this Gas Systems Modernization Program II Extension.

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

In the detailed rate design pages, all the components are separated into Delivery and Supply. In addition to the Distribution components of Delivery, also included in the schedule are lines for Balancing, Societal Benefits Charge, Margin Adjustment Charge, Gas Conservation Incentive Program, Green Programs Recovery Charge, Tax Adjustment Credit, Facilities Charge, Minimum 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 February 1, 2025. The commodity rates in the Column (2) reflect February 2024 through January 2025, class-weighted averages (BGSS-RSG uses the rate as of 12/1/2024). Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGSS provision. Column (4) repeats the billing units of Column (1). Column (5) shows the proposed rates without SUT that result in the proposed revenues shown in Column (6). Columns (7) and (8) show the proposed base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on page 15 of this schedule.

Cost of Service and Rate Design Sync

Part 1: 2023 Base Rate Case Final Revenue Allocation

16	Requested increase in Revenue Requirements		\$	270,770		=SS-G8, pg 1, line 1 * 1000
17	Total Target Distribution Revenue Requirements		\$	1,437,072,811		=SS-G8, pg 2, line 11 * 1000
18	Sum of Initial Sync Revenue Requirements		\$	1,356,319,161		Total, col 7, line 15
19	Final Sync Adjustment Factor			1.05954		= line 17 / line 18

		Total	RSG	GSG	LVG	SLG	
20	Distribution Access	\$ 737,441,298	\$ 602,431,351	\$ 83,307,098	\$ 51,625,176	\$ 77,673	= line 10 * line 19
21	Distribution Delivery	\$ 502,845,141	\$ 303,449,389	\$ 65,802,185	\$ 133,584,794	\$ 8,773	= line 11 * line 19
22	Streetlighting Fixtures	\$ 416,979	\$ -	\$ -	\$ -	\$ 416,979	= line 12 * line 19
23	Customer Service	\$ 81,137,252	\$ 70,510,722	\$ 6,420,941	\$ 4,201,766	\$ 3,824	= line 13 * line 19
24	Measurement	\$ 115,232,141	\$ 76,926,987	\$ 28,047,453	\$ 10,257,603	\$ 97	= line 14 * line 19
25	Total	\$ 1,437,072,811	\$ 1,053,318,450	\$ 183,577,677	\$ 199,669,339	\$ 507,346	

Part 2: RC Roll-In Revenue Allocation

11	Requested increase in Revenue Requirements			53,423,909		GSMP II Extension
12	Total Target Distribution Revenue Requirements		\$	1,490,495,600		= line 11 + page 3, col 2
13	Rate Case Minus Streetlight Fixtures		\$	1,436,655,833		= line 10 - line 7
14	Target Minus Streetlight Fixtures		\$	1,490,078,621		= line 12 - line 7
15	Final Sync Adjustment Factor			1.03719		= line 14 / line 13

		Total	RSG	GSG	LVG	SLG	
16	Distribution Access	\$ 764,863,433	\$ 624,833,072	\$ 86,404,915	\$ 53,544,885	\$ 80,562	= line 5 * line 15
17	Distribution Delivery	\$ 521,543,697	\$ 314,733,311	\$ 68,249,074	\$ 138,552,213	\$ 9,099	= line 6 * line 15
18	Streetlighting Fixtures	\$ 416,979	\$ -	\$ -	\$ -	\$ 416,979	= line 7
19	Customer Service	\$ 84,154,383	\$ 73,132,700	\$ 6,659,707	\$ 4,358,011	\$ 3,966	= line 8 * line 15
20	Measurement	\$ 119,517,107	\$ 79,787,557	\$ 29,090,412	\$ 10,639,037	\$ 101	= line 9 * line 15
21	Total	\$ 1,490,495,600	\$ 1,092,486,640	\$ 190,404,108	\$ 207,094,146	\$ 510,706	

Inter Class Revenue Allocations

Calculation of Increase Limits

\$ 1,490,496

line #

(in \$1,000)

Notes:

	Requested Revenue Increase to be			
1	recovered from rate schedule charges =	\$	53,424	GSMP II Extension
2	Present Distribution Revenue =	\$	1,437,072	from RSG, GSG, LVG & SLG
3	Present Total Customer Bills (all on BGSS) =	\$	2,816,446	SS-G8, pg 2, col 3, line 11 SS-G8, pg 2, col 5, line 11
4	Average Distribution Increase =		3.718%	= Line 1 / Line 2
5	Average Total Bill Increase =		1.897%	= Line 1 / Line 3
6	Lower Distribution increase limit =		1.859% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 =		5.577% in Distribution charges	= 1.5 * Line 4
8	Upper Bill increase limit #2 =		3.794% in Bill Increase	= 2.0 * Line 5

all rounded to 0.001%

Inter Class Revenue Allocations

Calculation of Increases

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
line #	Rate Schedule	Proposed Distribution Revenue Requirement (from COS) (in \$1,000)	Present Distribution Revenue (in \$1,000)	Unlimited COS Distribution Charge \$ Increase (in \$1,000)	Present Total Bill Revenue (all on BGSS) (in \$1,000)	Unlimited Distribution Charge Increase (%)	Change in MAC & BGSS credits (in \$1,000)	Limited Final Distribution Charge Increase (%)	Proposed Total Bill Increase (%)	Proposed Distribution Revenue Increase (in \$1,000)
<u>Calculation of TSG-F Increase</u>										
1	TSG-F	\$ 8,273.894	\$ 5,812	\$ 2,461.932	\$ 19,127	42.360%	\$ (5.295)	5.577%	1.667%	\$ 324
<u>Calculation of TSG-NF & CIG Increase</u>										
2	TSG-NF	----	\$ 16,617	----	\$ 82,524	----	\$ -	3.718%	0.749%	\$ 618
3	CIG	----	\$ 3,123	----	\$ 13,109	----	\$ -	3.718%	0.886%	\$ 116
4	CSG ¹	----	\$ 7,855	----	\$ 9,350	----	----	----	0.011%	\$ 1
<u>Calculation of Margin Rates (RSG, GSG, LVG & SLG) Increase</u>										
5	RSG	\$ 1,092,487	\$ 1,058,447	\$ 34,040	\$ 1,781,921	3.216%	\$ (691.00)	3.438%	2.003%	\$ 36,390
6	GSG	\$ 190,404	\$ 177,671	\$ 12,733	\$ 362,967	7.167%	\$ (103.00)	5.577%	2.702%	\$ 9,909
7	LVG	\$ 207,094	\$ 200,431	\$ 6,663	\$ 670,362	3.324%	\$ (261.0)	3.554%	1.024%	\$ 7,123
8	SLG	\$ 510.706	\$ 522.402	\$	\$ 1,195.952					
9	Distribution Only*	\$ 93.728	\$ 50.097	\$ 43.630		87.091%	\$ (0.2690)	5.577%	0.211%	\$ 2.794
10	Fixtures*	\$ 416.979	\$ 472.305	\$ (55.326)		-11.714%		0.000%	0.000%	\$ -
11	Total for Margin Rates	\$ 1,490,496	\$ 1,437,072	\$ 53,424	\$ 2,816,446	3.718%	\$ (1,055)	3.718%	1.859%	\$ 53,424

