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June 28, 2018

In The Matter of the Petition of
Public Service Electric And Gas Company
for Approval of Changes in its
Electric Solar Pilot Recovery Charge (“SPRC”)
for its Solar Loan I Program

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & OVERNIGHT MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed please find an original and two copies of Public Service Electric and Gas Company’s (PSE&G, the Company) filing in the above-referenced matter.

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

Very truly yours,

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a horizontal line and a small flourish.

Attachment
C Service List (E-Mail Only)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR) **P E T I T I O N**
APPROVAL OF CHANGES IN ITS ELECTRIC)
SOLAR PILOT RECOVERY CHARGE (SPRC)) BPU Docket No. _____
FOR ITS SOLAR LOAN I PROGRAM)

Public Service Electric and Gas Company (“PSE&G” or the “Company”), 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 (the “Board” or “BPU”) pursuant to N.J.S.A. 48:3:98.1, *et seq.*, as follows:

INTRODUCTION

1. PSE&G 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 2.2 million electric and 1.8 million gas customers in an area having a population in excess of six million persons, and which extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton, and south to Camden, New Jersey.

2. PSE&G 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. 48:2-21 *et seq.*

3. On April 19, 2007, PSE&G filed a petition with the Board seeking approval of an innovative solar energy initiative.¹ Under this initiative, PSE&G proposed to implement a solar photovoltaic program (the “Program” or “Solar Loan I”) across all customer classes within its electric service territory, with segments for residential, residential low-income, municipal/public entities, commercial/industrial (“C&I”), and not-for-profit customers. The Company also proposed a comprehensive cost recovery mechanism.

4. On March 19, 2008, the parties to the Solar Loan I matter executed a Settlement (the “Settlement”). The Settlement fully resolved the issues in the Solar Loan I proceeding.

5. By Order dated April 16, 2008, the Board issued an Order approving the Settlement and authorizing the Company to implement the Solar Loan I Program and associated cost recovery mechanism (the “Order”). In regard to cost recovery, the Order and the Settlement state:

The parties agree that PSE&G will recover the net monthly revenue requirements associated with this Program through a new charge of the Company’s electric tariff called the SPRC. The SPRC will be a new charge in the Company’s electric tariff, applicable to all electric Rate Schedules on an equal cents per kilowatthour. The SPRC rates will not be implemented at this time. PSE&G will defer costs and net monthly revenue requirements it incurs for the Program to the SPRC for future recovery, consistent with the terms of this Settlement Agreement. Interest on the deferred SPRC balance (both on under- and over-recovered balances) will be calculated at the same rate and methodology as PSE&G currently uses for the electric Societal Benefits Charge.

¹ *I/M/O the Petition of Public Service Electric and Gas Company for Approval of a Solar Energy Program and an Associated Cost Recovery Mechanism*, Docket No. EO07040278.

The Order also specifies the revenue requirements methodology and other associated elements of the cost recovery mechanism. *See* Order, Paragraph 75.

6. The Order also states:

The parties agree that the Cost of Capital for this Program is 11.11%, including a return on Common Equity of 9.75%, which is the most recent Return On Equity established by the Board for PSE&G electric in Docket No, ER02050303, and including income tax effects. The resulting monthly Cost of Capital used for calculating the Net Monthly Revenue Requirements is 0.92583%. Net Plant equals the original loan amounts booked less the accumulated amortization through the SPRC. The Amortization is equal to the sum of the amortizations of all of the outstanding loans for each month until the total amount is recovered (Net Plant equals zero). Any cash payments received by PSE&G from the Project Owner for early termination of a contract will be credited against the Net Plant for the specific project. [Order, Paragraph 76].

7. The Board also approved a mechanism under which PSE&G recovers certain administrative costs associated with the Program. Specifically, the Order provides that the Company “shall recover 50% of the administrative costs of the Solar Program through the SPRC, based on the annual grand total amounts set forth in Attachment D. Administrative costs are defined as reasonable and incremental costs incurred by the Company to implement the Program. The maximum administrative cost recovery through the SPRC in any year is \$1.0 million.” (Order, Paragraph 77).

8. While the Order approving the Solar Loan I Program did not state the pre-tax WACC of 11.11% per year (0.92583% on a monthly basis) can be updated, given the significant decline in the federal income tax rate from 35% to 21% as a result

of the 2017 Tax Cuts and Jobs Act, the Company has reduced the Pre-Tax WACC effective January 1, 2018 to 9.67% per year, or 0.8058% per month.

