



December 30, 2022

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")  
(December 2022 GSMP II Rate Filing)

BPU Docket No. \_\_\_\_\_

***VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL***

Carmen Diaz, Acting Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Acting Secretary Diaz:

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

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

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

Very truly yours,

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

C Attached service list (via e-mail)

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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”) )  
(DECEMBER 2022 GSMP II RATE FILING) )

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:

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 2.4 million electric and 1.8 million gas customers in an area having a population in excess of 6.2 million persons and that extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton and south to Camden, New Jersey.

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

3. PSE&G is filing this Petition seeking Board approval for gas base rate changes to provide for cost recovery associated with the extension of the Company's Gas System Modernization Program (GSMP II or the Program) as approved by the Board Order dated May 22, 2018 in GR17070776 (GSMP II Order). In that Order the Board adopted a Stipulation (the Stipulation) that explicitly authorizes this rate filing in December 2022 for rates to be effective June 1, 2023.

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

5. Paragraph 36 of the Stipulation provides the following proposed schedule of Rates Effective, Initial Filing, Investment as of, and True-up Filing dates for all rate roll-ins as reflected below. However, as noted in the testimony of Wade Miller (attached hereto), the Program work has been further accelerated due to the COVID social distancing requirements prohibiting work inside customer homes, and due to favorable weather conditions that allowed for extended work days. The Company is therefore expected to conclude the Program with the current roll-in. The Company's Program roll-ins will conclude with roll-in number 8 as noted in the below schedule.

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

### **BACKGROUND**

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

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

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

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

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

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

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

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

### **REQUEST FOR COST RECOVERY**

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



GSMP II through February 28, 2023. The annualized increase in gas revenue requirement associated with those investment costs is approximately \$10.916 million in revenue and is supported by Attachment 2, Schedule SS-GSMP-2 attached hereto. The rate adjustments in this filing are for recovery of costs associated with GSMP II Program investment that is anticipated to be in service by February 28, 2023. The projected amounts of plant placed in service from December 1, 2022 through February 28, 2023 will be updated for actual results by March 15, 2023.

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

13. Attachment 1 is the testimony of Wade E. Miller, Director – Gas Transmission & Distribution Engineering addressing the progress of the GSMP II and anticipated plant in-service at the end of February 28, 2023. Attachment 2 is the testimony of Stephen Swetz supporting the revenue requirement and rate calculations.

14. The annual average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-GSMPII-6. The annual impact of the proposed rates to the typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually is an increase in the annual bill from \$1,358.02 to \$1,364.04 or \$6.02 or approximately 0.44% (based upon Delivery Rates and BGSS-RSG charges in effect as of December 1, 2022, and assuming that the customer receives BGSS service from PSE&G).

15. 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.

16. In accordance with the Board's Covid-19 order,<sup>[1]</sup> 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.

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

18. PSE&G requests that the Board find that the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule SS-GSMP II-5, are just and reasonable, and that PSE&G should be authorized to implement the proposed rates as set forth herein, effective June 1, 2023 upon issuance of a written BPU order.

19. 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

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

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

### COMMUNICATIONS

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

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### CONCLUSION AND REQUESTS FOR APPROVAL

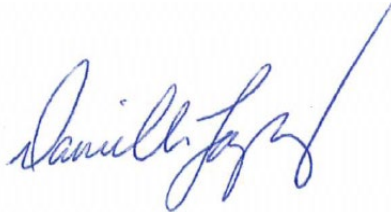
For all the foregoing reasons, PSE&G respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

21. PSE&G is authorized to recover all costs identified herein associated with GSMP II Program costs incurred through February 28, 2023, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and

22. The rates as calculated in the proof of revenue, Attachment 2, Schedule SS-GSMPII-5, are just and reasonable and may be implemented for service rendered on and after June 1, 2023.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



By \_\_\_\_\_  
Danielle Lopez  
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DATED: December 30, 2022

**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") )  
(DECEMBER 2022 GSMP II RATE FILING) )

**CERTIFICATION**

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

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

Dated: December 30, 2022

BY   
\_\_\_\_\_  
David J. Zarra

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

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

**In the Matter of the Petition of Public Service Electric and  
Gas Company for Approval of the Next Phase of the Gas  
System Modernization Program and Associated Cost  
Recovery Mechanism (“GSMP II”)  
(December 2022 GSMP II Rate Filing)**

**BPU Docket No. \_\_\_\_\_**

**DIRECT TESTIMONY**

**OF**

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

**December 30, 2022**

## ATTACHMENT 1

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

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

7   A.     My name is Wade E. Miller. I am the Senior Director – Gas Transmission &  
8   Distribution Engineering 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 58 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 WEM-GSMPII-1.

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

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



**OVERVIEW OF GAS SYSTEM MODERNIZATION PROGRAM**

**Q. Please describe the Company's GSMP II.**

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

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

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

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

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

## ATTACHMENT 1

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

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

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

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

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

## ATTACHMENT 1

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

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

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

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

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

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

14 **GSMPII STATUS UPDATE**

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

17 A. Yes. All aspects of the Program are proceeding well and the Program is anticipated to  
18 conclude by February 28, 2023. Through November 30, 2022 the Company has replaced 916.6  
19 miles of main and 80,059 services. The rate adjustments in this filing are for recovery of costs  
20 associated with gas plant anticipated to be in service by February 2023, but that were not placed  
21 in service in a prior rate adjustment. A breakdown of this work on investment proposed to be in  
22 rates is provided in the monthly reports provided in Schedule WEM-GSMPII-2.

## ATTACHMENT 1

1           The expenditures are listed in Schedule WEM-GSMPII-3 and include actual expenditures  
2   through November 30, 2022 and a forecast of gas capital expenditures from December 1, 2022  
3   through February 28, 2023 associated with gas plant that is anticipated to be in service by February  
4   28, 2023.

5   **Q.     Has PSE&G been able to further accelerate its main replacements during the**  
6   **course of this Program? If so, please explain.**

7   A.     Yes, the Company has been able to further accelerate its main replacements over the  
8   last couple of years. When the Covid-19 pandemic hit in 2020 the Company adapted the GSMP  
9   work sequence to focus on main installation due to the social distancing requirements in place  
10   at the time that restricted performing work inside homes and buildings. The Company  
11   reassigned its internal and contractor resources to complete more than 100 miles of main  
12   installation above the original plan for 2020. Maintaining this mobilized work force enabled  
13   the program to continue at the accelerated pace. Additionally, favorable weather conditions  
14   extended the construction season in each year of the program allowing for the completion of  
15   more replacements. As a result, the Company has been able to conclude the Program early and  
16   the current roll-in filing represents the final rate adjustment for this Program.

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

18   A.     No. This is the final rate adjustment, as such no contingency will be included. PSE&G's  
19   update of this filing for actual data through February 28, 2023, will assure that only plant in-  
20   service is included in rates implemented as a result of this filing.

## ATTACHMENT 1

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

2 A. With regard to the Program investments, PSE&G anticipates having a total of 930.5 miles  
3 of main installed and in-service, 81,423 services replaced and in-service, and 156 district  
4 regulators abandoned as of February 28, 2023. Some trailing work associated with the main  
5 installed, such as service replacements, district regulator abandonments and pavement restoration,  
6 may not be completed by that date.

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

8 A. The Company currently expects Stipulated Base expenditures through February 28, 2023  
9 of approximately \$300 million, exceeding the minimum annual required investment of \$20  
10 million for 2022, as well as the \$30 million minimum requiring a conference with Staff and Rate  
11 Counsel.

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

14 A. Yes. The Company anticipates meeting or exceeding the \$155 million baseline  
15 requirement by the end of 2022.

16 **Q. What was the Company's 2021 open leak inventory and resulting 5-year average**  
17 **leak inventory for 2014 – 2018?**

18 A. The Company's 2021 open leak inventory was 808. Based on the open leak inventory  
19 from 2014 – 2018 as specified in paragraph 27 of the Stipulation approved in the GSMP II  
20 Order, the 5 year average leak inventory is 1677 as set forth in the below chart.

ATTACHMENT 1

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

1    **Q.     What is the Company's cap on open leaks for 2022?**

2    A.     For 2022, the Company's cap is reduced by 3% from the 5 year average leak inventory  
3    specified above to 1,627. The cap continues to be reduced by 1% for 2023. The Company  
4    anticipates reducing its leak inventory to or below the cap by the end of the year.

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 2018 at a cost of \$50,000, submitted the  
8    report to the BPU on March 1, 2019, and submitted the report with updated grid information  
9    on February 26, 2021, as required by Attachment D of the GSMP II Order.

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

11   A.     Yes, it does.

## ATTACHMENT 1

### **SCHEDULE INDEX**

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

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

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

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

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



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

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

13 In April 2014, I was promoted to Director – Gas Transmission &  
14 Distribution Engineering and in April 2022, I was promoted to Senior Director – Gas  
15 Transmission & Distribution Engineering. This position involves overall responsibility  
16 for system planning and reliability as well as the safe and efficient engineering, design,  
17 and operating procedures of PSE&G's gas transmission and distribution assets. I am  
18 also responsible for the management of the Transmission and Distribution Integrity  
19 Management Programs, operation and maintenance of 56 metering & regulating  
20 stations, four gas plants, and gas control to over 1.9 million customers.

1                   I am the Committee sponsor for PSE&G's Gas Engineering Committee  
2   which is responsible for approval of action items due to regulatory changes and changes  
3   to Company technical manuals, the Operator Qualification program, Integrity  
4   Management programs, and new technology and materials.

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



June 30, 2022

**VIA ELECTRONIC MAIL ONLY**

Carmen Diaz, Acting Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Flr.  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM  
MONTHLY REPORT – APRIL 2022**

Dear Secretary Diaz:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for April 2022 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

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

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

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

- 2 -

CC - E-Mail Only:

Robert Brabston  
Paul Lupo  
Mike Kammer  
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 Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	April PTD Budget	April PTD Actual
Replacement Main	\$ 1,087,400,000	\$ 933,596,654	\$ 988,927,677
Replacement Service	\$ 482,000,000	\$ 217,143,728	\$ 329,126,707
Regulator Elimination	\$ 5,600,000	\$ 3,532,680	\$ 3,136,954
<b>Total</b>	<b>\$ 1,575,000,000</b>	<b>\$ 1,154,273,062</b>	<b>\$ 1,321,191,338</b>

Stipulated Base II Major Project Categories	Overall Approved Program	April PTD Budget	April PTD Actual
Replacement Main	\$ 217,200,000	\$ 104,305,992	\$ 106,750,834
Replacement Service	\$ 34,800,000	\$ 45,172,171	\$ 19,675,718
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 39,200,000	\$ 43,891,941
<b>Total</b>	<b>\$ 300,000,000</b>	<b>\$ 188,678,163</b>	<b>\$ 170,318,493</b>

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

Expenditures Incurred To Date GSMP II Projects	April PTD Actual Internal Labor \$	April PTD Actual Material \$	April PTD Actual Other \$	April PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 68,309,938	\$ 26,224,439	\$ 894,393,300	\$ 988,927,677	\$ 948,752,226
Replacement Service	\$ 60,684,965	\$ 27,285,003	\$ 241,156,739	\$ 329,126,707	\$ 328,962,744
Regulator Elimination	\$ 751,032	\$ 172,540	\$ 2,964,414	\$ 3,136,954	\$ 1,190,412
<b>Total</b>	<b>\$ 129,745,934</b>	<b>\$ 53,681,983</b>	<b>\$ 1,138,514,453</b>	<b>\$ 1,321,191,338</b>	<b>\$ 1,278,905,382</b>
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	2,407,272				
Internal Labor - Overtime Hours	800,720				

Expenditures Incurred To Date Stipulated Base II Projects	April PTD Actual Internal Labor \$	April PTD Actual Material \$	April PTD Actual Other \$	April PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 5,873,519	\$ 6,677,671	\$ 94,199,644	\$ 106,750,834	\$ 100,721,651
Replacement Service	\$ 3,652,717	\$ 541,012	\$ 15,481,989	\$ 19,675,718	\$ 19,649,848
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 14,497,551	\$ 1,765,769	\$ 27,628,620	\$ 43,891,941	\$ 43,891,941
<b>Total</b>	<b>\$ 24,023,787</b>	<b>\$ 8,984,453</b>	<b>\$ 137,310,253</b>	<b>\$ 170,318,493</b>	<b>\$ 164,263,440</b>
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	342,620				
Internal Labor - Overtime Hours	122,466				

## 2d - Projected and actual number of services installed

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	2020 Quantity Completed	2021 Quantity Completed	Projected Quantity Jan 2022	Actual Quantity Jan 2022	Projected Quantity Feb 2022	Actual Quantity Feb 2022	Projected Quantity Mar 2022	Actual Quantity Mar 2022	Projected Quantity Apr 2022	Actual Quantity Apr 2022	2022 Estimated Quantity	2022 Quantity Completed	Total Program Quantity Completed To Date	
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	1,166,556	1,060,930	74,526	52,125	52,672	49,131	71,036	60,582	47,747	41,057	531,382	202,895	3,177,126	
					4"	Plastic	246,779	335,330	277,288	21,534	22,482	15,219	21,565	20,526	8,364	13,796	10,240	153,542	62,651	922,048	
					6"	Plastic	80,521	115,300	105,458	7,549	1,007	5,335	4,269	7,196	1,480	4,837	3,621	53,827	10,377	311,656	
					8"	Plastic	34,576	40,792	28,772	2,609	-	1,844	25	2,487	1,446	1,672	3,933	18,606	5,404	109,544	
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	-	17,397	5,021	562	-	397	-	535	574	360	-	4,005	574	22,992	
	16" & 20"	Steel	-	5,889	7,481	335	2,673	237	199	319	-	215	-	2,389	2,872	16,242					
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	1,681,264	1,484,950	107,116	78,287	75,705	75,189	102,100	72,446	68,626	58,851	763,751	284,773	4,559,608	
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	18,218	27,320	1,710	1,884	1,539	1,981	1,797	2,690	1,759	2,330	17,335	8,885	69,076	
					>2"	Plastic	2	4	4	-	1	-	-	-	-	-	-	1	11		
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	18,222	27,324	1,710	1,885	1,539	1,981	1,797	2,690	1,759	2,330	17,335	8,886	69,087		
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	32	59		-		4		5		-		9	122		
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	32	59		-		4		5		-		9	122		
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	78,746	94,927	15,331	17,583	10,089	9,543	10,660	7,488	7,298	3,056	63,920	37,670	290,469	
					4"	Plastic	30,415	19,023	20,923	4,267	2,617	2,808	3,837	2,967	6,427	2,031	3,010	17,791	15,891	86,252	
					6"	Plastic	9,773	3,061	11,889	1,499	391	987	394	1,042	1,178	714		6,251	1,963	26,686	
					8"	Plastic	277	284	775	81	-	53	1,107	56	1,021	39		338	2,128	3,464	
					8"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Plastic	2	-	-	0	-	0		0		0	616	1	616	618	
					12"	Steel	171	12,487	4,984	1,070	-	704		744	15	509	(15)	4,461	-	17,642	
					16"	Steel	100	-	-	6	-	4	1,745	4	849	3	1	25	2,595	2,695	
					20"	Steel	-	-	20	1	-	1		1		1		5	-	20	
	42"	Steel	700	597	1,900	194	-	128		135		92		808	-	3,197					
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	114,198	135,418	22,450	20,591	14,774	16,626	15,609	16,978	10,687	6,668	93,600	60,863	431,043	
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	1,107	932	150	177	156	98	262	194	294	148	4,246	617	4,049	
					>2"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	1,107	932	150	177	156	98	262	194	294	148	4,246	617	4,049	
Large Diameter High Pressure Joints	Joints	Dec-23	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Large Diameter High Pressure Joints	Joints	N/A	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[illegible]