¹ CSG Credits all flow back through BGSS

* SLG rows shaded grey (including Distribution & Fixtures) are shown to 3 decimal points

Notes: for TSG-F - from 2023 Rate Case Schedule SS-G7 , pg 1, col 6, line 6 = (2) - (3) Page 6 = (4) / (3) calculated on limits = (Col 10 + Col 7) / Col 5 = (3) * (8)

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

Service Charge Calculations

<u>line #</u>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Notes:
	Rate Schedule	Distribution Access Rev Req (in \$1,000)	Customer Service Rev Req (in \$1,000)	Measurement Rev Req (in \$1,000)	COS Indicated Total Rev Req (in \$1,000)	# of Customers	Cost Based Monthly Service Charge (\$/month)	Current Monthly Service Charge (\$/month)	Proposed Limited Monthly Service Charge (\$/month)	
1		Average Distribution Increase =			3.718%					
2	RSG	624,833	73,133	79,788	777,753	1,715,907	\$ 37.77	\$ 9.38	\$ 9.38	Fixed per 2024 Base Rate Case
3	GSG	86,405	6,660	29,090	122,155	140,104	\$ 72.66	\$ 25.58	\$ 27.00	move to costs, limited @ 1.5 times overall avg Distribution % increase
4	LVG	53,545	4,358	10,639	68,542	19,635	\$ 290.90	\$ 227.18	\$ 239.85	move to costs, limited @ 1.5 times overall avg Distribution % increase
5	TSG-F	443	142	192	776	64	\$ 1,010.52	\$ 1,003.89	\$ 1,010.52	move to costs, limited @ 1.5 times overall avg Distribution % increase
6	TSG-NF							\$ 1,003.89	\$ 1,010.52	set equal to new TSG-F Service Charge
7	CIG							\$ 245.34	\$ 254.46	increase current @ average Distribution % increase
8	CSG							\$ 1,003.89	\$ 1,010.52	set equal to new TSG-F Service Charge
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Notes:	values for RSG, GSG & LVG for Cols 2, 3, & 4 from page 2, lines 16, 19 & 20				= (2) + (3) + (4)	RSG, GSG & LVG from 2023 Rate Case Schedule SS-G7 , page 2, line 1	= Col 5 * 1000 / Col 6 / 12 rounded to \$0.01	From Tariff	based on methodology described	
	values for TSG-F for Cols 2, 3 & 4 from 2023 Rate Case Schedule SS-G7 , page 1, lines 1, 4 & 5					TSG-F from COS workpapers				

GSMP II Extension

**GAS PROOF OF REVENUE
SUMMARY
GAS RATE INCREASE
GSMP II Extension
(Therms & Revenue - Thousands, Rate - \$/Therm)**

Rate Schedule		Annualized Weather Normalized		Proposed		Difference	
		Therms	Revenue	Therms	Revenue	Revenue	Percent
		(1)	(2)	(3)	(4)	(5)	(6)
1	RSG	1,595,838	\$1,781,921	1,595,838	\$1,817,984	\$36,063	2.02
2	GSG	304,449	362,967	304,449	372,845	9,878	2.72
3	LVG	778,601	670,362	778,601	677,403	7,041	1.05
6	SLG	692	1,195.952	692	1,198.637	2.685	0.22
7	Subtotal	2,679,579	2,816,446	2,679,579	2,869,431	52,984	1.88
8							
9	TSG-F	23,020	19,127.341	23,020	19,451.474	324.133	1.69
10	TSG-NF	123,325	82,524	123,325	83,143	619	0.75
11	CIG	29,020	13,109	29,020	13,225	116	0.89
12	CSG	714,082	9,350	714,082	9,351	1	0.01
13	Subtotal	889,447	124,111	889,447	125,171	1,060	0.85
14							
15	Totals	3,569,026	2,940,557	3,569,026	2,994,602	\$54,044	1.84

Less change in MAC included above \$621 \$53,424

Gas Revenue Requirement \$53,424

		Increase Before Mac Adjustment	Increase Above	MAC Adjustment
23				
24	RSG	\$35,699	\$36,063	364
25	GSG	9,808	9,878	70
26	LVG	6,863	7,041	178
27	SLG	2,526	2,685	0.159
28	Subtotal	52,372	52,984	612
29				
30	TSG-F	318.838	324.133	5.295
31	TSG-NF	619	619	0
32	CIG	116	116	0
33	CSG	1	1	0
34	Subtotal	1,055	1,060	5
35				
36	Totals	\$53,427	\$54,044	617

Notes:
 40 All customers assumed to be on BGSS.
 41 SLG units and revenues shown to 3 decimals.
 42 TSG-F revenues shown to 3 decimals.
 43 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025
 44 plus applicable BGSS charges.