9. On May 22, 2018, the Board issued a final Order approving resolution of the 2017 PSE&G Solar Pilot Recovery Charge Annual Cost Recovery Proceeding (hereinafter “2017 SL I Program Order”).² The 2017 SL I Program Order included an obligation for PSE&G to make its next SPRC cost recovery filing with actual data from October 1, 2017 to March 31, 2018 and forecasted data through September 30, 2019 no later than July 1, 2018.³

10. PSE&G has successfully implemented the Program and is now filing this Petition, which is similar to petitions the Company has annually filed in recent years related to the Solar Loan I Program, to implement the cost recovery provisions of the Order and Settlement and revise rates for the SPRC.

11. In support of this Petition, the Company is presenting the Direct Testimony of M. Courtney McCormick, the Vice President of Renewables and Energy Solutions at PSE&G. Ms. McCormick’s Direct Testimony is attached hereto as Attachment A. Ms. McCormick’s testimony describes the status of the Solar Loan I Program. Ms. McCormick’s testimony and schedules also discuss and quantify the administrative costs the Company seeks to recover through the SPRC pursuant to the Order and Settlement.

² *I/M/O the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (“SPRC”) for its Solar Loan I Program*, Docket No. ER17070723.

³ 2017 SL I Program Order, p. 3 (citing paragraph ¶9 of the parties’ stipulation).

12. PSE&G also presents the Direct Testimony of Stephen Swetz, Senior Director - Corporate Rates and Revenue Requirements. Mr. Swetz's testimony and schedules, attached hereto as Attachment B, develop the revenue requirements and proposed SPRC rates.

13. Based on the Company's actual collections through March 31, 2018, and its projected collections through September 30, 2019, the total SPRC revenue to be collected from ratepayers is forecasted to be \$8,182,265. The \$8.2 million in revenue to be collected from ratepayers is comprised of a forecasted under-collected balance through September 2018 of \$2,364,577, including interest, and a forecasted revenue requirement from October 2018 through September 2019 of \$5,817,688. Dividing the \$8.2 million target revenue by the Company's kilowatt-hour (kWh) sales forecast for October 2018 through September 2019 results in a proposed rate of \$0.000198/kWh without Sales and Use Tax ("SUT") for the period October 1, 2018 through September 30, 2019. Since the SPRC rate is currently set at \$0.000136/kWh without SUT, the proposed rate will result in a net annual revenue increase to the Company's electric customers of \$2.6 million. The Company is proposing to implement the proposed SPRC rate on or before October 1, 2018.

14. Attached to Mr. Swetz's testimony are the following schedules in support of the Company's request:

- Schedule SS-SLI-1 is Mr. Swetz's Credentials.
- Schedule SS-SLI-2 is a summary sheet setting forth the proposed rate calculations for the applicable period.

- Schedule SS-SLI-3 sets forth the electric revenue requirements summary.
- Schedule SS-SLI-3a sets forth the details of the electric revenue requirements.
- Schedule SS-SLI-4 sets forth the electric (over) / under recovered balance and associated interest rate calculations.

15. PSE&G has proposed tariff sheets (redlined and “clean”), effective October 1, 2018, reflecting the SPRC rate in the Electric Tariff (*see* Attachment C). The proposed change in the SPRC is an increase from \$0.000136/kWh without SUT (\$0.000145/kWh including SUT) to \$0.000198/kWh without SUT (\$0.000211/kWh including SUT). The proposed rates are designed to recover the Program costs, which include carrying charges on PSE&G’s expenditures.

16. As a result of the proposed SPRC rate set forth in Attachment C, PSE&G’s typical residential electric customers using 750 kWh in a summer month and 7,200 kWh annually would experience an increase in their annual bill from \$1,215.76 to \$1,216.20, an increase of \$0.44 or approximately 0.04%. This is based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2018, and assumes the customer receives BGS-RSCP service from PSE&G. The residential customer bill impacts comparing the current and proposed delivery charges are contained in Attachment D for the aforementioned typical customers as well as other typical customer usage patterns.

17. The proposed rates, as set forth in the tariff sheets in Attachment C, are just and reasonable, and PSE&G should be authorized to implement the proposed rates as set forth herein on October 1, 2018, upon issuance of a written BPU Order.