August August 1, 2022

**VIA ELECTRONIC MAIL ONLY**

Carmen Diaz, Acting Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Flr.  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM  
MONTHLY REPORT – MAY 2022**

Dear Acting Secretary Diaz:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for May 2022 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

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

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

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



- 2 -

CC - E-Mail Only:

Robert Brabston  
Paul Lupo  
Mike Kammer  
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 Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	May PTD Budget	May PTD Actual
Replacement Main	\$ 1,087,400,000	\$ 933,596,654	\$ 1,012,880,393
Replacement Service	\$ 482,000,000	\$ 217,012,888	\$ 342,642,354
Regulator Elimination	\$ 5,600,000	\$ 3,663,520	\$ 3,258,535
<b>Total</b>	<b>\$ 1,575,000,000</b>	<b>\$ 1,154,273,062</b>	<b>\$ 1,358,781,282</b>

Stipulated Base II Major Project Categories	Overall Approved Program	May PTD Budget	May PTD Actual
Replacement Main	\$ 217,200,000	\$ 113,046,106	\$ 109,998,415
Replacement Service	\$ 34,800,000	\$ 47,400,607	\$ 20,439,066
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 35,240,000	\$ 45,854,205
<b>Total</b>	<b>\$ 300,000,000</b>	<b>\$ 195,686,713</b>	<b>\$ 176,291,685</b>

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

Expenditures Incurred To Date GSMP II Projects	May PTD Actual Internal Labor \$	May PTD Actual Material \$	May PTD Actual Other \$	May PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 66,494,302	\$ 24,536,539	\$ 921,849,552	\$ 1,012,880,393	\$ 971,298,895
Replacement Service	\$ 62,460,886	\$ 28,971,069	\$ 251,210,399	\$ 342,642,354	\$ 342,478,391
Regulator Elimination	\$ 790,746	\$ 174,375	\$ 3,084,160	\$ 3,258,535	\$ 1,259,205
<b>Total</b>	<b>\$ 129,745,934</b>	<b>\$ 53,681,983</b>	<b>\$ 1,176,144,111</b>	<b>\$ 1,358,781,282</b>	<b>\$ 1,315,036,492</b>
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	2,474,144				
Internal Labor - Overtime Hours	820,542				

Expenditures Incurred To Date Stipulated Base II Projects	May PTD Actual Internal Labor \$	May PTD Actual Material \$	May PTD Actual Other \$	May PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 6,426,862	\$ 6,957,731	\$ 96,613,821	\$ 109,998,415	\$ 103,911,670
Replacement Service	\$ 3,711,467	\$ 546,425	\$ 16,181,174	\$ 20,439,066	\$ 20,413,195
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 15,143,943	\$ 1,805,607	\$ 28,904,655	\$ 45,854,205	\$ 45,854,205
<b>Total</b>	<b>\$ 25,282,272</b>	<b>\$ 9,309,763</b>	<b>\$ 141,699,650</b>	<b>\$ 176,291,685</b>	<b>\$ 170,179,071</b>
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	353,805				
Internal Labor - Overtime Hours	127,757				

## 2d - Projected and actual number of services installed

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	2020 Quantity Completed	2021 Quantity Completed	Projected Quantity Jan 2022	Actual Quantity Jan 2022	Projected Quantity Feb 2022	Actual Quantity Feb 2022	Projected Quantity Mar 2022	Actual Quantity Mar 2022	Projected Quantity Apr 2022	Actual Quantity Apr 2022	Projected Quantity May 2022	Actual Quantity May 2022	2022 Estimated Quantity	2022 Quantity Completed	Total Program Quantity Completed To Date		
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	1,166,556	1,060,930	74,526	52,125	52,672	49,131	71,036	60,582	47,747	41,057	47,259	37,211	531,382	240,106	3,214,337		
					4"	Plastic	246,779	335,330	277,288	21,534	22,482	15,219	21,565	20,526	8,364	13,796	10,240	13,655	12,637	153,542	75,288	934,685		
					6"	Plastic	80,521	115,300	105,458	7,549	1,007	5,335	4,269	7,196	1,480	4,837	3,621	4,787	2,196	53,827	12,573	313,852		
					8"	Plastic	34,576	40,792	28,772	2,609	-	1,844	25	2,487	1,446	1,672	3,933	1,655	1,880	18,606	7,284	111,424		
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
					12"	Steel	-	17,397	5,021	562	-	397	-	535	574	360	-	356	(233)	4,005	341	22,759		
	16" & 20"	Steel	-	5,889	7,481	335	2,673	237	199	319	-	215	-	212	574	2,389	3,446	16,816						
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	1,681,264	1,484,950	107,116	78,287	75,705	75,189	102,100	72,446	68,626	58,851	67,925	54,265	763,751	339,038	4,613,873		
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	18,218	27,320	1,710	1,884	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,429	17,335	11,314	71,505		
					>2"	Plastic	2	4	4	-	1	-	-	-	-	-	-	-	2	-	-	3	13	
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	18,222	27,324	1,710	1,885	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,431	17,335	11,317	71,518			
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	32	59	/	-	/	4	/	5	/	-	/	3	/	12	125			
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	32	59	/	-	/	4	/	5	/	-	/	3	/	12	125			
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	78,746	94,927	15,331	17,583	10,089	9,543	10,660	7,488	7,298	3,056	4,851	2,614	63,920	40,284	293,083		
					4"	Plastic	30,415	19,023	20,923	4,267	2,617	2,808	3,837	2,967	6,427	2,031	3,010	1,350	3,361	17,791	19,252	89,613		
					6"	Plastic	9,773	3,061	11,889	1,499	391	987	394	1,042	1,178	714	-	474	1,744	6,251	3,707	28,430		
					8"	Plastic	277	284	775	81	-	53	1,107	56	1,021	39	-	26	-	338	2,128	3,464		
					8"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
					12"	Plastic	2	-	-	0	-	0	-	0	-	0	-	0	-	0	-	1	-	2
					12"	Steel	171	12,487	4,984	1,070	-	704	-	744	15	509	616	339	2,413	4,461	3,044	20,686		
					16"	Steel	100	-	-	6	-	4	1,745	4	849	3	1	2	-	25	2,595	2,695		
					20"	Steel	-	-	20	1	-	1	-	1	-	1	-	0	-	5	-	20		
	42"	Steel	700	597	1,900	194	-	128	-	135	-	92	-	61	-	808	-	-	-	3,197				
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	114,198	135,418	22,450	20,591	14,774	16,626	15,609	16,978	10,687	6,683	7,103	10,132	93,600	71,010	441,190		
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	1,107	932	150	177	156	98	262	194	294	148	509	141	4,246	758	4,190		
					>2"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	1,107	932	150	177	156	98	262	194	294	148	509	141	4,246	758	4,190		
	Large Diameter High Pressure Joints	Joints	Dec-23	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Large Diameter High Pressure Joints	Joints	N/A	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

[illegible]



August 29, 2022

**VIA ELECTRONIC MAIL ONLY**

Carmen Diaz, Acting Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Flr.  
P.O. Box 350  
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM  
MONTHLY REPORT – JUNE 2022**

Dear Acting Secretary Diaz:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for June 2022 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

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

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

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

- 2 -

cc - E-Mail Only:

Robert Brabston  
Paul Lupo  
Mike Kammer  
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 Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	June PTD Budget	June PTD Actual
Replacement Main	\$ 1,087,400,000	\$ 761,180,000	\$ 1,041,622,220
Replacement Service	\$ 482,000,000	\$ 337,400,000	\$ 354,777,993
Regulator Elimination	\$ 5,600,000	\$ 3,920,000	\$ 3,572,810
<b>Total</b>	<b>\$ 1,575,000,000</b>	<b>\$ 1,102,500,000</b>	<b>\$ 1,399,973,023</b>

Stipulated Base II Major Project Categories	Overall Approved Program	Overall Approved Program	June PTD Actual
Replacement Main	\$ 217,200,000	\$ 152,040,000	\$ 112,509,881
Replacement Service	\$ 34,800,000	\$ 24,360,000	\$ 21,393,507
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 33,600,000	\$ 48,153,288
<b>Total</b>	<b>\$ 300,000,000</b>	<b>\$ 210,000,000</b>	<b>\$ 182,056,676</b>

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

Expenditures Incurred To Date GSMP II Projects	June PTD Actual Internal Labor \$	June PTD Actual Material \$	June PTD Actual Other \$	June PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 63,530,401	\$ 23,704,179	\$ 954,387,641	\$ 1,041,622,220	\$ 998,666,268
Replacement Service	\$ 65,385,790	\$ 29,800,009	\$ 259,592,194	\$ 354,777,993	\$ 354,613,030
Regulator Elimination	\$ 829,743	\$ 177,795	\$ 3,395,015	\$ 3,572,810	\$ 1,402,273
<b>Total</b>	<b>\$ 129,745,934</b>	<b>\$ 53,681,983</b>	<b>\$ 1,217,374,849</b>	<b>\$ 1,399,973,023</b>	<b>\$ 1,354,681,572</b>
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	2,546,423				
Internal Labor - Overtime Hours	846,633				

Expenditures Incurred To Date Stipulated Base II Projects	June PTD Actual Internal Labor \$	June PTD Actual Material \$	June PTD Actual Other \$	June PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 6,834,571	\$ 7,158,717	\$ 98,516,593	\$ 112,509,881	\$ 106,338,846
Replacement Service	\$ 3,784,782	\$ 550,236	\$ 17,058,490	\$ 21,393,507	\$ 21,367,637
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 15,990,510	\$ 1,850,622	\$ 30,312,156	\$ 48,153,288	\$ 48,153,288
<b>Total</b>	<b>\$ 26,609,863</b>	<b>\$ 9,559,575</b>	<b>\$ 145,887,238</b>	<b>\$ 182,056,676</b>	<b>\$ 175,859,771</b>
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	365,722				
Internal Labor - Overtime Hours	133,386				

**REPORT DATE: June 2022**  
2a - Description of projects  
2c - Projected and actual miles of main installed  
2d - Projected and actual number of services installed

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	2020 Quantity Completed	2021 Quantity Completed	Projected Quantity Jan 2022	Actual Quantity Jan 2022	Projected Quantity Feb 2022	Actual Quantity Feb 2022	Projected Quantity Mar 2022	Actual Quantity Mar 2022	Projected Quantity Apr 2022	Actual Quantity Apr 2022	Projected Quantity May 2022	Actual Quantity May 2022	Projected Quantity Jun 2022	Actual Quantity Jun 2022	2022 Estimated Quantity	2022 Quantity Completed	Total Program Quantity Completed To Date
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	1,166,556	1,060,930	74,526	52,125	52,672	49,131	71,036	60,582	47,747	41,057	47,259	37,211	52,266	30,541	531,382	270,647	3,244,878
					4"	Plastic	246,779	335,330	277,288	21,534	22,482	15,219	21,565	20,526	8,364	13,796	10,240	13,655	12,637	15,102	22,384	153,542	97,672	957,069
					6"	Plastic	80,521	115,300	105,458	7,549	1,007	5,335	4,269	7,196	1,480	4,837	3,621	4,787	2,196	5,294	7,728	53,827	20,301	321,580
					8"	Plastic	34,576	40,792	28,772	2,609	-	1,844	25	2,487	1,446	1,672	3,933	1,655	1,880	1,830	779	18,606	8,063	112,203
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,980	-	1,980	1,980
					12"	Steel	-	17,397	5,021	562	-	397	-	535	574	360	-	356	(233)	394	319	4,005	660	23,078
					16" & 20"	Steel	-	5,889	7,481	335	2,673	237	199	319	-	215	-	212	574	235	-	2,389	3,446	16,816
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	1,681,264	1,484,950	107,116	78,287	75,705	75,189	102,100	72,446	68,626	58,851	67,925	54,265	75,122	63,731	763,751	402,769	4,677,604
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	18,218	27,320	1,710	1,884	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,429	1,706	2,019	17,335	13,333	73,524
					> 2"	Plastic	2	4	4	-	1	-	-	-	-	-	-	-	2	-	1	-	4	14
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	18,222	27,324	1,710	1,885	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,431	1,706	2,020	17,335	13,337	73,538	
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	32	59		-		4		5		-		3		3		15	128	
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	32	59		-		4		5		-		3		3		15	128	
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	78,746	94,927	15,331	17,583	10,089	9,543	10,660	7,488	7,298	3,056	4,851	2,614	1,698	6,645	63,920	46,929	299,728
					4"	Plastic	30,415	19,023	20,923	4,267	2,617	2,808	3,837	2,967	6,427	2,031	3,010	3,361	473	1,053	17,791	20,305	90,666	
					6"	Plastic	9,773	3,061	11,889	1,499	391	987	394	1,042	1,178	714	-	474	1,744	166	37	6,251	3,744	28,467
					8"	Plastic	277	284	775	81	-	53	1,107	56	1,021	39	-	26	-	9	19	338	2,147	3,483
					8"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Plastic	2	-	-	0	-	0	-	0	-	0	-	0	-	0	-	1	-	2
					12"	Steel	171	12,487	4,984	1,070	-	704	-	744	15	509	616	339	2,413	118	144	4,461	3,188	20,830
					16"	Steel	100	-	-	6	-	4	1,745	4	849	3	1	2	-	1	-	25	2,595	2,695
					20"	Steel	-	-	20	1	-	1	-	1	-	1	-	0	-	0	-	5	-	20
					42"	Steel	700	597	1,900	194	-	128	-	135	-	92	-	61	-	21	-	808	-	3,197
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	114,198	135,418	22,450	20,591	14,774	16,626	15,609	16,978	10,687	6,683	7,103	10,132	2,486	7,898	93,600	78,908	449,088
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	1,107	932	150	177	156	98	262	194	294	148	509	141	600	214	4,246	972	4,404
					> 2"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	1,107	932	150	177	156	98	262	194	294	148	509	141	600	214	4,246	972	4,404	
Large Diameter High Pressure Joints	Joints	Dec-23	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Diameter High Pressure Joints	Joints	N/A	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



[illegible]



October 5, 2022

**VIA ELECTRONIC MAIL ONLY**

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM  
MONTHLY REPORT – JULY 2022**

Dear Acting Secretary Diaz:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for July 2022 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

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

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

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", with a stylized flourish at the end.