GSMP II Extension

**RATE SCHEDULE RSG
RESIDENTIAL SERVICE
GSMP II Extension**

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

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge	20,590.883	9.38	\$193,142	20,590.883	9.38	\$193,142	0	0.00
2 Distribution Charge	1,595,784	0.543642	867,535	1,595,784	0.566494	904,002	36,467	4.20
3 Off-Peak Dist	54	0.271821	15	54	0.283247	15	0	0.00
4 Balancing Charge	1,200,062	0.094491	113,395	1,200,062	0.094491	113,395	0	0.00
5 SBC	1,595,838	0.065627	104,730	1,595,838	0.065627	104,730	0	0.00
6 Margin Adjustment	1,595,838	(0.005916)	(9,441)	1,595,838	(0.005916)	(9,441)	0	0.00
7 Weather Normalization	1,200,062	0.000000	0	1,200,062	0.000000	0	0	0.00
8 Green Programs Recovery Charge	1,595,838	0.016319	26,042	1,595,838	0.016319	26,042	0	0.00
9 Tax Adjustment Credit	1,595,838	(0.095572)	(152,517)	1,595,838	(0.095572)	(152,517)	0	0.00
10 Gas Conservation Incentive Program	1,595,838	0.060281	96,199	1,595,838	0.060281	96,199	0	0.00
11 Facilities Charges			0			0	0	0.00
12 Minimum			0			0	0	0.00
13 Miscellaneous			1			1	(0)	(44.00)
14 Delivery Subtotal	1,595,838		\$1,239,101	1,595,838		\$1,275,568	\$36,467	2.94
15 Unbilled Delivery			(2,623)			(2,700)	(77)	2.94
16 Delivery Subtotal w unbilled			\$1,236,478			\$1,272,868	\$36,390	2.94
17								
Supply								
19 BGSS-RSG	1,595,838	0.343614	\$548,352	1,595,838	0.343614	\$548,352	\$0	0.00
20 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
21 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	1,595,838	(0.000206)	(329)	(329)	0.00
22 Off-Peak Comm. Charge	53	0.261224	14	53	0.261224	14	0	0.00
23								
24 Miscellaneous			0			0	0.00	0.00
25 Supply subtotal	1,595,891		\$548,366	1,595,891		\$548,037	(329.00)	(0.06)
26 Unbilled Supply			(2,923)			(2,921)	2.00	(0.07)
27 Supply Subtotal w unbilled			\$545,443			\$545,116	(327.00)	(0.06)
28								
29 Total Delivery + Supply	1,595,838		\$1,781,921	1,595,838		\$1,817,984	36,063.00	2.02

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

36 plus applicable BGSS charges.

37

GSMP II Extension

**RATE SCHEDULE LVG
LARGE VOLUME SERVICE
GSMP II Extension**
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge	235,623	227.18	\$53,528	235,623	239.85	\$56,514	\$2,986	5.58
2 Demand Charge	21,934	4.6287	101,524	21,934	4.6287	101,524	0	0.00
3 Distribution Charge 0-1,000 pre 7/14/97	7,488	0.118587	888	7,488	0.138051	1,034	146	16.44
4 Distribution Charge over 1,000 pre 7/14/97	36,579	0.044239	1,618	36,579	0.046018	1,683	65	4.02
5 Distribution Charge 0-1,000 post 7/14/97	149,296	0.118587	17,705	149,296	0.138051	20,610	2,905	16.41
6 Distribution Charge over 1,000 post 7/14/97	585,238	0.044239	25,890	585,238	0.046018	26,931	1,041	4.02
7 Balancing Charge	473,445	0.094491	44,736	473,445	0.094491	44,736	0	0.00
8 SBC	778,601	0.065627	51,097	778,601	0.065627	51,097	0	0.00
9 Margin Adjustment	778,601	(0.005916)	(4,606)	778,601	(0.005916)	(4,606)	0	0.00
10 Weather Normalization	473,445	0.000000	0	473,445	0.000000	0	0	0.00
11 Green Programs Recovery Charge	778,601	0.016319	12,706	778,601	0.016319	12,706	0	0.00
12 Tax Adjustment Credit	778,601	(0.038165)	(29,715)	778,601	(0.038165)	(29,715)	0	0.00
13 Gas Conservation Incentive Program	778,601	0.005382	\$4,190	778,601	0.005382	\$4,190	0	0.00
14 Facilities Charges			0			0	0	0.00
15 Minimum			255			255	0	0.00
16 Miscellaneous			(424)			(425)	(0)	0.07
17 Delivery Subtotal	778,601		\$279,391	778,601		\$286,534	\$7,143	2.56
18 Unbilled Delivery			(767)			(787)	(20)	2.61
19 Delivery Subtotal w unbilled			\$278,624			\$285,747	\$7,123	2.56
20								
21								
Supply								
23 BGSS	778,601	0.502974	\$391,616	778,601	0.502974	\$391,616	\$0	0.00
24 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
25 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	778,601	(0.000105)	(82)	(82)	0.00
26								
27 Miscellaneous			0			0	0	0.00
28 Supply Subtotal	778,601		\$391,616	778,601		\$391,534	(\$82)	(0.02)
29 Unbilled Supply			122			122	0	0.00
30 Supply Subtotal w unbilled			\$391,738			\$391,656	(\$82)	(0.02)
31								
32 Total Delivery + Supply	778,601		\$670,362	778,601		\$677,403	\$7,041	1.05

36 Notes:

37 All customers assumed to be on BGSS.

38 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

39 plus applicable BGSS charges.

40

GSMP II Extension

**RATE SCHEDULE SLG
STREET LIGHTING SERVICE
GSMP II Extension**
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Single	11.022	14.7714	\$162.811	11.022	14.7714	\$162.811	\$0.000	0.00
2 Double Inverted	0.108	14.7714	1.591	0.108	14.7714	1.591	0.000	0.00
3 Double Upright	0.609	14.7714	9.003	0.609	14.7714	9.003	0.000	0.00
4 Triple prior to 1/1/93	18.039	14.7714	266.455	18.039	14.7714	266.455	0.000	0.00
5 Triple on and after 1/1/93	0.431	75.3088	32.445	0.431	75.3088	32.445	0.000	0.00
6 Distribution Therm Charge	692.040	0.072173	49.947	692.040	0.076198	52.732	2.785	5.58
7 SBC	692.040	0.065627	45.417	692.040	0.065627	45.417	0.000	0.00
8 Margin Adjustment	692.040	(0.005916)	(4.094)	692.040	(0.005916)	(4.094)	0.000	0.00
9 Green Programs Recovery Charge	692.040	0.016319	11.293	692.040	0.016319	11.293	0.000	0.00
10 Tax Adjustment Credit	692.040	(0.143300)	(99.169)	692.040	(0.143300)	(99.169)	0.000	0.00
11 Gas Conservation Incentive Program	692.040	0.000000	0.000	692.040	0.000000	0.000	0.000	0.00
12 Facilities Charges			0.000			0.000	0.000	0.00
13 Minimum			0.000			0.000	0.000	0.00
14 Miscellaneous			0.150			0.159	0.009	5.98
15 Delivery Subtotal	692.040		\$475.849	692.040		\$478.643	\$2.794	0.59
16 Unbilled Delivery			0.000			0.000	0.000	0.00
17 Delivery Subtotal w unbilled			\$475.849			\$478.643	\$2.794	0.59
18								
Supply								
20 BGSS	692.040	0.489674	\$338.874	692.040	0.489674	\$338.874	\$0.000	0.00
21 Emergency Sales Service	0.000	0.000000	0.000	0.000	0.000000	0.000	0.000	0.00
22 BGSS Contrib. from TSG-F, TSG-NF & CIG	0.000	0.000000	0.000	692.040	(0.000105)	(0.073)	(0.073)	0.00
23 Miscellaneous			141.195			141.195	0.000	0.00
24 Supply Subtotal	692.040		\$480.069	692.040		\$479.996	(\$0.073)	(0.02)
25 Unbilled Supply			240.034			239.998	(0.036)	(0.01)
26 Supply Subtotal w unbilled			\$720.103			\$719.994	(\$0.109)	(0.02)
27								
28 Total Delivery + Supply	692.040		\$1,195.952	692.040		\$1,198.637	\$2.685	0.22