18. Contained herein as Attachment E is a draft Form of Notice of Filing and of Public Hearings. This Form of Notice sets forth the requested changes to the electric rates and will be placed in newspapers having a circulation within the Company's electric service territory upon receipt, scheduling, and publication of public hearing dates. Public hearings will be held in each geographic area within the Company's service territory, i.e. Northern, Central, and Southern. A Notice will be served on the County Executives and Clerks of all municipalities within the Company's electric service territory upon receipt, scheduling, and publication of public hearing dates.

19. Notice of this filing and two copies of the Petition will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101, and upon the Director, Division of Rate Counsel, 140 East Front Street, 4th Floor, Trenton, New Jersey 08625. Copies of the Petition and supporting testimony and attachments will also be sent to the persons identified on the service list provided with this filing.

20. PSE&G requests that the Board issue an Order approving the proposed rates on or before October 1, 2018.

21. It is understood that any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of N.J.S.A.

48:2-21 and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the average percentage changes in final rates may increase or decrease based upon the Board's decision.

COMMUNICATIONS

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

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CONCLUSION AND REQUESTS FOR APPROVAL

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

1. PSE&G is authorized to recover all costs requested herein associated with the Solar Loan I Program;
2. The proposed rates and charges set forth in the proposed Tariff for Electric Service, Public Service Electric and Gas Company, B.P.U.N.J. No. 15, Electric, referred to herein as Attachment C, are just and reasonable and PSE&G is authorized to implement the rates proposed herein on or about October 1, 2018.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



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DATED: June 28, 2018
Newark, New Jersey

STATE OF NEW JERSEY)
:)
COUNTY OF ESSEX)

M. Courtney McCormick, of full age, being duly sworn according to law, on her oath deposes and says:

1. I am the Vice President of Renewables and Energy Solutions in the Renewables and Energy Solutions Group of Public Service Electric and Gas Company, the Petitioner in the foregoing Petition.



2. I have read the annexed Petition, and the matters and things contained therein are true to the best of my knowledge and belief.

3. Copies of the Petition have been overnight mailed and emailed to the BPU, the Department of Law & Public Safety, and the Division of Rate Counsel.



M. Courtney McCormick

Sworn and subscribed to)
before me this 28th day)
of June 2018)

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
2 **DIRECT TESTIMONY**
3 **OF**
4 **M. COURTNEY MCCORMICK**
5 **VICE PRESIDENT RENEWABLES AND ENERGY SOLUTIONS**

6 My name is M. Courtney McCormick and I am the Vice President
7 Renewables and Energy Solutions for Public Service Electric and Gas Company
8 (“PSE&G” or the “Company”). I have primary management and oversight
9 responsibility for the design, planning and operations of PSE&G’s renewable
10 energy, energy efficiency, and demand response programs. My credentials are
11 included as Schedule MCM-SLI-1. The purpose of this testimony is to support the
12 Company’s request for recovery of costs incurred implementing PSE&G’s Solar
13 Loan I Program.

14 **DESCRIPTION**

15 As approved by the Board of Public Utilities (“Board” or “BPU”)
16 Order dated April 16, 2008 in Docket No. EO07040278, the Solar Loan I Program
17 was originally designed as a 30 megawatt (MW-dc¹) distributed photovoltaic solar
18 initiative in which customers or developers install solar photovoltaic systems on
19 customers’ premises “behind the meter,” using PSE&G as a source of capital. The
20 program consists of three segments: Municipal/Non-Profit; Residential and Multi-
21 family/Affordable Housing; and Commercial & Industrial. Subsequent to

¹ MW-direct current (dc). All solar capacity value are in MW-dc unless otherwise noted

1 PSE&G's Solar Loan II Program being approved by Board Order dated November
2 10, 2009, 7.83 MW of uncommitted Solar Loan I capacity was transferred to the
3 Solar Loan II Program, resulting in 22.17 MW of capacity being financed through
4 Solar Loan I. The Solar Loan Programs are intended to reduce the upfront cost of
5 project development and installation to customers, while providing the best solar
6 energy value for all stakeholders.

7 Under Solar Loan I, PSE&G provided loans to solar photovoltaic
8 customers for a portion of a project's cost. The residential borrowers repay the
9 loan over a 10-year period by providing Solar Renewable Energy Certificates
10 (SRECs) (or an equivalent amount of cash) to PSE&G. For commercial/industrial
11 borrowers, the repayment period is 15 years.