Danielle Lopez

cc - E-Mail Only:

Robert Brabston

- 2 -

Paul Lupo  
Mike Kammer  
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 Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

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

<b>July PTD Budget</b>	<b>July PTD Actual</b>
\$ 779,303,333	\$ 1,069,191,210
\$ 345,433,333	\$ 363,837,056
\$ 4,013,333	\$ 3,884,220
<b>\$ 1,128,750,000</b>	<b>\$ 1,436,912,486</b>

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

<b>July PTD Budget</b>	<b>July PTD Actual</b>
\$ 155,660,000	\$ 116,668,903
\$ 24,940,000	\$ 22,655,171
\$ -	\$ -
\$ 34,400,000	\$ 49,682,318
<b>\$ 215,000,000</b>	<b>\$ 189,006,392</b>

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.

<b>Expenditures Incurred To Date GSMP II Projects</b>	<b>July PTD Actual Internal Labor \$</b>	<b>July PTD Actual Material \$</b>	<b>July PTD Actual Other \$</b>	<b>July PTD Actual Total \$</b>
Replacement Main	\$ 61,657,926	\$ 23,604,694	\$ 983,928,590	\$ 1,069,191,210
Replacement Service	\$ 67,208,134	\$ 29,893,349	\$ 266,735,573	\$ 363,837,056
Regulator Elimination	\$ 879,874	\$ 183,939	\$ 3,700,281	\$ 3,884,220
<b>Total</b>	<b>\$ 129,745,934</b>	<b>\$ 53,681,983</b>	<b>\$ 1,254,364,443</b>	<b>\$ 1,436,912,486</b>
<b>GSMP II Internal Labor Hours</b>				
Internal Labor - Regular Hours	2,607,280			
Internal Labor - Overtime Hours	864,526			

<b>Amount to Plant In-Service</b>
\$ 1,025,018,459
\$ 363,669,897
\$ 1,545,434
<b>\$ 1,390,233,790</b>

<b>Expenditures Incurred To Date Stipulated Base II Projects</b>	<b>July PTD Actual Internal Labor \$</b>	<b>July PTD Actual Material \$</b>	<b>July PTD Actual Other \$</b>	<b>July PTD Actual Total \$</b>
Replacement Main	\$ 7,845,619	\$ 7,222,513	\$ 101,600,771	\$ 116,668,903
Replacement Service	\$ 3,942,511	\$ 557,720	\$ 18,154,940	\$ 22,655,171
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 16,544,040	\$ 2,103,922	\$ 31,034,356	\$ 49,682,318
<b>Total</b>	<b>\$ 28,332,170</b>	<b>\$ 9,884,156</b>	<b>\$ 150,790,066</b>	<b>\$ 189,006,392</b>
<b>Stip Base II Internal Labor Hours</b>				
Internal Labor - Regular Hours	380,981			
Internal Labor - Overtime Hours	140,138			

<b>Amount to Plant In-Service</b>
\$ 110,326,661
\$ 22,629,301
\$ -
\$ 49,682,318
<b>\$ 182,638,280</b>

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

**REPORT DATE: July 2022**  
2a - Description of projects  
2c - Projected and actual miles of main installed  
2d - Projected and actual number of services installed

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	2020 Quantity Completed	2021 Quantity Completed	Projected Quantity Jan 2022	Actual Quantity Jan 2022	Projected Quantity Feb 2022	Actual Quantity Feb 2022	Projected Quantity Mar 2022	Actual Quantity Mar 2022	Projected Quantity Apr 2022	Actual Quantity Apr 2022	Projected Quantity May 2022	Actual Quantity May 2022	Projected Quantity Jun 2022	Actual Quantity Jun 2022	Projected Quantity Jul 2022	Actual Quantity Jul 2022	2022 Estimated Quantity	2022 Quantity Completed	Total Program Quantity Completed To Date
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	1,166,556	1,060,930	74,526	52,125	52,672	49,131	71,036	60,582	47,747	41,057	47,259	37,211	52,266	30,541	57,244	26,156	531,382	296,803	3,271,034
					4"	Plastic	246,779	335,330	277,288	21,534	22,482	15,219	21,565	20,526	8,364	13,796	10,240	13,655	12,637	15,102	22,384	16,540	14,677	153,542	112,349	971,746
					6"	Plastic	80,521	115,300	105,458	7,549	1,007	5,335	4,269	7,196	1,480	4,837	3,621	4,787	2,196	5,294	7,728	5,799	1,623	53,827	21,924	323,203
					8"	Plastic	34,576	40,792	28,772	2,609	-	1,844	25	2,487	1,446	1,672	3,933	1,655	1,880	1,830	779	2,004	3,999	18,666	12,062	116,202
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,980	-	(19)	-	1,961	1,961
					12"	Steel	-	17,397	5,021	562	-	397	-	-	535	574	360	-	356	(233)	394	431	1,204	4,005	1,864	24,282
					16"& 20"	Steel	-	5,889	7,481	335	2,673	237	199	-	319	-	215	-	212	574	235	-	257	2,389	3,446	16,616
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	1,681,264	1,484,950	107,116	78,287	75,705	75,189	102,100	72,446	68,626	58,851	67,925	54,265	75,122	63,731	82,276	47,640	763,751	450,409	4,725,244
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	18,218	27,320	1,710	1,884	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,429	1,706	2,019	1,625	1,616	17,335	14,949	75,140
					>2"	Plastic	2	4	4	4	-	1	-	-	-	-	-	-	2	-	1	5	1	5	5	15
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	18,222	27,324	1,710	1,885	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,431	1,706	2,020	1,630	1,617	17,340	14,954	75,155	
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	32	59	/	-	/	4	/	5	/	-	/	3	/	3	/	5	/	20	133	
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	32	59	/	-	/	4	/	5	/	-	/	3	/	3	/	5	/	20	133	
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	78,746	94,927	15,331	17,583	10,089	9,543	10,660	7,488	7,298	3,056	4,851	2,614	1,698	6,645	4,960	23,678	63,920	70,607	323,406
					4"	Plastic	30,415	19,023	20,923	4,267	2,617	2,808	3,837	2,967	6,427	2,031	3,010	1,350	3,361	473	1,053	1,380	6,887	17,791	27,192	97,553
					6"	Plastic	9,773	3,061	11,889	1,499	391	987	394	1,042	1,178	714	474	1,744	166	37	485	(646)	6,251	3,098	27,821	
					8"	Plastic	277	284	775	81	-	53	1,107	56	1,021	39	-	26	-	9	19	26	-	338	2,147	3,483
					8"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Plastic	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
					12"	Steel	171	12,487	4,984	1,070	-	704	-	744	15	509	616	339	2,413	118	144	346	1,034	4,461	4,222	21,864
					16"	Steel	100	-	-	6	-	4	1,745	4	849	3	1	2	-	1	-	2	-	25	2,695	2,695
					20"	Steel	-	-	20	1	-	1	-	1	-	1	-	0	-	0	-	0	-	5	-	20
					42"	Steel	700	597	1,900	194	-	128	-	135	-	92	-	61	-	21	-	63	-	808	-	3,197
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	114,198	135,418	22,450	20,991	14,774	16,626	15,609	16,978	10,687	6,683	7,103	10,132	2,486	7,898	7,263	30,953	93,599	109,861	480,041
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	1,107	932	150	177	156	98	262	194	294	148	509	141	600	214	637	308	4,246	1,280	4,712
					>2"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	1,107	932	150	177	156	98	262	194	294	148	509	141	600	214	637	308	4,246	1,280	4,712
Large Diameter High Pressure Joints	Joints	Dec-23	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Large Diameter High Pressure Joints	Joints	N/A	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[illegible]



October 27, 2022

**VIA ELECTRONIC MAIL ONLY**

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM  
MONTHLY REPORT – AUGUST 2022**

Dear Acting Secretary Diaz:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for August 2022 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

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

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

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", with a stylized flourish at the end.

Danielle Lopez

cc - E-Mail Only:

Robert Brabston

- 2 -

Paul Lupo  
Mike Kammer  
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 Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	Aug. PTD Budget	Aug. PTD Actual
Replacement Main \$	\$ 1,087,400,000	\$ 797,426,667	\$ 1,090,956,228
Replacement Service \$	\$ 482,000,000	\$ 353,466,667	\$ 373,794,265
Regulator Elimination \$	\$ 5,600,000	\$ 4,106,667	\$ 4,036,647
<b>Total</b>	<b>\$ 1,575,000,000</b>	<b>\$ 1,155,000,000</b>	<b>\$ 1,468,787,140</b>

Stipulated Base II Major Project Categories	Overall Approved Program	Aug. PTD Budget	Aug. PTD Actual
Replacement Main \$	\$ 217,200,000	\$ 159,280,000	\$ 131,430,849
Replacement Service \$	\$ 34,800,000	\$ 25,520,000	\$ 25,323,889
Large Diameter HP Joints \$	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction \$	\$ 30,000,000	\$ 35,200,000	\$ 51,749,814
<b>Total</b>	<b>\$ 300,000,000</b>	<b>\$ 220,000,000</b>	<b>\$ 208,504,551</b>

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

Expenditures Incurred To Date GSMP II Projects	Aug. PTD Actual Internal Labor \$	Aug. PTD Actual Material \$	Aug. PTD Actual Other \$	Aug. PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 59,668,816	\$ 22,827,762	\$ 1,008,459,650	\$ 1,090,956,228	\$ 1,045,493,739
Replacement Service	\$ 69,149,230	\$ 30,664,063	\$ 273,980,972	\$ 373,794,265	\$ 373,625,905
Regulator Elimination	\$ 927,888	\$ 190,157	\$ 3,846,490	\$ 4,036,647	\$ 1,549,656
<b>Total</b>	<b>\$ 129,745,934</b>	<b>\$ 53,681,983</b>	<b>\$ 1,286,287,111</b>	<b>\$ 1,468,787,140</b>	<b>\$ 1,420,669,300</b>
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	2,660,698				
Internal Labor - Overtime Hours	879,231				

Expenditures Incurred To Date Stipulated Base II Projects	Aug. PTD Actual Internal Labor \$	Aug. PTD Actual Material \$	Aug. PTD Actual Other \$	Aug. PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 10,819,229	\$ 8,366,184	\$ 112,245,436	\$ 131,430,849	\$ 124,497,935
Replacement Service	\$ 4,756,744	\$ 574,027	\$ 19,993,118	\$ 25,323,889	\$ 25,298,018
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 17,346,023	\$ 2,131,015	\$ 32,272,776	\$ 51,749,814	\$ 51,749,814
<b>Total</b>	<b>\$ 32,921,995</b>	<b>\$ 11,071,226</b>	<b>\$ 164,511,330</b>	<b>\$ 208,504,551</b>	<b>\$ 201,545,767</b>
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	419,394				
Internal Labor - Overtime Hours	157,563				

**REPORT DATE: AugustJuly 2022**

2a - Description of projects

2c - Projected and actual miles of main installed

2d - Projected and actual number of services installed

[illegible]

[illegible]



December 7, 2022

**VIA ELECTRONIC MAIL ONLY**

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM  
MONTHLY REPORT – SEPTEMBER 2022**

Dear Acting Secretary Diaz:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for September 2022 on its Next Phase of the Gas System Modernization Program (GSMP II or the Program).

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

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

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", with a stylized flourish at the end.

Danielle Lopez

cc - E-Mail Only:  
Robert Brabston  
Paul Lupo

- 2 -

Mike Kammer  
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 Rate Mechanism and Stipulated Base capital budget broken down by major categories, both budgeted and actual amounts.