32 Notes:

33 All customers assumed to be on BGSS.

34 SLG units and revenues shown to 3 decimals.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

36 plus applicable BGSS charges.

GSMP II Extension

RATE SCHEDULE TSG-F
FIRM TRANSPORTATION GAS SERVICE
GSMP II Extension
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge	0.361	1,003.89	\$362.017	0.361	1,010.52	\$364.408	\$2.391	0.66
2 Demand Charge	933	2.9936	2,793.482	933	3.1702	2,958.276	164.794	5.90
3 Demand Charge, Agreements	0	0.0000	0.000	0	0.0000	0.000	0.000	0.00
4 Distribution Charge	23,020	0.114430	2,634.128	23,020	0.121182	2,789.556	155.428	5.90
5 Distribution Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
6 SBC	23,020	0.065627	1,510.705	23,020	0.065627	1,510.705	0.000	0.00
7 SBC, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
8 Margin Adjustment	23,020	(0.005916)	(136.184)	23,020	(0.005916)	(136.184)	0.000	0.00
9 Margin Adjustment, Agreements	0	(0.005916)	0.000	0	(0.005916)	0.000	0.000	0.00
10 Green Programs Recovery Charge	23,020	0.016319	375.656	23,020	0.016319	375.656	0.000	0.00
11 Green Programs Recovery Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
12 Tax Adjustment Credit	23,020	0.000000	0.000	23,020	0.000000	0.000	0.000	0.00
13 Gas Conservation Incentive Program	23,020	0.000000	0.000	23,020	0.000000	0.000	0.000	0.00
14 Facilities Charges			0.000			0.000	0.000	0.00
15 Minimum			0.000			0.000	0.000	0.00
16 Miscellaneous			(4.098)			(4.052)	0.046	(1.12)
17 Delivery Subtotal	23,020		7,535.706	23,020		7,858.365	322.659	4.28
18 Unbilled Delivery			34.432			35.906	1.474	4.28
19 Delivery Subtotal w unbilled			7,570.138			7,894.271	324.133	4.28
20								
Supply								
22 Commodity Charge, BGSS-F	23,020	0.492538	\$11,338.000	23,020	0.492538	\$11,338.000	\$0.000	0.00
23 Emergency Sales Service	431	0.543180	234.000	431	0.543180	234.000	0.000	0.00
24 Miscellaneous			(14.797)			(14.797)	0.000	0.00
25 Supply Subtotal	23,450		\$11,557.203	23,450		\$11,557.203	\$0.000	0.00
26 Unbilled Supply			0.000			0.000	0.000	0.00
27 Supply Subtotal w unbilled			\$11,557.203			\$11,557.203	\$0.000	0.00
28								
29 Total Delivery + Supply	23,020		\$19,127.341	23,020		\$19,451.474	\$324.133	1.69

33 Notes:

34 All customers assumed to be on BGSS.

35 TSG-F revenues shown to 3 decimals.

36 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

37 plus applicable BGSS charges.

GSMP II Extension

RATE SCHEDULE TSG-NF
NON-FIRM TRANSPORTATION GAS SERVICE
GSMP II Extension
(Terms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge	1,584	1,003.89	\$1,590	1,584	1,010.52	\$1,601	\$11	0.69
2 Dist Charge 0-50,000	48,434	0.122765	5,946	48,434	0.127685	6,184	238	4.00
3 Dist Charge 0-50,000, Agreements	0	0.000000	0	0	0.000000	0	0	0.00
4 Dist Charge over 50,000	74,891	0.122765	9,194	74,891	0.127685	9,562	368	4.00
5 Dist Charge over 50,000, Agreements	0	0.000000	0	0	0.000000	0	0	0.00
6 SBC	123,325	0.065627	8,093	123,325	0.065627	8,093	0	0.00
7 SBC, Agreements	0	0.000000	0	0	0.000000	0	0	0.00
8 Green Programs Recovery Charge	123,325	0.016319	2,013	123,325	0.016319	2,013	0	0.00
9 Green Programs Recovery Charge, Agreements	0	0.000000	0	0	0.000000	0	0	0.00
10 Tax Adjustment Credit	123,325	0.000000	0	123,325	0.000000	0	0	0.00
11 Gas Conservation Incentive Program	123,325	0.000000	0	123,325	0.000000	0	0	0.00
12 Facilities Charges			4			4	0	0.00
13 Minimum			0			0	0	0.00
14 Miscellaneous			(117)			(117)	(0)	0.14
15 Delivery Subtotal	123,325		\$26,723	123,325		\$27,340	\$617	2.31
16 Unbilled Delivery			0			2	2	0.00
17 Delivery Subtotal w unbilled			\$26,723			\$27,342	\$619	2.32
18								
Supply								
20 Commodity Charge, BGSS-I	123,325	0.452470	\$55,801	123,325	0.452470	\$55,801	\$0	0.00
21 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
22 Pilot Use	0	1.890000	0	0	1.890000	0	0	0.00
23 Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
24 Miscellaneous			0			0	0	0.00
25 Supply Subtotal	123,325		\$55,801	123,325		\$55,801	\$0	0.00
26 Unbilled Supply			0			0	0	0.00
27 Supply Subtotal w unbilled			\$55,801			\$55,801	\$0	0.00
28								
29 Total Delivery + Supply	123,325		\$82,524	123,325		\$83,143	\$619	0.75

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

36 plus applicable BGSS charges.