12 The SRECs, for purposes of this Program, have an established floor
13 price of \$475 for the loan repayment period. The higher of the \$475 floor price or
14 the Market Value at the time the SREC is transferred to PSE&G is applied toward
15 loan repayment. For purposes of loan repayment, the SREC Market Value means
16 the average monthly cumulative weighted price of SRECs as published on the
17 New Jersey Clean Energy Program (NJCEP) website bulletin board during the
18 calendar month preceding the month the SREC payment is credited to the loan. If
19 no price is published on the website for the relevant month, the Market Value will
20 be the average of quotes received from three independent brokers.

1 15, 2012, and the Program is now maintaining the existing loans and processing
2 SRECs received from the borrowers.

3 The Solar Loan I Program issued 169 loans for a total amount of
4 \$82.8 million representing 22.17 MW.² This includes \$79.5 million representing
5 44 closed loans totaling 21.23 MW of non-residential projects, and \$3.3 million
6 totaling 125 closed loans representing 0.94 MW of residential projects.

7 Upon the issuance of the final written Order approving the Solar
8 Loan II Program on November 10, 2009, the Solar Loan I Program was closed and
9 no new applications were accepted into Solar Loan I. The Program waiting list
10 remained active until April 17, 2010, after which any remaining capacity was
11 transferred to the Solar Loan II Program.

12 **SOLAR LOAN I ADMINISTRATIVE COSTS**

13 The Solar Loan I Program actual monthly administrative costs from
14 October 1, 2017 through March 31, 2018, along with projections through
15 September 2019, are shown on Schedule MCM-SLI-2. This Schedule details
16 Solar Loan I Program, Solar Loan II Program, and Solar Loan III Program Total
17 Common Costs (column 1), Solar Loan I Program's allocated share of Common
18 Costs (column 2), Solar Loan I Program Volume Costs (column 3), Application
19 and Administrative Fee (column 4), Total Solar Loan I Administrative Costs

² This quantity includes one large commercial loan that was funded in two phases and is reported as two separate loans.

1 (column 5), and the SPRC Recoverable Program Administrative Costs (column 6).
2 The SPRC Recoverable Program Administrative Costs, per the April 16, 2008
3 Board Order, are 50 percent of the Total Solar Loan I Administrative Costs.

4 Certain administrative costs are common to Solar Loan I, Solar Loan
5 II, and Solar Loan III. Such costs are allocated to the Solar Loan I Program, Solar
6 Loan II Program, and Solar Loan III Program in accordance with the formula
7 established in the Solar Loan III Program Board Order (Docket No. EO12080726),
8 which stated that Common Costs shared by all three of PSE&G's solar loan
9 programs will be allocated based on forecasted MW capacity installed for the
10 upcoming year, and the ratio of the forecasted installed capacity for each program
11 to total forecasted installed capacity for all of the solar loan programs will be
12 applied to all Common Costs for the following year starting on January 1.
13 Currently the Solar Loan I Program is allocated 18.4% (22.2 MW/120.3 MW) of
14 the total Common Costs. For the period from October 1, 2017 through March 31,
15 2018, actual Solar Loan I Common Costs were \$89,622, there were no Volume
16 Costs, and no Application and Administration Fees were collected during this
17 period. Therefore, the Total Solar Loan I Administrative Costs for the period from
18 October 1, 2017 through March 31, 2018 were \$89,622. The SPRC Recoverable
19 Administrative Costs for the same period were \$44,811.

1 Schedule MCM-SLI-3 shows the Solar Loan I Program
2 administrative cost details allocated to the categories used by the BPU for the
3 NJCEP. Administration and Program Development Expenditures (Column 1)
4 include the costs to initiate a loan, including loan application processing, the cost
5 of credit information through Experian, program reporting and tracking, along
6 with other costs associated with program administration. Rebate Processing,
7 Inspections and Other Quality Control (QC) Expenditures (Column 3) include the
8 costs to manage the program once loans are closed and include SREC processing,
9 loan maintenance, and program tracking and reporting. For the period from
10 October 1, 2017 through March 31, 2018, Administration and Program
11 Developments expenditures were \$0 and Rebate Processing, Inspections and Other
12 QC Expenditures were \$89,622. During the recovery period, there were no
13 Evaluation and Related Research, Marketing and Sales, Training Expenditures, or
14 Application and Administrative Fees. Therefore, the net total administration
15 expenditures for the period were \$89,622.