GSMP II Major Project Categories	Overall Approved Program	Sept. PTD Budget	Sept. PTD Actual
Replacement Main \$	\$ 1,087,400,000	\$ 815,550,000	\$ 1,112,477,043
Replacement Service \$	\$ 482,000,000	\$ 361,500,000	\$ 381,948,204
Regulator Elimination \$	\$ 5,600,000	\$ 4,200,000	\$ 4,431,072
<b>Total</b>	<b>\$ 1,575,000,000</b>	<b>\$ 1,181,250,000</b>	<b>\$ 1,498,856,319</b>

Stipulated Base II Major Project Categories	Overall Approved Program	Sept. PTD Budget	Sept. PTD Actual
Replacement Main \$	\$ 217,200,000	\$ 162,900,000	\$ 142,288,819
Replacement Service \$	\$ 34,800,000	\$ 26,100,000	\$ 28,801,919
Large Diameter HP Joints \$	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction \$	\$ 30,000,000	\$ 36,000,000	\$ 56,687,235
<b>Total</b>	<b>\$ 300,000,000</b>	<b>\$ 225,000,000</b>	<b>\$ 227,777,973</b>

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

Expenditures Incurred To Date GSMP II Projects	Sept. PTD Actual Internal Labor \$	Sept. PTD Actual Material \$	Sept. PTD Actual Other \$	Sept. PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 57,863,105	\$ 22,310,694	\$ 1,032,303,243	\$ 1,112,477,043	\$ 1,065,366,348
Replacement Service	\$ 70,892,745	\$ 31,181,131	\$ 279,874,328	\$ 381,948,204	\$ 381,779,375
Regulator Elimination	\$ 990,084	\$ 190,157	\$ 4,240,915	\$ 4,431,072	\$ 1,741,034
<b>Total</b>	<b>\$ 129,745,934</b>	<b>\$ 53,681,983</b>	<b>\$ 1,316,418,486</b>	<b>\$ 1,498,856,319</b>	<b>\$ 1,448,886,757</b>
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	2,713,940				
Internal Labor - Overtime Hours	897,191				

Expenditures Incurred To Date Stipulated Base II Projects	Sept. PTD Actual Internal Labor \$	Sept. PTD Actual Material \$	Sept. PTD Actual Other \$	Sept. PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 12,720,100	\$ 9,244,990	\$ 120,323,729	\$ 142,288,819	\$ 135,038,224
Replacement Service	\$ 5,208,000	\$ 740,840	\$ 22,853,078	\$ 28,801,919	\$ 28,776,049
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 18,464,244	\$ 4,527,764	\$ 33,695,227	\$ 56,687,235	\$ 56,687,235
<b>Total</b>	<b>\$ 36,392,344</b>	<b>\$ 14,513,594</b>	<b>\$ 176,872,035</b>	<b>\$ 227,777,973</b>	<b>\$ 220,501,508</b>
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	450,215				
Internal Labor - Overtime Hours	170,734				

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

**REPORT DATE: September 2022**  
2a - Description of projects  
2c - Projected and actual miles of main installed  
2d - Projected and actual number of services installed

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	2020 Quantity Completed	2021 Estimated Quantity	2021 Quantity Completed	Projected Quantity Jan 2022	Actual Quantity Jan 2022	Projected Quantity Feb 2022	Actual Quantity Feb 2022	Projected Quantity Mar 2022	Actual Quantity Mar 2022	Projected Quantity Apr 2022	Actual Quantity Apr 2022	Projected Quantity May 2022	Actual Quantity May 2022	Projected Quantity Jun 2022	Actual Quantity Jun 2022	Projected Quantity Jul 2022	Actual Quantity Jul 2022	Projected Quantity Aug 2022	Actual Quantity Aug 2022	Projected Quantity Sep 2022	Actual Quantity Sep 2022	2022 Estimated Quantity	2022 Quantity Completed	Total Program Quantity Completed To Date	
GAS SYSTEM MODERNIZATION PROGRAM	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	746,745	1,166,556	972,100	1,060,930	74,526	52,125	52,672	49,131	71,036	60,582	47,747	41,057	47,259	37,211	52,266	30,541	57,244	26,156	27,720	17,027	23,068	20,368	531,382	334,198	3,306,429	
					4"	Plastic	246,779	335,330	442,400	277,288	21,534	22,482	15,219	21,565	20,526	8,364	13,796	10,240	13,655	12,637	15,102	22,384	16,540	14,677	8,010	9,986	6,665	11,152	153,542	133,487	997,884	
					6"	Plastic	80,521	115,300	136,894	105,458	7,549	1,007	5,335	4,269	7,196	1,480	4,837	3,621	4,787	2,196	5,294	7,728	5,799	1,623	2,808	3,659	2,337	1,702	53,827	27,285	328,564	
					8"	Plastic	34,576	40,792	29,300	28,722	2,609	-	1,844	25	2,487	1,446	1,672	3,933	1,655	1,880	1,830	779	2,004	3,999	971	174	808	(476)	18,606	11,760	115,850	
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,980	-	(19)	-	(1,961)	-	-	-	-	
					12"	Steel	-	17,397	-	5,021	562	-	397	-	535	574	360	-	356	(233)	394	319	431	1,204	209	(1,178)	174	-	4,005	686	23,104	
					16" & 20"	Steel	-	5,889	-	7,531	335	2,673	237	199	319	215	215	212	574	235	257	-	-	-	125	-	104	2,389	3,446	16,866		
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,105,621	1,681,264	1,580,694	1,484,950	107,116	78,287	75,705	75,189	102,100	72,446	68,626	58,851	67,925	54,265	75,122	63,731	82,276	47,640	39,842	27,707	33,155	32,746	763,751	510,862	4,785,997	
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	18,218	19,298	27,320	1,710	1,884	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,429	1,706	2,019	1,625	1,616	1,331	1,675	1,109	1,430	17,335	18,054	78,245	
					>2"	Plastic	2	4	4	4	1	-	-	-	-	5	-	-	-	2	-	2	1	5	1	-	-	-	1	5	6	16
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	18,222	19,298	27,324	1,710	1,885	1,539	1,981	1,797	2,690	1,759	2,330	1,854	2,431	1,706	2,020	1,630	1,617	1,331	1,675	1,109	1,431	17,340	18,060	78,261		
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22	32	-	59	-	-	-	-	4	-	5	-	-	-	3	-	3	-	5	-	4	-	5	-	29	142	
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22	32	-	59	-	-	-	-	4	-	5	-	-	-	3	-	3	-	5	-	4	-	5	-	29	142	
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	78,746	40,113	94,927	15,331	17,583	10,089	9,543	10,660	7,488	7,298	3,056	4,851	2,614	1,698	6,645	4,960	23,678	5,480	33,880	2,732	26,257	63,920	130,744	383,543	
					4"	Plastic	30,415	19,023	47,117	20,923	4,267	2,617	2,808	3,837	2,967	6,427	2,031	3,010	1,350	3,361	473	1,053	1,380	6,887	1,525	17,555	760	15,283	17,791	60,030	130,391	
					6"	Plastic	9,773	3,061	10,800	11,889	1,499	391	987	394	1,042	1,178	714	1,474	1,744	166	37	485	(646)	536	2,747	267	5,203	6,251	11,048	35,771	-	-
					8"	Plastic	277	284	7,200	775	81	-	53	1,107	56	1,021	39	-	26	-	9	19	26	-	29	4,418	14	3,735	338	10,300	11,636	-
					8"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Plastic	2	-	900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,961	-	-	-	1,961	1,963
					12"	Steel	171	12,487	16,651	4,984	1,070	-	704	-	744	15	509	616	339	2,413	118	144	346	1,034	382	3,718	191	1,748	4,461	9,688	27,330	-
					16"	Steel	100	-	12,400	-	6	-	4	1,745	4	849	3	1	2	-	1	-	2	2	-	2	-	1	-	25	2,595	2,695
					20"	Steel	-	-	-	20	1	-	1	-	1	-	1	-	0	-	0	-	0	0	-	0	393	0	(358)	5	35	55
					24"	Steel	-	-	12,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	572	-	572
					42"	Steel	700	597	-	1,900	194	-	128	-	135	-	92	-	61	-	21	-	63	-	69	-	35	-	808	-	3,197	-
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	114,198	147,581	135,418	22,450	20,591	14,774	16,626	15,609	16,978	10,687	6,683	7,103	10,132	2,486	7,898	7,263	30,953	8,024	64,672	4,000	52,440	93,599	226,973	597,153	
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	1,107	1,711	932	150	177	156	98	262	194	294	148	509	141	600	214	637	308	511	510	401	688	4,246	2,478	5,910	-
					>2"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	1,107	1,711	932	150	177	156	98	262	194	294	148	509	141	600	214	637	308	511	510	401	688	4,246	2,478	5,910	-
Large Diameter High Pressure Joints	Joints	Dec-23	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Large Diameter High Pressure Joints	Joints	N/A	HP Joints Encapsulated	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[illegible]



**PSE&G Gas System Modernization Program II**  
**Capital Expenditures**

Attachment 1  
Schedule WEM-GSMPII-3

Roll-In	8	8	8	8	8	8			
	Actual 2022 Sep-22	Actual 2022 Oct-22	Actual 2022 Nov-22	Forecast 2022 Dec-22	Forecast 2023 Jan-23	Forecast 2023 Feb-23	Program Total	YTD 2022 Total	Roll-In 8 Total
Miles of Main Replaced	6	6	4	4	5	4	930	111	30
<b><u>GSMP II Total Program</u></b>									
Direct Install	\$28,218,091	\$11,612,267	\$13,585,609	\$21,927,766	\$9,527,650	\$14,291,475	\$1,519,700,040	\$343,154,821	\$99,162,858
COR (less Salvage)	\$1,851,083	\$1,580,183	\$1,365,594	\$1,072,235	\$472,350	\$735,729	\$55,299,960	\$17,159,915	\$7,077,172
Total	\$30,069,174	\$13,192,450	\$14,951,203	\$23,000,000	\$10,000,000	\$15,027,204	\$1,575,000,000	\$360,314,736	\$106,240,030
<b><u>GSMP II Program - Mains</u></b>									
Direct Install	\$7,656,085	\$2,935,638	\$3,560,626	\$14,196,593	\$6,165,900	\$9,248,850	\$526,788,330	\$94,437,015	\$43,763,692
COR (less Salvage)	\$1,647,126	\$1,493,285	\$1,287,976	\$1,053,507	\$464,100	\$723,354	\$52,245,410	\$15,935,754	\$6,669,347
Total	\$9,303,211	\$4,428,922	\$4,848,602	\$15,250,100	\$6,630,000	\$9,972,204	\$579,033,740	\$110,372,770	\$50,433,039
<b><u>GSMP II Program - Services</u></b>									
Direct Install	\$20,635,104	\$8,201,221	\$10,499,163	\$7,572,273	\$3,291,750	\$4,937,625	\$978,310,202	\$245,976,788	\$55,137,135
COR (less Salvage)	\$203,956	\$86,898	\$77,618	\$18,728	\$8,250	\$12,375	\$3,054,549	\$1,224,160	\$407,825
Total	\$20,839,060	\$8,288,119	\$10,576,781	\$7,591,000	\$3,300,000	\$4,950,000	\$981,364,751	\$247,200,949	\$55,544,960
<b><u>GSMP II Program - Regulators</u></b>									
Direct Install	-\$73,098	\$475,409	-\$474,180	\$158,900	\$70,000	\$105,000	\$14,601,509	\$2,741,017	\$262,031
COR (less Salvage)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	-\$73,098	\$475,409	-\$474,180	\$158,900	\$70,000	\$105,000	\$14,601,509	\$2,741,017	\$262,031
<b><u>Stipulated Base Spend</u></b>									
Direct Install	\$18,955,741	\$12,392,472	\$15,371,978	\$17,400,000	\$9,650,000	\$15,150,500	\$290,032,625	\$123,739,277	\$88,920,691
COR (less Salvage)	\$317,681	\$331,989	\$316,162	\$720,000	\$350,000	\$538,959	\$9,967,375	\$3,064,881	\$2,574,792
Total	\$19,273,422	\$12,724,461	\$15,688,140	\$18,120,000	\$10,000,000	\$15,689,459	\$300,000,000	\$126,804,158	\$91,495,482
<b><u>Baseline Spend</u></b>									
Direct Install	\$17,659,702	\$54,845,462	\$47,658,823	\$31,671,685	\$18,000,000	\$22,500,000	\$907,303,391	\$289,586,758	\$192,335,672
COR (less Salvage)	\$1,962,506	\$2,108,537	\$2,641,903	\$2,500,000	\$2,000,000	\$2,500,000	\$103,975,239	\$26,924,242	\$13,712,946
Total	\$19,622,208	\$56,954,000	\$50,300,726	\$34,171,685	\$20,000,000	\$25,000,000	\$1,011,278,630	\$316,511,000	\$206,048,618
	<u>Amount</u>	<u>Percentage</u>							
Total GSMP II Program	\$1,575,000,000								
10% Minimum Filing Requirement	\$157,500,000	10%							
Roll-In # 8 (Actual/Forecast)	\$106,240,030	7%							

**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”)  
(December 2022 GSMP II Rate Filing)**

**BPU Docket No. \_\_\_\_\_**

**DIRECT TESTIMONY**

**OF**

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

**December 30, 2022**

## ATTACHMENT 2

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

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

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

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

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

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

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

## ATTACHMENT 2

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

### 12 **COST RECOVERY MECHANISM**

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

14 A. PSE&G is proposing to recover the annual revenue requirement associated with the  
15 Program consistent with the GSMP II Rate Mechanism approved in the GSMP II Order. The  
16 revenue requirement is based on expected plant in-service and cost of removal expenditures  
17 that have not been included in a prior rate adjustment. The plant in-service and cost of removal  
18 expenditures are based on actual results through November 30, 2022 and a forecast through  
19 February 28, 2023. The forecast from December 1, 2022 through February 28, 2023 will be  
20 trued-up with actual results and filed by March 15, 2023.

## ATTACHMENT 2

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

3 A. The Company is proposing a forecasted annual revenue requirement increase of  
4 \$10.916 million based upon the actual and forecasted expenditures discussed above and  
5 assuming adjusted base rates go into effect June 1, 2023. The revenue requirement increase  
6 is calculated in Schedule SS-GSMPII-2.

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

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

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

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

14 A. Per the GSMP II Order, the GSMP II Rate Base is calculated as the GSMP II Investment  
15 Costs less Accumulated Depreciation and less Accumulated Deferred Income Taxes (“ADIT”).  
16 The GSMP II Investment Costs consist of actual plant placed into service from Program  
17 inception through November 30, 2022 (less the amounts already recovered or pending recovery  
18 in rates) and a forecast of capital expenditures through February 28, 2023 for projects expected  
19 to be in service by February 28, 2023. For details on the GSMP II Investment Costs, see  
20 Schedule WEM-GSMPII-3. Accumulated Depreciation is the sum of the depreciation expense  
21 incurred from the date the GSMP II projects are placed into service and the effective date of  
22 the base rate change. The GSMP II Order anticipates the eighth roll in filing to result in rates

## ATTACHMENT 2

1 effective June 1, 2023 so the Accumulated Depreciation in the filing is through May 31, 2023.  
2 Consistent with the calculation of Accumulated Depreciation, ADIT is calculated through May  
3 31, 2023.

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

6 A. Per the GSMP II Order, the WACC for the GSMP II Rate Mechanism will be based  
7 upon the authorized return on equity (“ROE”) and capital structure including income tax effects  
8 decided by the Board in the most recently approved base rate case. In October 2018, the Board  
9 approved the Company’s 2018 base rate case<sup>1</sup>, which set the WACC at 6.99%, or 6.48% on an  
10 after-tax basis, based on a return on equity of 9.60% and a cost of debt of 3.96%. This WACC  
11 is utilized in the GSMPII Rate Mechanism consistent with the GSMP II Order. For the  
12 calculation of the WACC and after-tax WACC, see Schedule SS-GSMPII-3.