GSMP II Extension

RATE SCHEDULE CIG
COGENERATION INTERRUPTIBLE SERVICE
GSMP II Extension
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge	0.108	245.34	\$27	0.108	254.46	\$27	\$0	0.00
2 Margin 0-600,000	27,336	0.109479	2,993	27,336	0.113574	3,105	112	3.74
3 Margin over 600,000	1,685	0.099479	168	1,685	0.103574	175	7	4.17
4 Extended Gas Service	0	0.150000	0	0	0.150000	0	0	0.00
5 SBC	29,020	0.065627	1,905	29,020	0.065627	1,905	0	0.00
6 Green Programs Recovery Charge	29,020	0.016319	474	29,020	0.016319	474	0	0.00
7 Tax Adjustment Credit	29,020	0.000000	0	29,020	0.000000	0	0	0.00
8 Gas Conservation Incentive Program	29,020	0.000000	0	29,020	0.000000	0	0	0.00
9 Facilities Charges			0			0	0	0.00
10 Minimum			0			0	0	0.00
11 Miscellaneous			0			(1)	(1)	0.00
12 Delivery Subtotal	29,020		\$5,567	29,020		\$5,685	\$118	2.12
13 Unbilled Delivery			(114)			(116)	(2)	1.75
14 Delivery Subtotal w unbilled			\$5,453			\$5,569	\$116	2.13
15								
Supply								
17 Commodity Component	29,020	0.263814	\$7,656	29,020	0.263814	\$7,656	\$0	0.00
18 Pilot Use	0	1.89	0	0	1.89	0	0	0.00
19 Penalty Use	0		0	0		0	0	0.00
20 Extended Gas Service	0		0	0		0	0	0.00
21 Miscellaneous			0			0	0	0.00
22 Supply Subtotal	29,020		\$7,656	29,020		\$7,656	\$0	0.00
23 Unbilled Supply			0			0	0	0.00
24 Supply Subtotal w unbilled			\$7,656			\$7,656	\$0	0.00
25								
26 Total Delivery + Supply	29,020		\$13,109	29,020		\$13,225	\$116	0.89

30 Notes:

31 All customers assumed to be on BGSS.

32 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

33 plus applicable BGSS charges.

34

GSMP II Extension

RATE SCHEDULE CSG
CONTRACT SERVICES
GSMP II Extension

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

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge - Power	0.0000	1,003.89	\$0	0.0000	1,010.52	\$0	\$0	0.00
2 Service Charge - Power- Non Firm	0.0000	1,003.89	0	0.0000	1,010.52	0	0	0.00
3 Service Charge - Other	0.2299	1,003.89	231	0.2299	1,010.52	232	1	0.43
4 Distribution Charge Change (previously Power)	0	0.000000	0	0	1.000000	0	0	0.00
5 Distribution Charge - Power- Non Firm	0	0.122765	0	0	0.127685	0	0	0.00
6 Distribution Charge - Other	714,082	0.008480	6,055	714,082	0.008480	6,055	0	0.00
7 Maintenance - Power	0	0.000000	0	0	0.000000	0	0	0.00
8 Maintenance - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
9 Maintenance - Other	714,082	0.000152	109	714,082	0.000152	109	0	0.00
10 Pilot Use	0	0.000000	0	0	0.000000	0	0	0.00
11 Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
12 Balancing Charge (applicable only if customer uses BGSS-F)	0	0.000000	0	0	0.000000	0	0	0.00
13 SBC	714,082	0.065627	1,213	714,082	0.065627	1,213	0	0.00
14 Green Programs Recovery Charge	714,082	0.016319	277	714,082	0.016319	277	0	0.00
15 Tax Adjustment Credit	714,082	0.000000	0	714,082	0.000000	0	0	0.00
16 Gas Conservation Incentive Program	714,082	0.000000	0	714,082	0.000000	0	0	0.00
17 Facilities Chg.			985			985	0	0.00
18 Minimum			629			629	0	0.00
19 Sales Tax Discount - Delivery			(179)			(179)	0	0.00
20 Misc.			(0)			(0)	0	0.00
21 Delivery Subtotal	714,082		9,319	714,082		9,320	1	0.01
22 Unbilled Delivery			31			31	0	0.00
23 Delivery Subtotal w/ Unbilled	714,082		9,350	714,082		9,351	1	0.01
24								
Supply								
26 BGSS-Firm - Power	0	0.000000	0	0	0.000000	0	0	0.00
27 BGSS-Firm - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
28 BGSS-Firm - Other	0	0.000000	0	0	0.000000	0	0	0.00
29								
30 BGSS-Interruptible - Power	0	0.000000	0	0	0.000000	0	0	0.00
31 BGSS-Interruptible - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
32 BGSS-Interruptible - Other	0	0.000000	0	0	0.000000	0	0	0.00
33								
34 Emergency Sales Svc. - Power	0	0.000000	0	0	0.000000	0	0	0.00
35 Emergency Sales Svc. - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
36 Emergency Sales Svc - Other	0	0.000000	0	0	0.000000	0	0	0.00
37								
38 Pilot Use	0	1.89	0	0	1.89	0	0	0.00
39 Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
40 Misc.	0		0	0		0	0	0.00
41 Supply Subtotal	0		0	0		0.000	0	0.00
42 Unbilled Supply	0		0	0		0	0	0.00
43 Supply Subtotal w/ Unbilled	0		0	0		0.000	0	0.00
44								
45 Total Delivery & Supply	714,082		9,350	714,082		9,351	1.00	0.01
46								

47 Notes:

48 All customers assumed to be on BGSS.

49 Annualized Weather Normalized Revenue reflects Delivery rates as of 2/1/2025

50 plus applicable BGSS charges.