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

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

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

## ATTACHMENT 2

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

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

14 A. The Expense Adjustment is an adjustment to capture the estimated O&M savings  
15 related to leak reduction, partially offset by the expenses related to leak detection surveying.  
16 In accordance with paragraph 33a of the Stipulation approved in the GSMP II Order, the  
17 replacement of 875 miles of main will have an O&M saving of \$3.3 million for the entire  
18 program, which is \$3,771 per mile. This cost per mile will be applied to the miles of main  
19 replaced during this roll-in period, which is estimated to be 30 miles for an O&M savings of  
20 approximately \$111,000. In accordance with paragraph 33b, the Company conducted leak  
21 detection surveying. The total leak detection surveying cost for the GSMP II program was  
22 \$50,000 and was amortized over five years in the first rate adjustment filing. There are no

## ATTACHMENT 2

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

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

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

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

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

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

14 A. The Revenue Factor adjusts the revenue requirement net of tax for federal and state  
15 income taxes and the costs associated with the BPU and Division of Rate Counsel (RC) Annual  
16 Assessments and Gas Revenue Uncollectibles. The BPU/RC Assessment Expenses consist of  
17 payments, based upon a percentage of revenues collected (updated annually), to the State based  
18 on the electric and gas intrastate operating revenues for the utility. The Company has utilized  
19 the respective BPU/RC assessment rates based on the 2022 fiscal year assessment, which are  
20 0.25% and 0.05%, respectively, and the Gas Revenue Uncollectible rate of 1.60%, which was  
21 set in the Company's 2018 base rate case. See Schedule SS-GSMPII-4 for the calculation of  
22 the revenue factor.



## ATTACHMENT 2

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

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

### 5 **RATE DESIGN**

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

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

12 The detailed calculations supporting the rate design are shown in Schedule SS-  
13 GSMPII-5. This schedule contains the proposed base rates as a result of the GSMP II base rate  
14 adjustment effective for June 1, 2023.

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

16 A. Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG)  
17 charges in effect as of December 1, 2022, the annual average bill impacts of the rates requested  
18 are set forth in Schedule SS-GSMPII-6.

19 The annual impact of the proposed rates to the typical residential gas heating customers  
20 using 172 therms in a winter month and 1,040 therms annually would be an increase in the  
21 annual bill from \$1,358.02 to \$1,364.04 or \$6.02 or approximately 0.44% (based upon Delivery

## ATTACHMENT 2

1 Rates and BGSS-RSG charges in effect as of December 1, 2022, and assuming that the  
2 customer receives BGSS service from PSE&G).

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

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

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

11 A. No. The GSMP Rate Mechanism was approved for \$1.575 billion of investment per  
12 paragraph 17 of the Stipulation approved in the GSMP II Order, and thus the 10% threshold is  
13 \$157.5 million. As shown in Schedule WEM-GSMP II-3, the Company anticipates in-service  
14 investment of \$106.2 million, which does not exceed the \$157.5 million threshold. However,  
15 the 10% threshold does not apply as this roll-in concludes the program and represents the  
16 remaining Board approved investment of \$1.575 billion.

## 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 2022 through  
3    December 2022. Given the Company will update its filing for actual results through February  
4    28, 2023, the October through December Common Equity and Net Income represent estimates.  
5    The estimates will be replaced with actual results through December 31, 2022 as soon as  
6    possible after the 2022 final financials are submitted to the Board.

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

8    A.     The Company estimates its ROE for purposes of the earnings test is 9.99%. 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 as soon as possible after the 2022 final financials are submitted to the Board. Please  
12   see Schedule SS-GSMPII-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-1	Credentials
Schedule SS-GSMPII-2	Gas Revenue Requirement Calculation
Schedule SS-GSMPII-3	Weighted Average Cost of Capital (WACC)
Schedule SS-GSMPII-4	Revenue Factor Calculation
Schedule SS-GSMPII-5	Gas Proof of Revenue
Schedule SS-GSMPII-6	Gas Typical Residential Annual Bill Impacts
Schedule SS-GSMPII-7	Earnings Test

### **ELECTRONIC WORKPAPER INDEX**

WP-SS-GSMPII-1.xlsx

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

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

**WORK EXPERIENCE**

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

As Sr. Director of 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/G	ER22110669 & GR22110670	written	Nov-22	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER22100667 & GR22100668	written	Oct-22	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	written	Sep-22	Clean Energy Future - Energy Efficiency Extension Program
Public Service Electric & Gas Company	E/G	ER22070413 & GR22070414	written	Jul-22	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER22060408	written	Jul-22	SPRC 2022
Public Service Electric & Gas Company	G	GR22060409	written	Jun-22	Gas System Modernization Program II (GSMP-II) - 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 (GCIIP)
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 (GSMP-II) - Sixth Roll-In
Public Service Electric & Gas Company	E	ER21121242	written	Dec-21	Solar Successor Incentive Program (SuSI)
Public Service Electric & Gas Company	E/G	EO21111211 & GO21111212	written	Nov-21	Infrastructure Advancement Program (IAP)
Public Service Electric & Gas Company	E/G	ER21111209 & GR21111210	written	Nov-21	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER21101201 & GR21101202	written	Oct-21	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER21070965 & GR21070966	written	Jul-21	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	ER21060952	written	Jun-21	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR21060949	written	Jun-21	Gas System Modernization Program II (GSMP-II) - 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 (GSMP-II) - Forth Roll-In
Public Service Electric & Gas Company	E/G	GR20120763	written	Dec-20	Remediation Adjustment Charge-RAC 28
Public Service Electric & Gas Company	E	ER20120736	written	Nov-20	The Second Energy Strong Program (Energy Strong II)
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Oct-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Oct-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER20060467 & GR20060468	written	Jun-20	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR20060464	written	Jun-20	Gas System Modernization Program II (GSMP-II) - Third Roll-In
Public Service Electric & Gas Company	E	ER20060454	written	Jun-20	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR20060470	written	Jun-20	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR20060384	written	Jun-20	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER20040324	written	Apr-20	Transitional Renewable Energy Certificate Program (TREC)
Public Service Electric & Gas Company	E/G	GR20010073	written	Jan-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	Gas System Modernization Program II (GSMP-II) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302 & GR19091303	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMP-II) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 & GR18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	Apr-19	Madison 4kV Substation Project (Madison & Marshall)
Public Service Electric & Gas Company	E/G	EO18101113 & GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	E	EO18101115	written	Oct-18	Clean Energy Future - Energy Cloud Program (EC)
Public Service Electric & Gas Company	E	EO18101111	written	Oct-18	Clean Energy Future-Electric Vehicle And Energy Storage Programs (EVES)
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 & GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 & GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 & GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-In
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 & 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



LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 & GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 & GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E/G	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 & GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 & GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757 & GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389 & GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651 & GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603 & GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155 & GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606 & GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

**PSE&G Gas System Modernization Program II**  
**Gas Roll-in Calculation**  
**Roll-in Filing**  
in (\$000)

Attachment 2  
Schedule SS-GSMPII-2

**Rate Effective Date** **6/1/2023**  
Plant In Service as of Date 2/28/2023  
Rate Base Balance as of Date 5/31/2023

**RATE BASE CALCULATION**

	<b>Total</b>	<b>Notes</b>
1 Gross Plant	\$99,163	= In 17
2 Accumulated Depreciation	\$6,214	= In 20
3 Net Plant	\$105,377	= In 1 + In 2
4 Accumulated Deferred Taxes	(\$3,275)	= See "Roll-In Detail" Wkps
5 Rate Base	\$102,102	= In 3 + In 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-GSMPII-3
7 Return Requirement (After Tax)	\$6,618	= In 5 * In 6
8 Depreciation Exp, net	\$1,160	= In 26
9 Expense Adjustment (After Tax)	(\$80)	= In 35
10 Tax Adjustment	\$0	N/A
11 Revenue Factor	1.418	See Schedule SS-GSMPII-4
12 <b>Roll-in Revenue Requirement</b>	<b>\$10,916</b>	= (In 7 + In 8 + In 9 + In 10) * In 11

**SUPPORT**

**Gross Plant**

13 Plant in-service	\$99,163	= 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 <b>Total Gross Plant</b>	<b>\$99,163</b>	= In 13 + In 14 + In 15 + In 16

**Accumulated Depreciation**

18 Accumulated Depreciation	(\$863)	= See "Roll-In Detail" Wkps
19 Cost of Removal	\$7,077	= See "Roll-In Detail" Wkps
20 <b>Net Accumulated Depreciation</b>	<b>\$6,214</b>	= In 18 + In 19

**Depreciation Expense (Net of Tax)**

21 Depreciable Plant (xAFUDC-E)	\$99,163	= In 13 + In 14 + In 15
22 AFUDC-E	\$0	= In 16
23 Depreciation Rate	1.63%	= See "Roll-In Detail" Wkps
24 Depreciation Expense	\$1,614	= (In 21 + In 22) * In 23
25 Tax @28.11%	\$454	= In 21 * In 23 * Tax Rate
26 <b>Depreciation Expense (Net of Tax)</b>	<b>\$1,160</b>	= In 24 - In 25

**Expense Adjustments**

27 Miles of Main Replaced	30	= See "Roll-In Detail" Wkps = \$3.3M / 875 miles (See Approved)
28 Agreed O&M Savings/ Mile	(\$3.77)	Stipulation)
29 O&M Savings	(\$111)	= In 27 * In 28
30 GSMPII related methane mapping expenses	\$0	= See "Roll-In Detail" Wkps
31 Amortization period (years)	5	program period
32 Annual methane mapping amortization expense	\$0	= In 30 / In 31
33 Expense Adjustment	(\$111)	= In 29 + In 32
34 Tax @28.11%	(\$31)	= In 33 * Tax Rate
35 <b>Expense Adjustment (Net of Tax)</b>	<b>(\$80)</b>	= In 33 - In 34

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

Attachment 2  
Schedule SS-GSMP11-3

**November 2018 Forward**

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

**Income Tax Rates**

Federal Income Tax	21.00%
State NJ Business Incm Tax	<u>9.00%</u>
Tax Rate	28.11%

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

Attachment 2  
Schedule SS-GSMP II-4

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		1.6000	2018 Base Rate Case
BPU Assessment Rate	0.2483	0.2483	2022 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0531</u>	<u>0.0531</u>	2022 RC Assessment
Income before State of NJ Bus. Tax	99.6986	98.0986	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9729</u>	<u>8.8289</u>	
Income Before Federal Income Taxes	90.7257	89.2697	
Federal Income Taxes @ 21%	<u>19.0524</u>	<u>18.7466</u>	
Return	<u>71.6733</u>	<u>70.5231</u>	
Revenue Factor	<u><b>1.3952</b></u>	<u><b>1.4180</b></u>	

### **Gas Revenue Requirement Allocation Explanation of Format**

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

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

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

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

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

Column (1) shows the annualized weather normalized billing units. Column (2) shows present Delivery rates (without Sales and Use Tax, SUT) effective December 1, 2022. The commodity rates in the Column (2) reflect January 2022 through December 2022, class-weighted averages (BGSS-RSG uses the rate as of 12/1/2022). Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGSS provision. Column (4) repeats the billing units of Column (1). Column (5) shows the proposed rates without SUT that result in the proposed revenues shown in Column (6). Columns (7) and (8) show the proposed base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on pages 15 and 16 of this schedule.

## Cost of Service and Rate Design Sync

Notes:

### Part 1: 2018 Base Rate Case Final Revenue Allocation

1	Requested increase in Revenue Requirements			\$	123,141,000					2018 Rate Case Schedule SS-G7 R-2, pg 2, line 16
2	Total Target Distribution Revenue Requirements			\$	888,460,440					2018 Rate Case Schedule SS-G7 R-2, pg 2, line 17
3	Sum of Initial Sync Revenue Requirements			\$	893,411,330					2018 Rate Case Schedule SS-G7 R-2, pg 2, line 18
4	Final Sync Adjustment Factor				0.99446					2018 Rate Case Schedule SS-G7 R-2, pg 2, line 19
		Total	RSG		GSG		LVG		SLG	
5	Distribution Access	\$ 348,181,228	\$ 285,567,880	\$	40,848,700	\$	21,728,392	\$	36,257	2018 Rate Case Schedule SS-G7 R-2, pg 2, line 20
6	Distribution Delivery	\$ 362,951,052	\$ 231,037,735	\$	42,604,570	\$	89,282,536	\$	26,211	2018 Rate Case Schedule SS-G7 R-2, pg 2, line 21
7	Streetlighting Fixtures	\$ 417,670	\$ 0	\$	0	\$	0	\$	417,670	2018 Rate Case Schedule SS-G7 R-2, pg 2, line 22
8	Customer Service	\$ 80,199,946	\$ 72,101,419	\$	6,313,852	\$	1,783,392	\$	1,284	2018 Rate Case Schedule SS-G7 R-2, pg 2, line 23
9	Measurement	\$ 96,710,544	\$ 70,884,585	\$	16,046,249	\$	9,779,669	\$	41	2018 Rate Case Schedule SS-G7 R-2, pg 2, line 24
10	Total	\$ 888,460,440	\$ 659,591,618	\$	105,813,371	\$	122,573,988	\$	481,463	

### Part 2: GSMP II Roll-In Revenue Allocation

11	Requested increase in Revenue Requirements			\$	10,916,344					Schedule SS-GSMP II-2
12	Total Target Distribution Revenue Requirements			\$	1,085,174,777					= line 11 + page 3, col 2
13	Rate Case Minus Streetlight Fixtures			\$	888,042,770					= line 10 - line 7
14	Target Minus Streetlight Fixtures			\$	1,084,757,107					= line 12 - line 7
15	Final Sync Adjustment Factor				1.22151					= line 14 / line 13
		Total	RSG		GSG		LVG		SLG	
16	Distribution Access	\$ 425,308,414	\$ 348,825,301	\$	49,897,278	\$	26,541,546	\$	44,288	= line 5 * line 15
17	Distribution Delivery	\$ 443,349,967	\$ 282,215,940	\$	52,042,100	\$	109,059,911	\$	32,017	= line 6 * line 15
18	Streetlighting Fixtures	\$ 417,670	\$ 0	\$	0	\$	0	\$	417,670	= line 7
19	Customer Service	\$ 97,965,396	\$ 88,072,927	\$	7,712,462	\$	2,178,439	\$	1,568	= line 8 * line 15
20	Measurement	\$ 118,133,331	\$ 86,586,548	\$	19,600,725	\$	11,946,007	\$	51	= line 9 * line 15
21	Total	\$ 1,085,174,777	\$ 805,700,716	\$	129,252,565	\$	149,725,902	\$	495,594	