51

Gas Tariff Rates
GSMP II Extension
Proposed Revenue Requirement Increase \$ 53,423,909

Rate Schedule	Description	Current Total Distribution Charges		Proposed Total Distribution Charges		Base Distribution Charges		GSMP II Extension Rate Adjustment Charges	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
RSG	Service Charge	\$9.38	\$10.00	\$9.38	\$10.00	\$9.38	\$10.00	\$0.00	\$0.00
	Distribution Charges	\$0.543642	\$0.579658	\$0.566494	\$0.604024	\$0.543642	\$0.579658	\$0.022852	\$0.024366
	Balancing Charge	\$0.094491	\$0.100751	\$0.094491	\$0.100751	\$0.094491	\$0.100751	\$0.000000	\$0.000000
	Off-Peak Use	\$0.271821	\$0.289829	\$0.283247	\$0.302012	\$0.271821	\$0.289829	\$0.011426	\$0.012183
GSG	Service Charge	\$25.58	\$27.27	\$27.00	\$28.79	\$25.58	\$27.27	\$1.43	\$1.52
	Distribution Charge - Pre July 14, 1997	\$0.442482	\$0.471796	\$0.467145	\$0.498093	\$0.442482	\$0.471796	\$0.024663	\$0.026297
	Distribution Charge - All Others	\$0.442482	\$0.471796	\$0.467145	\$0.498093	\$0.442482	\$0.471796	\$0.024663	\$0.026297
	Balancing Charge	\$0.094491	\$0.100751	\$0.094491	\$0.100751	\$0.094491	\$0.100751	\$0.000000	\$0.000000
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.221241	\$0.235898	\$0.233573	\$0.249047	\$0.221241	\$0.235898	\$0.012332	\$0.013149
	Off-Peak Use Dist Charge - All Others	\$0.221241	\$0.235898	\$0.233573	\$0.249047	\$0.221241	\$0.235898	\$0.012332	\$0.013149
LVG	Service Charge	\$227.18	\$242.23	\$239.85	\$255.74	\$227.18	\$242.23	\$12.67	\$13.51
	Demand Charge	\$4.6287	\$4.9354	\$4.6287	\$4.9354	\$4.6287	\$4.9354	\$0.0000	\$0.0000
	Distribution Charge 0-1,000 pre July 14, 1997	\$0.118587	\$0.126443	\$0.138051	\$0.147197	\$0.118587	\$0.126443	\$0.019464	\$0.020753
	Distribution Charge over 1,000 pre July 14, 1997	\$0.044239	\$0.047170	\$0.046018	\$0.049067	\$0.044239	\$0.047170	\$0.001779	\$0.001897
	Distribution Charge 0-1,000 post July 14, 1997	\$0.118587	\$0.126443	\$0.138051	\$0.147197	\$0.118587	\$0.126443	\$0.019464	\$0.020753
	Distribution Charge over 1,000 post July 14, 1997	\$0.044239	\$0.047170	\$0.046018	\$0.049067	\$0.044239	\$0.047170	\$0.001779	\$0.001897
	Balancing Charge	\$0.094491	\$0.100751	\$0.094491	\$0.100751	\$0.094491	\$0.100751	\$0.000000	\$0.000000
SLG	Single-Mantle Lamp	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$0.0000	\$0.0000
	Double-Mantle Lamp, inverted	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$0.0000	\$0.0000
	Double Mantle Lamp, upright	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$0.0000	\$0.0000
	Triple-Mantle Lamp, prior to January 1, 1993	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$14.7714	\$15.7500	\$0.0000	\$0.0000
	Triple-Mantle Lamp, on and after January 1, 1993	\$75.3088	\$80.2980	\$75.3088	\$80.2980	\$75.3088	\$80.2980	\$0.0000	\$0.0000
	Distribution Therm Charge	\$0.072173	\$0.076954	\$0.076198	\$0.081246	\$0.072173	\$0.076954	\$0.004025	\$0.004292
TSG-F	Service Charge	\$1,003.89	\$1,070.40	\$1,010.52	\$1,077.47	\$1,003.89	\$1,070.40	\$6.63	\$7.07
	Demand Charge	\$2.9936	\$3.1919	\$3.1702	\$3.3802	\$2.9936	\$3.1919	\$0.1766	\$0.1883
	Distribution Charges	\$0.114430	\$0.122011	\$0.121182	\$0.129210	\$0.114430	\$0.122011	\$0.006752	\$0.007200
TSG-NF	Service Charge	\$1,003.89	\$1,070.40	\$1,010.52	\$1,077.47	\$1,003.89	\$1,070.40	\$6.63	\$7.07
	Distribution Charge 0-50,000	\$0.122765	\$0.130898	\$0.127685	\$0.136144	\$0.122765	\$0.130898	\$0.004920	\$0.005200
	Distribution Charge over 50,000	\$0.122765	\$0.130898	\$0.127685	\$0.136144	\$0.122765	\$0.130898	\$0.004920	\$0.005200
	Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02	\$1.89	\$2.02	\$0.00	\$0.00
CIG	Service Charge	\$245.34	\$261.59	\$254.46	\$271.31	\$245.34	\$261.59	\$9.12	\$9.73
	Distribution Charge 0-600,000	\$0.109479	\$0.116732	\$0.113574	\$0.121098	\$0.109479	\$0.116732	\$0.004095	\$0.004400
	Distribution Charge over 600,000	\$0.099479	\$0.106069	\$0.103574	\$0.110436	\$0.099479	\$0.106069	\$0.004095	\$0.004400
	Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02	\$1.89	\$2.02	\$0.00	\$0.00
BGSS RSG	Commodity Charge including Losses	\$0.305937	\$0.326205	\$0.305727	\$0.325981	\$0.305937	\$0.326405	-\$0.000210	-\$0.000200
CSG	Service Charge	\$1,003.89	\$1,070.40	\$1,010.52	\$1,077.47	\$1,003.89	\$1,070.40	\$6.63	\$7.07
	Distribution Charge - Non-Firm	\$0.122765	\$0.130898	\$0.127685	\$0.136144	\$0.122765	\$0.130898	\$0.004920	\$0.005200

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Gas System Modernization Program II (GSMPII) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service - Average Monthly Bill					
If Your Average Monthly Therm Use Is:	And Your Avg. Dec. to Mar. Monthly Therm Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
16	25	\$26.14	\$26.53	\$0.39	1.49 %
33	50	42.28	43.07	0.79	1.87
51	100	61.91	63.13	1.22	1.97
87	172	98.79	100.88	2.09	2.12
100	198	112.49	114.90	2.41	2.14
152	300	165.34	169.00	3.66	2.21

- (1) Based upon Basic Gas Supply Service (BGSS-RSG) and Delivery Rates in effect February 1, 2025, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes increase in the GSMPII.