## Inter Class Revenue Allocations

### Calculation of Increase Limits

<u>line #</u>		(in \$1,000)	Notes:
	Requested Revenue Increase to be		
1	recovered from rate schedule charges =	\$ 10,916	Schedule SS-GSMPII-2
2	Present Distribution Revenue =	\$ 1,074,258	from RSG, GSG, LVG & SLG
3	Present Total Customer Bills (all on BGSS) =	\$ 2,835,962	Page 4, col 3, line 11 Page 4, col 5, line 11
4	Average Distribution Increase =	1.016%	= Line 1 / Line 2
5	Average Total Bill Increase =	0.385%	= Line 1 / Line 3
6	Lower Distribution increase limit =	0.508% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 =	1.524% in Distribution charges	= 1.5 * Line 4
8	Upper Bill increase limit #2 =	0.770% 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)
		Proposed Distribution Revenue Requirement (from COS)	Present Distribution Revenue	Unlimited COS Distribution Charge \$ Increase	Present Total Bill Revenue (all on BGSS)	Unlimited Distribution Charge Increase	Change in MAC & BGSS credits	Limited Final Distribution Charge Increase	Proposed Total Bill Increase	Proposed Distribution Revenue Increase
line #	Rate Schedule	(in \$1,000)	(in \$1,000)	(in \$1,000)	(in \$1,000)	(%)	(in \$1,000)	(%)	(%)	(in \$1,000)

#### Calculation of TSG-F Increase

1	TSG-F	\$ 3,304.030	\$ 3,637	\$ (332.577)	\$ 27,972.073	-9.145%	\$ (1.257) \$ -	0.508%	0.062%	\$ 18.474
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#### Calculation of TSG-NF & CIG Increase

2	TSG-NF	----	\$ 12,112	----	\$ 166,849	----	\$ -	1.016%	0.074%	\$ 123
3	CIG	----	\$ 3,530	----	\$ 36,554	----	\$ -	1.016%	0.098%	\$ 36
4	CSG <sup>1</sup>	----	\$ 7,477	----	\$ 7,861	----		----	0.089%	\$ 7

#### Calculation of Margin Rates (RSG, GSG, LVG & SLG) Increase

5	RSG	\$ 805,701	\$ 797,636	\$ 8,065	\$ 1,514,394	1.011%	\$ (117)	1.016%	0.528%	\$ 8,108
6	GSG	\$ 129,253	\$ 127,959	\$ 1,294	\$ 441,164	1.011%	\$ (18)	1.016%	0.291%	\$ 1,300
7	LVG	\$ 149,726	\$ 148,226	\$ 1,500	\$ 878,838	1.012%	\$ (46)	1.017%	0.166%	\$ 1,508
8	SLG	\$ 495.594	\$ 437.433		\$ 1,566.215					
9	Distribution Only	\$ 77.924	\$ 22.841	\$ 55.083		241.159%	\$ (0.048)	1.524%	0.019%	\$ 0.348
10	Fixtures	\$ 417.670	\$ 414.592	\$ 3.078		0.742%		0.000%	0.000%	\$ -
11	Total for Margin Rates	\$ 1,085,175	\$ 1,074,258	\$ 10,916	\$ 2,835,962	1.016%	\$ (181)	1.016%	0.379%	\$ 10,916

<sup>1</sup> CSG Credits all flow back through BGSS

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



## Service Charge Calculations

line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Notes:
1	Average Distribution Increase =				1.016%					page 3, line 4
	Rate Schedule	Distribution Access Rev Req  (in \$1,000)	Customer Service Rev Req  (in \$1,000)	Measurement Rev Req  (in \$1,000)	COS Indicated Total Rev Req  (in \$1,000)	# of Customers	Cost Based Monthly Service Charge  (\$/month)	Current Monthly Service Charge  (\$/month)	Proposed Limited Monthly Service Charge  (\$/month)	
2	RSG	348,825	88,073	86,587	523,485	1,635,900	\$ 26.67	\$ 8.08	\$ 8.08	Fixed per 2018 Base Rate Case
3	GSG	49,897	7,712	19,601	77,210	140,771	\$ 45.71	\$ 18.58	\$ 18.86	move to costs, limited @ 1.5 times overall avg Distribution % increase
4	LVG	26,542	2,178	11,946	40,666	18,375	\$ 184.43	\$ 164.99	\$ 167.50	move to costs, limited @ 1.5 times overall avg Distribution % increase
5	TSG-F	530	400		930	37	\$ 2,095.57	\$ 883.64	\$ 897.11	move to costs, limited @ 1.5 times overall avg Distribution % increase
6	TSG-NF							\$ 883.64	\$ 897.11	set equal to new TSG-F Service Charge
7	CIG							\$ 196.33	\$ 198.32	increase current @ average Distribution % increase
8	CSG							\$ 883.64	\$ 897.11	set equal to new TSG-F Service Charge
Notes:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	values for RSG, GSG & LVG for Cols 2, 3, & 4 from page 2, lines 16, 19 & 20				= (2) + (3) + (4)	RSG, GSG & LVG from 2018 Rate Case Schedule SS-G7 R-2, page 2, line 1	= Col 5 * 1000 / Col 6 / 12 rounded to \$0.01	From Tariff	based on methodology described	
	values for TSG-F for Cols 2, 3 & 4 from 2018 Rate Case Schedule SS-G7 R-2, page 1, lines 1, 4 & 5					TSG-F from COS workpapers				



**RATE SCHEDULE RSG  
RESIDENTIAL SERVICE  
Schedule SS-GSMP11-5**  
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<b><u>Delivery</u></b>								
1 Service Charge	19,630.803	8.08	\$158,617	19,630.803	8.08	\$158,617	0	0.00
2 Distribution Charge	1,494,872	0.429896	642,639	1,494,872	0.435344	650,784	8,145	1.27
3 Off-Peak Dist	56	0.214948	12	56	0.217672	12	0	0.00
4 Balancing Charge	917,326	0.094435	86,628	917,326	0.094435	86,628	0	0.00
5 SBC	1,494,928	0.043873	65,587	1,494,928	0.043873	65,587	0	0.00
6 Margin Adjustment	1,494,928	(0.005821)	(8,702)	1,494,928	(0.005821)	(8,702)	0	0.00
7 Weather Normalization	917,326	0.000000	0	917,326	0.000000	0	0	0.00
8 Green Programs Recovery Charge	1,494,928	0.007148	10,686	1,494,928	0.007148	10,686	0	0.00
9 Tax Adjustment Credit	1,494,928	(0.045216)	(67,595)	1,494,928	(0.045216)	(67,595)	0	0.00
10 Gas Conservation Incentive Program	1,494,928	0.027367	40,912	1,494,928	0.027367	40,912	0	0.00
11 Facilities Charges			0			0	0	0.00
12 Minimum			0			0	0	0.00
13 Miscellaneous			(15)			(15)	0	0.00
14 Delivery Subtotal	1,494,928		\$928,769	1,494,928		\$936,914	\$8,145	0.88
15 Unbilled Delivery			(4,192)			(4,227)	(35)	0.83
16 Delivery Subtotal w unbilled			\$924,577			\$932,687	\$8,110	0.88
17								
<b><u>Supply</u></b>								
19 BGSS-RSG	1,494,872	0.397575	\$594,323	1,494,872	0.397575	\$594,323	\$0	0.00
20 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
21 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	1,494,928	(0.000031)	(46)	(46)	0.00
22 Off-Peak Comm. Charge	46	0.351150	16	46	0.351150	16	0	0.00
23								
24 Miscellaneous			(1)			(1)	0.00	0.00
25 Supply subtotal	1,494,918		\$594,338	1,494,918		\$594,292	(46.00)	(0.01)
26 Unbilled Supply			(4,521)			(4,521)	0.00	0.00
27 Supply Subtotal w unbilled			\$589,817			\$589,771	(46.00)	(0.01)
28								
29 Total Delivery + Supply	1,494,928		<u>\$1,514,394</u>	1,494,928		<u>\$1,522,458</u>	<u>8,064.00</u>	0.53

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2022

36 plus applicable BGSS charges.

37

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

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1	Service Charge	1,689,246	18.58	\$31,386	1,689,246	18.86	\$31,859	\$473	1.51
2	Distribution Charge - Pre 7/14/97	2,183	0.324411	708	2,183	0.327175	714	6	0.85
3	Distribution Charge - All Others	295,256	0.324411	95,784	295,256	0.327175	96,600	816	0.85
4	Off-Peak Dist Charge - Pre 7/14/97	0	0.162206	0	0	0.163588	0	0	0.00
5	Off-Peak Dist Charge - All Others	45	0.162206	7	45	0.163588	7	0	0.00
6	Balancing Charge	173,170	0.094435	16,353	173,170	0.094435	16,353	0	0.00
7	SBC	297,484	0.043873	13,052	297,484	0.043873	13,052	0	0.00
8	Margin Adjustment	297,484	(0.005821)	(1,732)	297,484	(0.005821)	(1,732)	0	0.00
9	Weather Normalization	173,170	0.000000	0	173,170	0.000000	0	0	0.00
10	Green Programs Recovery Charge	297,484	0.007148	2,126	297,484	0.007148	2,126	0	0.00
11	Tax Adjustment Credit	297,484	(0.039158)	(11,649)	297,484	(0.039158)	(11,649)	0	0.00
12	Gas Conservation Incentive Program	297,484	0.027807	8,272	297,484	0.027807	8,272	0	0.00
13	Facilities Charges			0			0	0	0.00
14	Minimum			2			2	0	0.00
15	Miscellaneous			(313)			(312)	1	(0.32)
16	Delivery Subtotal	297,484		\$153,996	297,484		\$155,292	\$1,296	0.84
17	Unbilled Delivery			464			469	5	1.08
18	Delivery Subtotal w unbilled			\$154,460			\$155,761	\$1,301	0.84
19									
20	<u>Supply</u>								
21	BGSS	297,484	0.902469	\$268,470	297,484	0.902469	\$268,470	\$0	0.00
22	Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
23	BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	297,484	(0.000014)	(4)	(4)	0.00
24									
25	Miscellaneous			(51)			(51)	0	0.00
26	Supply subtotal	297,484		\$268,419	297,484		\$268,415	(4)	0.00
27	Unbilled Supply			18,285			18,285	0	0.00
28	Supply Subtotal w unbilled			\$286,704			\$286,700	(4)	0.00
29									
30	Total Delivery + Supply	297,484		<u>\$441,164</u>	297,484		<u>\$442,461</u>	<u>\$1,297</u>	0.29

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34 Notes:

35 All customers assumed to be on BGSS.

36 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2022

37 plus applicable BGSS charges.

38

**RATE SCHEDULE LVG  
LARGE VOLUME SERVICE  
Schedule SS-GSMP11-5**

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

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<b><u>Delivery</u></b>								
1 Service Charge	220,495	164.99	\$36,379	220,495	167.50	\$36,933	\$554	1.52
2 Demand Charge	18,017	4.3241	77,907	18,017	4.3609	78,570	663	0.85
3 Distribution Charge 0-1,000 pre 7/14/97	8,974	0.034950	314	8,974	0.033606	302	(12)	(3.82)
4 Distribution Charge over 1,000 pre 7/14/97	45,378	0.048909	2,219	45,378	0.049758	2,258	39	1.76
5 Distribution Charge 0-1,000 post 7/14/97	145,700	0.034950	5,092	145,700	0.033606	4,896	(196)	(3.85)
6 Distribution Charge over 1,000 post 7/14/97	540,051	0.048909	26,413	540,051	0.049758	26,872	459	1.74
7 Balancing Charge	361,999	0.094435	34,185	361,999	0.094435	34,185	0	0.00
8 SBC	740,103	0.043873	32,471	740,103	0.043873	32,471	0	0.00
9 Margin Adjustment	740,103	(0.005821)	(4,308)	740,103	(0.005821)	(4,308)	0	0.00
10 Weather Normalization	361,999	0.000000	0	361,999	0.000000	0	0	0.00
11 Green Programs Recovery Charge	740,103	0.007148	5,290	740,103	0.007148	5,290	0	0.00
12 Tax Adjustment Credit	740,103	(0.018161)	(13,441)	740,103	(0.018161)	(13,441)	0	0.00
13 Gas Conservation Incentive Program	740,103	0.003779	\$2,797	740,103	0.003779	\$2,797	0	0.00
14 Facilities Charges			1			1	0	0.00
15 Minimum			218			218	0	0.00
16 Miscellaneous			(279)			(279)	0	(0.03)
17 Delivery Subtotal	740,103		\$205,258	740,103		\$206,765	\$1,507	0.73
18 Unbilled Delivery			(52)			(52)	0	0.00
19 Delivery Subtotal w unbilled			\$205,206			\$206,713	\$1,507	0.73
20								
21								
<b><u>Supply</u></b>								
23 BGSS	740,103	0.907659	\$671,761	740,103	0.907659	\$671,761	\$0	0.00
24 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
25 BGSS Contrib. from TSG-F, TSG-NF & CIG	0	0.000000	0	740,103	(0.000014)	(10)	(10)	0.00
26								
27 Miscellaneous			(143)			(143)	0	0.00
28 Supply Subtotal	740,103		\$671,618	740,103		\$671,608	(\$10)	0.00
29 Unbilled Supply			2,014			2,014	0	0.00
30 Supply Subtotal w unbilled			\$673,632			\$673,622	(\$10)	0.00
31								
32 Total Delivery + Supply	740,103		<u>\$878,838</u>	740,103		<u>\$880,335</u>	<u>\$1,497</u>	0.17
33								
34								
35								

36 Notes:

37 All customers assumed to be on BGSS.

38 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2022

39 plus applicable BGSS charges.