Residential Gas Service - Monthly Winter Bill				
If Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
25	\$35.25	\$35.85	\$0.60	1.70 %
50	60.47	61.68	1.21	2.00
100	113.71	116.12	2.41	2.12
172	188.40	192.55	4.15	2.20
198	215.40	220.18	4.78	2.22
300	321.09	328.33	7.24	2.25

- (3) Based upon Basic Gas Supply Service (BGSS-RSG) and Delivery Rates in effect February 1, 2025, and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes increase in the GSMPII.

ATTACHMENT 2
Schedule SS-GSMPII Extension-7

CONFIDENTIAL

TO BE PROVIDED UPON EXECUTION OF THE NON-DISCLOSURE AGREEMENT

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 the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism (“GSMP II Extension”) (February 2025 GSMP II Extension Rate Filing)

Notice of Filing and Notice of Public Hearings

Docket No.

PLEASE TAKE NOTICE that, on February 3, 2025, 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 Gas System Modernization Program (“GSMP II Extension” or “Program”).

On March 1, 2023, PSE&G filed a petition with the Board seeking approval to implement and administer the next phase of its Gas System Modernization Program and associated cost recovery for a three (3)-year period as an extension of GSMP II (“GSMP III Petition”). On February 15, 2023, New Jersey Governor, Philip J. Murphy, issued Executive Order 317 (“EO317”). EO317 ordered the BPU to initiate a formal stakeholder process regarding the development of natural gas utility plans that reduce emissions from the natural gas sector to levels that are consistent with achieving the State’s 50 percent reduction in greenhouse gas emissions below 2006 levels by 2030, as directed in Executive Order No. 274 (2021). In light of the current stakeholder process, the Board approved a Stipulation to hold the GSMP III matter in abeyance while approving a two-year extension of GSMP II—commencing on January 1, 2024—for the replacement of a minimum of 400 miles of PSE&G’s Utilization Pressure Cast Iron mains (and associated services) and/or Unprotected Steel mains (and associated services), with a maximum accelerated investment of \$752 million (“GSMP II Extension Stipulation”).

By the Petition, PSE&G seeks Board approval to recover an estimated annual revenue increase of approximately \$53.4 million from the Company’s gas customers associated with actual GSMP II Extension investment costs incurred through December 31, 2024, and forecasted costs through April 30, 2025.

For illustrative purposes, the estimated base rates effective August 1, 2025, including New Jersey Sales and Use Tax (“SUT”) for Residential Rate Schedule RSG, are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates related to the GSMP II, if approved by the Board. The annual percentage increase applicable to specific customers will

vary according to the applicable rate schedule and the customer’s usage.

Under the Company’s proposal, a typical residential gas heating customer using 172 therms per month during the winter months and 87 therms in an average month (1,040 therms annually) would see an increase in the average monthly bill from \$98.79 to \$100.88, or \$2.09, or approximately 2.12%.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as a result of the 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 costs addressed in the Petition and subsequent updates 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.

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company’s service territory. The Petition is available for review online at the PSEG website at <http://www.pseg.com/pseandgfilings> and has also been sent to the New Jersey Division of Rate Counsel (“Rate Counsel”), who will represent the interests of all PSE&G customers in this proceeding. The Petition is also available to review online through the Board’s website, <https://publicaccess.bpu.state.nj.us>, where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that as authorized by N.J.S.A. 10:4-9.3, 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:
TIMES:

There are two options for joining.
Either go to this website:
<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>
and enter the following information:

Meeting ID: 992 979 119 781
Passcode: 3X59PZ

-or-

Join by Phone
Dial In: (973) 536-2286
Phone conference ID: 537 811 425#

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 are invited to participate by utilizing the link or dial-in number set forth above and may express their views on the Petition. All comments will be made a part of the final record of the proceeding and will be considered by the Board. 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 tool: (<https://publicaccess.bpu.state.nj.us>). 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. 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/) at <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:
Sherri L. Lewis, 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
IAP COMPONENT OF INFRASTRUCTURE INVESTMENT PROGRAM CHARGES
for Residential RSG Customers
Rates if Effective August 1, 2025

Rate Schedule			GSMP II Extension Charges	
			Charges in Effect February 1, 2025 Including SUT	Proposed Charges in Effect August 1, 2025 Including SUT
RSG	Service Charge	per month	\$0.00	\$0.00
	Distribution Charge	\$/Therm	0.000000	0.024366
	Off-Peak Use	\$/Therm	0.000000	0.012183
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.000000	(0.000200)

Table #2
Proposed Percentage Change in Revenue
by Customer Class for Gas Service
for Rates if Effective August 1, 2025

	Rate Class	Percent Change (%)
Residential Service	RSG	2.02
General Service	GSG	2.72
Large Volume Service	LVG	1.05
Street Lighting Service	SLG	0.22
Firm Transportation Gas Service	TSG-F	1.69
Non-Firm Transportation Gas Service	TSG-NF	0.75

Cogeneration Interruptible Service	CIG	0.89
Contract Service	CSG	0.01
Overall		1.84

The percent increases noted above are based upon February 1, 2025, Delivery Rates, the applicable Basic Gas Supply Service (BGSS) charges, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

**Table #3
Residential Gas Service for Rates if Effective August 1, 2025**

If Your Average Monthly Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Monthly Percent Change Would Be:
16	25	\$26.14	\$26.53	\$0.39	1.49%
33	50	42.28	43.07	0.79	1.87
51	100	61.91	63.13	1.22	1.97
87	172	98.79	100.88	2.09	2.12
100	198	112.49	114.90	2.41	2.14
152	300	165.34	169.00	3.66	2.21

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect February 1, 2025, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes the proposed change for the Gas Systems Modernization Program II Charges.

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

	<u>YTD 2023</u> '(\$000)
400 Electric Operating Revenues	\$ 3,624,873
Electric Operating Expenses:	
401 Operation Expense	2,611,602
402 Maintenance Expense	136,580
403 Depreciation Expense	335,306
404 Amortization of Limited Term Plant	28,334
407 Amortization of Property Losses	19,120
408.1 Taxes Other Than Income Taxes	25,012
409.1 Income Taxes - Federal	17,390
410.1 Provision for Deferred Income Taxes	224,701
411.1 Provision for Deferred Income Taxes - Credit	(289,697)
411.103 Accretion Expense-Electric	0
411.4 Investment Tax Credit Adjustments (Net)	(11,416)
Total Electric Utility Operating Expenses	<u>3,096,933</u>
Electric Utility Operating Income	<u>\$ 527,939</u>

* Electric Distribution only

	<u>YTD 2023</u>
400 Gas Operating Revenues	\$ 2,156,592
Gas Operating Expenses:	
401 Operation Expense	1,425,245
402 Maintenance Expense	41,071
403 Depreciation Expense	219,192
404 Amortization of Limited Term Plant	16,171
407 Amortization of Property Losses	21,353
407.3 Amortization of Excess cost of removal	8,123
407.4 Amortization of Excess cost of removal	0
408.1 Taxes Other Than Income Taxes	17,260
409.1 Income Taxes - Federal	(8,762)
410.1 Provision for Deferred Income Taxes	173,974
411.1 Provision for Deferred Income Taxes - Cr	(241,061)
411.4 Investment Tax Credit Adjustments (Net)	(749)
Total Gas Utility Operating Expenses	<u>1,671,819</u>
Gas Utility Operating Income	<u>\$ 484,773</u>

Net Utility Operating Income	<u>\$ 1,012,712</u>
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Operating Income Total	1,012,712
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY
BALANCE SHEET
\$ (In Thousands)

September 30, 2024

Assets and Other Debits
Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$ 27,121,698
103	Electric Experimental Plant Unclassified	-
105	Electric Utility Plant Held for Future Use	43,849
106	Electric Completed Construction not classified- Electric	4,273,356
107	Electric Construction Work in Progress	1,079,041
	Total Electric Utility Plant	32,517,944

Gas Utility Plant

101	Gas Utility Plant in Service	\$ 12,386,115
103	Gas Experimental Plant Unclassified	-
105	Gas Utility Plant Held for Future Use	96
106	Gas Completed Construction not classified	250,882
107	Gas Construction Work in Progress	89,455
	Total Gas Utility Plant	12,726,548

Common Utility Plant

101	Common Utility Plant in Service	\$ 372,362
106	Common Completed Construction not classified	-
107	Common Construction Work in Progress	43,499
	Total Common Utility Plant	415,860

Property under capital leases

101.1	Electric & Gas Property under capital leases	95,987
		95,987

Total Utility Plant

45,756,339

Accumulated Provisions for Depreciation and Amortization of
Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(5,963,407)
108.5	Electric Utility Plant Held for Future Use	-
	Total Electric Utility Plant	(5,963,407)

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(2,650,346)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(193,403)
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Total Accumulated Provisions for
Depreciation and Amortization
of Utility Plant

(8,807,156)

Net Utility Plant Excluding Nuclear Fuel

36,949,183

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	36,949,183

(0)

Other Property and Investments

121	Nonutility Property	2,870
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(810)
123 & 123.1	Investments in Associated & Subsidiary Companies	44,642
124	Other Investments	95,414
125-8	Special Funds	31,899
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	174,014

BALANCE SHEET**\$ (In Thousands)**

September 30, 2024

Current and Accrued Assets		
131	Cash	\$ 74,679
132-4	Special Deposits	29,524
135	Working Funds	-
136	Temporary Cash Investments	110,000
141-3	Notes and Accounts Receivable	1,335,204
144	Accumulated Provision for Uncollectible Accounts - Credit	(237,704)
145-6	Receivables from Associated Companies	16,426
151-5	Materials and Supplies (incl. 163)	642,910
158	Allowances	-
164	Gas Stored Underground - Current	-
165	Prepayments	137,510
171	Interest and Dividends Receivable	-
172	Rents Receivable	880
173	Accrued Utility Revenues	186,120
174	Miscellaneous Current and Accrued	17,449
175	Current Portion of Derivative Instrument Assets	-
	Total Current and Accrued Assets	2,312,999
Deferred Debits		
181	Unamortized Debt Expense	86,458
182	Unrec'd Plt and Reg Costs and Other Reg Assets	6,510,150
183	Preliminary Survey and Investigation Charges	45,972
183.2	Other Preliminary Survey and Investigations	2,205
184	Clearing Accounts	3
185	Temporary Facilities	-
186	Miscellaneous Deferred Debits	35,438
188	Research and Development Expenditures	-
189	Unamortized Loss on Reacquired Debt	17,477
190	Accumulated Deferred Income Taxes	777,009
	Total Deferred Debits	7,474,714
	Total Assets and Other Debits	\$ 46,910,910

BALANCE SHEET**\$ (In Thousands)**

September 30, 2024

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	2,155,436
210	Gain on Resale or Cancellation of Reacquired Capital Stock	-
211	Miscellaneous Paid-In Capital	-
215	Appropriated Retained Earnings	-
216	Unappropriated Retained Earnings	15,185,419
216.1	Unappropriated Undistributed Subsidiary Earnings	(441)
219	Other Comprehensive Income	(3,056)
	Total Proprietary Capital	<u>18,229,620</u>
Long-Term Debt		
221	221 Bonds	15,365,001
223	223 Advances from Assoc. Co.	-
225	225 Unamortized Premium on Long-Term Debt	-
226	226 Unamortized Discount on Long-Term Debt	(33,232)
	Total Long-Term Debt	<u>15,331,768</u>
Other Non-Current Liabilities		
227-9	Other Non-current Liabilities	696,246
244	Long-Term Portion of Derivative Instrument Liabilities	-
230	Asset Retirement Obligation	403,880
	Total Other Non-Current Liabilities	<u>1,100,126</u>
Current and Accrued Liabilities		
231	Notes Payable	-
232	Accounts Payable	712,142
233-4	Payables to Associated Companies	219,294
235	Customer Deposits	68,179
236	Taxes Accrued	3,453
237	Interest Accrued	135,931
238	Dividends Declared	-
239	Matured Long-Term Debt	-
241	Tax Collections Payable	4,325
242	Miscellaneous Current and Accrued Liabilities	499,178
243	Obligations Under Capital leases	15,001
244	Current Portion of Derivative Instrument Liabilities	-
	Total Current and Accrued Liabilities	<u>1,657,503</u>
Deferred Credits		
252	Customer Advances for Construction	68,129
253	Other Deferred Credits	255,199
254	Other Regulatory Liabilities	3,128,958
255	Accumulated Deferred Investment Tax Credits	87,100
281-3	Accumulated Deferred Income Taxes	7,052,508
	Total Deferred Credits	<u>10,591,894</u>
	Total Liabilities and Other Credits	<u>\$ 46,910,910</u>