**RATE SCHEDULE SLG  
STREET LIGHTING SERVICE  
Schedule SS-GSMPII-5**

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

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Single	10.392	13.2351	\$137.539	10.392	13.2351	\$137.539	\$0.000	0.00
2 Double Inverted	0.108	13.2351	1.429	0.108	13.2351	1.429	0.000	0.00
3 Double Upright	0.588	13.2351	7.782	0.588	13.2351	7.782	0.000	0.00
4 Triple prior to 1/1/93	18.096	13.2351	239.502	18.096	13.2351	239.502	0.000	0.00
5 Triple on and after 1/1/93	0.420	67.4762	28.340	0.420	67.4762	28.340	0.000	0.00
6 Distribution Therm Charge	678.777	0.052817	35.851	678.777	0.053330	36.199	0.348	0.97
7 SBC	678.777	0.043873	29.780	678.777	0.043873	29.780	0.000	0.00
8 Margin Adjustment	678.777	(0.005821)	(3.951)	678.777	(0.005821)	(3.951)	0.000	0.00
9 Green Programs Recovery Charge	678.777	0.007148	4.852	678.777	0.007148	4.852	0.000	0.00
10 Tax Adjustment Credit	678.777	(0.075809)	(51.457)	678.777	(0.075809)	(51.457)	0.000	0.00
11 Gas Conservation Incentive Program	678.777	0.000000	0.000	678.777	0.000000	0.000	0.000	0.00
12 Facilities Charges			0.000			0.000	0.000	0.00
13 Minimum			0.000			0.000	0.000	0.00
14 Miscellaneous			(13.010)			(13.010)	0.000	0.00
15 Delivery Subtotal	678.777		\$416.657	678.777		\$417.005	\$0.348	0.08
16 Unbilled Delivery			0.000			0.000	0.000	0.00
17 Delivery Subtotal w unbilled			\$416.657			\$417.005	\$0.348	0.08
18								
19 <u>Supply</u>								
20 BGSS	678.777	0.935480	\$634.982	678.777	0.935480	\$634.982	\$0.000	0.00
21 Emergency Sales Service	0.000	0.000000	0.000	0.000	0.000000	0.000	0.000	0.00
22 BGSS Contrib. from TSG-F, TSG-NF & CIG	0.000	0.000000	0.000	678.777	(0.000014)	(0.010)	(0.010)	0.00
23 Miscellaneous			131.390			131.390	0.000	0.00
24 Supply Subtotal	678.777		\$766.372	678.777		\$766.362	(\$0.010)	0.00
25 Unbilled Supply			383.186			383.181	(0.005)	0.00
26 Supply Subtotal w unbilled			\$1,149.558			\$1,149.543	(\$0.015)	0.00
27								
28 Total Delivery + Supply	678.777		\$1,566.215	678.777		\$1,566.548	\$0.333	0.02

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 12/1/2022

36 plus applicable BGSS charges.

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

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<b><u>Delivery</u></b>								
1 Service Charge	0.166	196.33	\$33	0.166	198.32	\$33	\$0	0.00
2 Margin 0-600,000	32,835	0.087742	2,881	32,835	0.088619	2,910	29	1.01
3 Margin over 600,000	8,232	0.077742	640	8,232	0.078619	647	7	1.09
4 Extended Gas Service	0	0.150000	0	0	0.150000	0	0	0.00
5 SBC	41,067	0.043873	1,802	41,067	0.043873	1,802	0	0.00
6 Green Programs Recovery Charge	41,067	0.007148	294	41,067	0.007148	294	0	0.00
7 Tax Adjustment Credit	41,067	(0.012602)	(518)	41,067	(0.012602)	(518)	0	0.00
8 Gas Conservation Incentive Program	41,067	0.000000	0	41,067	0.000000	0	0	0.00
9 Facilities Charges			0			0	0	0.00
10 Minimum			0			0	0	0.00
11 Miscellaneous			0			0	0	0.00
12 Delivery Subtotal	41,067		\$5,132	41,067		\$5,168	\$36	0.70
13 Unbilled Delivery			(35)			(35)	0	0.00
14 Delivery Subtotal w unbilled			\$5,097			\$5,133	\$36	0.71
15								
<b><u>Supply</u></b>								
17 Commodity Component	41,067	0.703485	\$28,890	41,067	0.703485	\$28,890	\$0	0.00
18 Pilot Use	1,249	1.89	2,361	1,249	1.89	2,361	0	0.00
19 Penalty Use	0		0	0		0	0	0.00
20 Extended Gas Service	5		338	5		338	0	0.00
21 Miscellaneous			0			0	0	0.00
22 Supply Subtotal	42,321		\$31,589	42,321		\$31,589	\$0	0.00
23 Unbilled Supply			(132)			(132)	0	0.00
24 Supply Subtotal w unbilled			\$31,457			\$31,457	\$0	0.00
25								
26 Total Delivery + Supply	41,067		\$36,554	41,067		\$36,590	\$36	0.10

30 Notes:

31 All customers assumed to be on BGSS.

32 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2022

33 plus applicable BGSS charges.

34

**RATE SCHEDULE TSG-F**  
**FIRM TRANSPORTATION GAS SERVICE**  
**Schedule SS-GSMP11-5**  
(Therms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<b><u>Delivery</u></b>								
1 Service Charge	0.494	883.64	\$436.518	0.494	897.11	\$443.172	\$6.654	1.52
2 Demand Charge	487	2.1786	1,060.978	487	2.1865	1,064.826	3.848	0.36
3 Demand Charge, Agreements	0	0.0000	0.000	0	0.0000	0.000	0.000	0.00
4 Distribution Charge	25,950	0.083275	2,160.986	25,950	0.083576	2,168.797	7.811	0.36
5 Distribution Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
6 SBC	25,950	0.043873	1,138.504	25,950	0.043873	1,138.504	0.000	0.00
7 SBC, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
8 Margin Adjustment	25,950	(0.005821)	(151.055)	25,950	(0.005821)	(151.055)	0.000	0.00
9 Margin Adjustment, Agreements	0	(0.005821)	0.000	0	(0.005821)	0.000	0.000	0.00
10 Green Programs Recovery Charge	25,950	0.007148	185.491	25,950	0.007148	185.491	0.000	0.00
11 Green Programs Recovery Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
12 Tax Adjustment Credit	25,950	(0.015352)	(398.384)	25,950	(0.015352)	(398.384)	0.000	0.00
13 Gas Conservation Incentive Program	25,950	0.000000	0.000	25,950	0.000000	0.000	0.000	0.00
14 Facilities Charges			0.000			0.000	0.000	0.00
15 Minimum			0.000			0.000	0.000	0.00
16 Miscellaneous			(54.034)			(54.036)	(0.002)	0.00
17 Delivery Subtotal	25,950		4,379.004	25,950		4,397.315	18.311	0.42
18 Unbilled Delivery			39.069			40.232	1.163	2.98
19 Delivery Subtotal w unbilled			4,418.073			4,437.547	19.474	0.44
20								
<b><u>Supply</u></b>								
22 Commodity Charge, BGSS-F	25,950	0.907669	\$23,554.000	25,950	0.907669	\$23,554.000	\$0.000	0.00
23 Emergency Sales Service	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
24 Miscellaneous			0.000			0.000	0.000	0.00
25 Supply Subtotal	25,950		\$23,554.000	25,950		\$23,554.000	\$0.000	0.00
26 Unbilled Supply			0.000			0.000	0.000	0.00
27 Supply Subtotal w unbilled			\$23,554.000			\$23,554.000	\$0.000	0.00
28								
29 Total Delivery + Supply	25,950		<u>\$27,972.073</u>	25,950		<u>\$27,991.547</u>	<u>\$19.474</u>	0.07

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 12/1/2022

37 plus applicable BGSS charges.



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

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<b><u>Delivery</u></b>								
1 Service Charge	2,218	883.64	\$1,960	2,218	897.11	\$1,990	\$30	1.53
2 Dist Charge 0-50,000	99,839	0.097384	9,723	99,839	0.098310	9,815	92	0.95
3 Dist Charge 0-50,000, Agreements	600	0.023333	14	600	0.023333	14	0	0.00
4 Dist Charge over 50,000	67,427	0.097384	6,566	67,427	0.098310	6,629	63	0.96
5 Dist Charge over 50,000, Agreements	11,318	0.023502	266	11,318	0.023502	266	0	0.00
6 SBC	167,266	0.043873	7,338	167,266	0.043873	7,338	0	0.00
7 SBC, Agreements	11,918	0.042876	511	11,918	0.042876	511	0	0.00
8 Green Programs Recovery Charge	167,266	0.007148	1,196	167,266	0.007148	1,196	0	0.00
9 Green Programs Recovery Charge, Agreements	11,918	0.005370	64	11,918	0.005370	64	0	0.00
10 Tax Adjustment Credit	167,266	(0.006883)	(1,151)	167,266	(0.006883)	(1,151)	0	0.00
11 Gas Conservation Incentive Program	167,266	0.000000	0	167,266	0.000000	0	0	0.00
12 Facilities Charges			5			5	0	0.00
13 Minimum			0			0	0	0.00
14 Miscellaneous			(277)			(277)	0	0.00
15 Delivery Subtotal	179,184		\$26,215	179,184		\$26,400	\$185	0.71
16 Unbilled Delivery			(8,821)			(8,883)	(62)	0.70
17 Delivery Subtotal w unbilled			\$17,394			\$17,517	\$123	0.71
18								
<b><u>Supply</u></b>								
20 Commodity Charge, BGSS-I	179,184	0.862906	\$154,619	179,184	0.862906	\$154,619	\$0	0.00
21 Emergency Sales Service	0	0.000000	0	0	0.000000	0	0	0.00
22 Pilot Use	26	1.890000	49	26	1.890000	49	0	0.00
23 Penalty Use	19	0.947368	18	19	0.947368	18	0	0.00
24 Miscellaneous			2			2	0	0.00
25 Supply Subtotal	179,229		\$154,688	179,229		\$154,688	\$0	0.00
26 Unbilled Supply			(5,233)			(5,233)	0	0.00
27 Supply Subtotal w unbilled			\$149,455			\$149,455	\$0	0.00
28								
29 Total Delivery + Supply	179,184		\$166,849	179,184		\$166,972	\$123	0.07
30								
31								
32								

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2022

36 plus applicable BGSS charges.

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

		Annualized			Proposed			Difference	
		Weather Normalized							
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
<b><u>Delivery</u></b>									
1	Service Charge - Power	0.0800	883.64	\$71	0.0800	897.11	\$72	\$1	1.41
2	Service Charge - Power- Non Firm	0.0120	883.64	11	0.0120	897.11	11	0	0.00
3	Service Charge - Other	0.1090	883.64	96	0.1090	897.11	98	2	2.08
4	Distribution Charge - Power	599,445	0.006051	3,627	599,445	0.006051	3,627	0	0.00
5	Distribution Charge - Power- Non Firm	4,755	0.097384	463	4,755	0.098310	467	4	0.86
6	Distribution Charge - Other	185,648	0.011904	2,210	185,648	0.011904	2,210	0	0.00
7	Maintenance - Power	599,445	0.000142	85	599,445	0.000142	85	0	0.00
8	Maintenance - Power- Non Firm	4,755	0.000000	0	4,755	0.000000	0	0	0.00
9	Maintenance - Other	185,648	0.000113	21	185,648	0.000113	21	0	0.00
10	Pilot Use	0	0.000000	0	0	0.000000	0	0	0.00
11	Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
12	Balancing Charge (applicable only if customer uses BGSS-F)	0	0.000000	0	0	0.000000	0	0	0.00
13	SBC	789,848	0.043873	980	789,848	0.043873	980	0	0.00
14	Green Programs Recovery Charge	789,848	0.007148	149	789,848	0.007148	149	0	0.00
15	Tax Adjustment Credit	789,848	(0.001000)	(790)	789,848	(0.001000)	(790)	0	0.00
16	Gas Conservation Incentive Program	789,848	0.000000	0	789,848	0.000000	0	0	0.00
17	Facilities Chg.			840			840	0	0.00
18	Minimum			271			271	0	0.00
19	Sales Tax Discount - Delivery			(428)			(428)	0	0.00
20	Misc.			300			300	0	0.00
21	Delivery Subtotal	789,848		7,906	789,848		7,913	7	0.09
22	Unbilled Delivery			(94)			(94)	0	0.00
23	Delivery Subtotal w/ Unbilled	789,848		7,812	789,848		7,819	7	0.09
<b><u>Supply</u></b>									
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
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
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
38	Pilot Use	26	1.89	49	26	1.89	49	0	0.00
39	Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
40	Misc.	19		0	19		0	0	0.00
41	Supply Subtotal	45		49	45		49.140	0	0.00
42	Unbilled Supply	0		0	0		0	0	0.00
43	Supply Subtotal w/ Unbilled	45		49	45		49.140	0	0.00
45	<b>Total Delivery &amp; Supply</b>	789,893		7,861	789,893		7,868	7.00	0.09

47 Notes:

48 All customers assumed to be on BGSS.

49 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2022

50 plus applicable BGSS charges.

**Gas Tariff Rates  
Schedule SS-GSMPII-5**

Rate Schedule	Description	<u>Current Total Distribution Charges</u>		<u>Proposed Total Distribution Charges</u>	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
<b>RSG</b>	Service Charge	\$8.08	\$8.62	\$8.08	\$8.62
	Distribution Charges	\$0.429896	\$0.458377	\$0.435344	\$0.464186
	Balancing Charge	\$0.094435	\$0.100691	\$0.094435	\$0.100691
	Off-Peak Use	\$0.214948	\$0.229188	\$0.217672	\$0.232093
<b>GSG</b>	Service Charge	\$18.58	\$19.81	\$18.86	\$20.11
	Distribution Charge - Pre July 14, 1997	\$0.324411	\$0.345903	\$0.327175	\$0.348850
	Distribution Charge - All Others	\$0.324411	\$0.345903	\$0.327175	\$0.348850
	Balancing Charge	\$0.094435	\$0.100691	\$0.094435	\$0.100691
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.162206	\$0.172952	\$0.163588	\$0.174426
	Off-Peak Use Dist Charge - All Others	\$0.162206	\$0.172952	\$0.163588	\$0.174426
<b>LVG</b>	Service Charge	\$164.99	\$175.92	\$167.50	\$178.60
	Demand Charge	\$4.3241	\$4.6106	\$4.3609	\$4.6498
	Distribution Charge 0-1,000 pre July 14, 1997	\$0.034950	\$0.037265	\$0.033606	\$0.035832
	Distribution Charge over 1,000 pre July 14, 1997	\$0.048909	\$0.052149	\$0.049758	\$0.053054
	Distribution Charge 0-1,000 post July 14, 1997	\$0.034950	\$0.037265	\$0.033606	\$0.035832
	Distribution Charge over 1,000 post July 14, 1997	\$0.048909	\$0.052149	\$0.049758	\$0.053054
	Balancing Charge	\$0.094435	0.100691	\$0.094435	\$0.100691
<b>SLG</b>	Single-Mantle Lamp	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Double-Mantle Lamp, inverted	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Double Mantle Lamp, upright	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Triple-Mantle Lamp, prior to January 1, 1993	\$13.2351	\$14.1119	\$13.2351	\$14.1119
	Triple-Mantle Lamp, on and after January 1, 1993	\$67.4762	\$71.9465	\$67.4762	\$71.9465
	Distribution Therm Charge	\$0.052817	\$0.056316	\$0.053330	\$0.056863

**Gas Tariff Rates**  
**Schedule SS-GSMPII-5**

Rate Schedule	Description	<u>Current Total Distribution Charges</u>		<u>Proposed Total Distribution Charges</u>	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
<b>TSG-F</b>	Service Charge	\$883.64	\$942.18	\$897.11	\$956.54
	Demand Charge	\$2.1786	\$2.3229	\$2.1865	\$2.3314
	Distribution Charges	\$0.083275	\$0.088792	\$0.083576	\$0.089113
<b>TSG-NF</b>	Service Charge	\$883.64	\$942.18	\$897.11	\$956.54
	Distribution Charge 0-50,000	\$0.097384	\$0.103836	\$0.098310	\$0.104823
	Distribution Charge over 50,000	\$0.097384	\$0.103836	\$0.098310	\$0.104823
	Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02
<b>CIG</b>	Service Charge	\$196.33	\$209.34	\$198.32	\$211.46
	Distribution Charge 0-600,000	\$0.087742	\$0.093555	\$0.088619	\$0.094490
	Distribution Charge over 600,000	\$0.077742	\$0.082892	\$0.078619	\$0.083828
	Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02
<b>BGSS RSG</b>	Commodity Charge including Losses	\$0.611268	\$0.651764	\$0.611236	\$0.651730
<b>CSG</b>	Service Charge	\$883.64	\$942.18	\$897.11	\$956.54
	Distribution Charge - Non-Firm	\$0.097384	\$0.103836	\$0.098310	\$0.104823

## TYPICAL RESIDENTIAL GAS BILL IMPACTS

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

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$305.68	\$306.64	\$0.96	0.31%
50	340	508.12	510.10	1.98	0.39
100	610	839.38	842.88	3.50	0.42
159	1,000	1,315.55	1,321.33	5.78	0.44
172	1,040	1,358.02	1,364.04	6.02	0.44
200	1,210	1,562.74	1,569.78	7.04	0.45
300	1,816	2,293.66	2,304.16	10.50	0.46

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect as of December 1, 2022 and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change for Gas System Modernization Program II Base Rate Adjustments.

Residential Gas Service					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$38.90	\$39.04	\$0.14	0.36%
340	50	69.21	69.50	0.29	0.42
610	100	130.92	131.49	0.57	0.44
1,040	172	218.98	219.98	1.00	0.46
1,210	200	253.20	254.36	1.16	0.46
1,816	300	375.48	377.22	1.74	0.46

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect as of December 1, 2022 and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes change for Gas System Modernization Program II Base Rate Adjustments.

**Schedule SS-GSMP11-7**

**Earnings Test**

**CONFIDENTIAL**

# NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY GAS CUSTOMERS

## In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism ("GSMP II") (December 2022 GSMP II Rate Filing)

### Notice of Filing and Notice of Public Hearings

#### Docket No.

**TAKE NOTICE** that in December 2022, Public Service Electric and Gas Company ("PSE&G," or "Company") filed a petition and supporting documentation with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking Board approval for gas base rate changes to provide for cost recovery associated with the Company's Gas System Modernization Program II ("GSMP II" or "Program") ("Petition").

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

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase of approximately \$10.916 million associated with approximately \$106.2 million of actual and forecasted Program investments through November 30, 2022, and February 28, 2023, respectively.

For illustrative purposes, the estimated base rates effective June 1, 2023, including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RSG, are shown in Table #1.

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

Under the Company's proposal, a typical residential gas heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see an increase in the annual bill from \$1,358.02 to \$1,364.04, or \$6.02 or approximately 0.44%. The approximate effect of the proposed gas base rate change on typical gas residential monthly bills, if approved by the Board, is illustrated in Table #3.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's 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.

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

**PLEASE TAKE FURTHER NOTICE** that due to the COVID-19 Pandemic, virtual public hearings are scheduled on the following date and times so that members of the public may present their views on the Petition. Information provided at the public hearings will become part of the record and considered by the Board.

**DATE: TBD**

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

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

Go to [www.zoom.com](http://www.zoom.com) and choose "Join a Meeting" at the top of the web page. When prompted, use Meeting number 928 4615 8128 to access the meeting.

-or-

Join by phone (toll-free):

**Dial In:** (888) 475-4499

**Meeting ID:** 928 4615 8128

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

Representatives from the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public 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.

In order 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](mailto:board.secretary@bpu.nj.gov).

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search Tool (<https://publicaccess.bpu.state.nj.us/>). Search for the docket number listed above, and post by utilizing the "Post Comments" button. Emailed comments may be

filed with the Acting Board Secretary, in PDF or Word format, to [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

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

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

**Table #1  
BASE RATES  
For Residential RSG Customers  
Rates if Effective June 1, 2023**

Rate Schedule			Base Rates	
			Charges in Effect December 1, 2022, <sup>(1)</sup> Including SUT	Estimated Charges, Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/therm	0.458377	0.464186
	Off-Peak Use	\$/therm	0.229188	0.232093
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/therm	0.651764	0.651730

<sup>(1)</sup> Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of December 1, 2022, and assumes that the customer receives commodity service from PSE&G.

**Table #2  
Proposed Percentage Change in Revenue  
by Customer Class for Gas Service  
for Rates if Effective June 1, 2023**

	Rate Class	Percent Increase
Residential Service	RSG	0.53
General Service	GSG	0.29
Large Volume Service	LVG	0.17
Street Lighting Service	SLG	0.02
Firm Transportation Gas Service	TSG-F	0.07
Non-Firm Transportation Gas Service	TSG-NF	0.07
Cogeneration Interruptible Service	CIG	0.10
Contract Services	CSG	0.09
Overall		0.36

The percent increases noted above are based upon December 1, 2022, Delivery Rates and assumes that customers receive commodity service from PSE&G.



**Table #3**  
**Residential Gas Service for Rates if Effective June 1, 2023**

<b>If Your Annual Therm Use Is:</b>	<b>And Your Monthly Winter Therm Use Is:</b>	<b>Then Your Present Monthly Winter Bill (1) Would Be:</b>	<b>And Your Proposed Monthly Winter Bill (2) Would Be:</b>	<b>Your Monthly Winter Bill Increase Would Be:</b>	<b>And Your Monthly Percent Increase Would Be:</b>
170	25	\$38.90	\$39.04	\$0.14	0.36%
340	50	69.21	69.50	0.29	0.42
610	100	130.92	131.49	0.57	0.44
1,040	172	218.98	219.98	1.00	0.46
1,210	200	253.20	254.36	1.16	0.46
1,816	300	375.48	377.22	1.74	0.46

- (1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of December 1, 2022, and assumes that the customer receives commodity service from PSE&G. Does not include any BGSS-RSG Bill Credits.
- (2) Same as (1) except includes change for GSMP II Base Rate Adjustments.

**Danielle Lopez, Esq.**  
**Assistant General Regulatory Counsel**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

	<u>YTD 2021 *</u> '(\$000)
400 Electric Operating Revenues	\$ 3,336,129
Electric Operating Expenses:	
401 Operation Expense	2,297,497
402 Maintenance Expense	127,580
403 Depreciation Expense	307,425
404 Amortization of Limited Term Plant	19,424
407 Amortization of Property Losses	28,165
408.1 Taxes Other Than Income Taxes	25,027
409.1 Income Taxes - Federal	89,475
410.1 Provision for Deferred Income Taxes	258,660
411.1 Provision for Deferred Income Taxes - Credit	(300,858)
411.103 Accretion Expense-Electric	0
411.4 Investment Tax Credit Adjustments (Net)	(9,217)
Total Electric Utility Operating Expenses	<u>2,843,178</u>
Electric Utility Operating Income	<u>\$ 492,951</u>

\* Electric Distribution only

	<u>YTD 2020</u>
400 Gas Operating Revenues	\$ 1,919,020
Gas Operating Expenses:	
401 Operation Expense	1,181,121
402 Maintenance Expense	33,201
403 Depreciation Expense	189,648
404 Amortization of Limited Term Plant	15,710
407 Amortization of Property Losses	38,670
407.3 Amortization of Excess cost of removal	9,747
407.4 Amortization of Excess cost of removal	0
408.1 Taxes Other Than Income Taxes	17,275
409.1 Income Taxes - Federal	(5,189)
410.1 Provision for Deferred Income Taxes	177,572
411.1 Provision for Deferred Income Taxes - Cr	(161,098)
411.4 Investment Tax Credit Adjustments (Net)	(787)
Total Gas Utility Operating Expenses	<u>1,495,869</u>
Gas Utility Operating Income	<u>\$ 423,151</u>

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

**Sep 30, 2022**

Assets and Other Debits

Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$ 24,613,141
103	Electric Experimental Plant Unclassified	-
105	Electric Utility Plant Held for Future Use	34,282
106	Electric Completed Construction not classified- Electric	3,111,439
107	Electric Construction Work in Progress	1,354,102
	Total Electric Utility Plant	<u>29,112,965</u>

Gas Utility Plant

101	Gas Utility Plant in Service	\$ 10,580,954
103	Gas Experimental Plant Unclassified	-
105	Gas Utility Plant Held for Future Use	96
106	Gas Completed Construction not classified	67,790
107	Gas Construction Work in Progress	99,621
	Total Gas Utility Plant	<u>10,748,461</u>

Common Utility Plant

101	Common Utility Plant in Service	\$ 472,820
106	Common Completed Construction not classified	-
107	Common Construction Work in Progress	50,493
	Total Common Utility Plant	<u>523,313</u>

Property under capital leases

101.1	Electric & Gas Property under capital leases	88,541
		<u>88,541</u>

**Total Utility Plant**

**40,473,280**

Accumulated Provisions for Depreciation and Amortization of

Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(5,120,470)
108.5	Electric Utility Plant Held for Future Use	-
	Total Electric Utility Plant	<u>(5,120,470)</u>

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(2,505,554)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(290,581)
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Total Accumulated Provisions for  
Depreciation and Amortization  
of Utility Plant

(7,916,606)

Net Utility Plant Excluding Nuclear Fuel

32,556,674

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	-
		<b>Net Utility Plant</b>	<u><b>32,556,674</b></u>

(0)

Other Property and Investments

121	Nonutility Property	3,264
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(1,100)
123 & 123.1	Investments in Associated & Subsidiary Companies	44,904
124	Other Investments	150,707
125-8	Special Funds	32,107
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	<u>229,882</u>

**BALANCE SHEET****\$ (In Thousands)**Sep 30, 2022

## Current and Accrued Assets

131	Cash	\$	68,470
132-4	Special Deposits		42,562
135	Working Funds		-
136	Temporary Cash Investments		240,000
141-3	Notes and Accounts Receivable		1,266,684
144	Accumulated Provision for Uncollectible Accounts - Credit		(324,212)
145-6	Receivables from Associated Companies		16,471
151-5	Materials and Supplies (incl. 163)		275,589
158	Allowances		-
164	Gas Stored Underground - Current		-
165	Prepayments		107,084
171	Interest and Dividends Receivable		-
172	Rents Receivable		5,730
173	Accrued Utility Revenues		190,487
174	Miscellaneous Current and Accrued		23,625
175	Current Portion of Derivative Instrument Assets		-

Total Current and Accrued Assets	1,912,489
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## Deferred Debits

181	Unamortized Debt Expense	65,313
182	Unrec'd Plt and Reg Costs and Other Reg Assets	4,314,117
183	Preliminary Survey and Investigation Charges	31,980
184	Clearing Accounts	0
185	Temporary Facilities	-
186	Miscellaneous Deferred Debits	30,715
188	Research and Development Expenditures	-
189	Unamortized Loss on Reacquired Debt	25,378
190	Accumulated Deferred Income Taxes	850,223
	Total Deferred Debits	5,317,727

Total Assets and Other Debits	\$ 40,016,772
	(0)

**BALANCE SHEET****\$ (In Thousands)**Sep 30, 2022

## Liabilities and Other Credits

## Proprietary Capital

201	Common Stock Issued	\$	892,260
204	Preferred Stock Issued		-
207	Premium on Capital Stock		-
208	Donations from Stockholders		2,155,443
210	Gain on Resale or Cancellation of Reacquired Capital Stock		-
211	Miscellaneous Paid-In Capital		-
215	Appropriated Retained Earnings		-
216	Unappropriated Retained Earnings		12,533,959
216.1	Unappropriated Undistributed Subsidiary Earnings		(178)
219	Other Comprehensive Income		(4,801)
	Total Proprietary Capital		<u>15,576,683</u>

## Long-Term Debt

221	221 Bonds		12,390,001
223	223 Advances from Assoc. Co.		-
225	225 Unamortized Premium on Long-Term Debt		-
226	226 Unamortized Discount on Long-Term Debt		(28,126)
	Total Long-Term Debt		<u>12,361,875</u>

## Other Non-Current Liabilities

227-9	Other Non-current Liabilities		509,387
244	Long-Term Portion of Derivative Instrument Liabilities		-
230	Asset Retirement Obligation		364,571
	Total Other Non-Current Liabilities		<u>873,957</u>

## Current and Accrued Liabilities

231	Notes Payable		-
232	Accounts Payable		604,562
233-4	Payables to Associated Companies		134,014
235	Customer Deposits		64,698
236	Taxes Accrued		20,534
237	Interest Accrued		122,015
238	Dividends Declared		-
239	Matured Long-Term Debt		-
241	Tax Collections Payable		435
242	Miscellaneous Current and Accrued Liabilities		821,055
243	Obligations Under Capital leases		12,641
244	Current Portion of Derivative Instrument Liabilities		-
	Total Current and Accrued Liabilities		<u>1,779,953</u>

## Deferred Credits

252	Customer Advances for Construction		88,718
253	Other Deferred Credits		273,894
254	Other Regulatory Liabilities		2,906,779
255	Accumulated Deferred Investment Tax Credits		110,163
281-3	Accumulated Deferred Income Taxes		6,044,751
	Total Deferred Credits		<u>9,424,304</u>

## Total Liabilities and Other Credits

\$ 40,016,772