16 In accordance with the Board-approved settlement for this Program,
17 50% of the approved annual total administrative cost for the Solar Loan I Program
18 is recoverable through the SPRC up to a maximum of \$1,000,000 per year.
19 Schedule MCM-SLI-4 shows the annual maximum recoverable administrative
20 costs from Attachment D of the April 16, 2008 Board Order along with the actual

1 and forecasted total annual administrative costs for the years 2008 – 2023. The
2 actual recoverable administrative costs from October 1, 2017 through March 31,
3 2018 and forecasted costs through 2019 are significantly below the allowed cap,
4 primarily due to cost sharing with the Solar Loan II and Solar Loan III Programs.
5 Accordingly, the SPRC Recoverable Administrative Costs shown in Schedule
6 MCM-SLI-2 have been incorporated into the revenue requirements contained in
7 Schedule SS-SLI-3a.

8 **LOANS CLOSED BY SEGMENT**

9 Schedule MCM-SLI-5 shows the number of Solar Loan I loans
10 closed by segment.

11 **CAPACITY OF SOLAR SYSTEMS BY SEGMENT**

12 Schedule MCM-SLI-6 shows the capacity of solar systems
13 supported by Solar Loan I loans by segment.

14 **ENERGY GENERATED**

15 Schedule MCM-SLI-7 shows the actual kWh generated by solar
16 systems supported by Solar Loan I by segment, through March 31, 2018.

17 **LOANS CLOSED BY QUARTER**

18 Schedule MCM-SLI-8 shows the number of loans closed by quarter.

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EMISSION REDUCTIONS

Schedule MCM-SLI-9 shows the estimated emissions reductions attributed to solar systems supported by Solar Loan I loans by segment.

SRECS RECEIVED THROUGH THE PROGRAM

Schedule MCM-SLI-10 shows the SRECs received by PSE&G through the Solar Loan I Program.

ISSUES AND DISCUSSIONS

A solar project located at the Bayshore Recycling Center in Keasbey, New Jersey experienced a partial roof collapse in April 2014 due to a fire in the warehouse building hosting the solar system. The borrower has received its final insurance payment, and PSE&G holds the proceeds. PSE&G and the borrower are finalizing a system restoration plan to rebuild the system on an adjacent building. The system is expected to be operational again in the second half of 2018. PSE&G expects that the successful execution of this restoration plan will result in the outstanding loan balance being fully repaid by the original loan maturity date.

CONCLUSION

PSE&G is seeking cost recovery for the Solar Loan I Program initiatives described above that were undertaken pursuant to appropriate approvals from the Board. The Company's initiatives were undertaken to help support the

1 State's renewable energy portfolio standard of 35% of energy from renewable
2 sources by 2025, and to benefit New Jersey's economy through both sustaining
3 and creating employment opportunities

4 This concludes my testimony at this time.

ATTACHMENT A

SCHEDULE INDEX

Schedule MCM-SLI-1	Credentials of M. Courtney McCormick
Schedule MCM-SLI-2	Recoverable Administrative Costs
Schedule MCM-SLI-3	Administrative Costs (O&M) Detail by BPU Categories
Schedule MCM-SLI-4	Administrative Costs Cap
Schedule MCM-SLI-5	Number of Loans Closed by Segment
Schedule MCM-SLI-6	Capacity of Solar System for Loans Closed by Segment
Schedule MCM-SLI-7	Actual kWh Generated by Segment for Closed Loans
Schedule MCM-SLI-8	Number of Loans Closed by Quarter
Schedule MCM-SLI-9	Emission Reduction by Segment
Schedule MCM-SLI-10	SRECs by Segment

ELECTRONIC WORKPAPER INDEX

WP-MCM-SLI-1.xlsx	Administrative Costs
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1 corporate governance and corporate transactions, including financings, mergers and
2 acquisitions, public and private securities offerings, as well as records management,
3 shareholder services and securities and stock exchange matters and reporting
4 compliance. I was named Vice President – Deputy General Counsel and Corporate
5 Secretary in April 2014, at which time I also assumed oversight responsibility for the
6 company’s claims and corporate security function, including business continuity and
7 crisis management planning. In December of 2015, I was named Vice President –
8 Renewables and Energy Solutions. My professional experience includes a broad
9 background in federal securities law, corporate transactions and corporate
10 governance, with a specialization in the energy and utilities industry. Further areas of
11 expertise include federal and state policy relating to renewables and energy efficiency
12 and utility regulation.

13 I am a member of the Board of Directors of the Smart Electric Power
14 Alliance as well as a member of the Edison Electric Institute Retail Executive
15 Advisory Committee.

**ATTACHMENT A
SCHEDULE MCM-SLI-2**

SOLAR LOAN I: ADMINISTRATIVE COST								
		(1)	(2)	(3)	(4)	(5) = (2+3+4)	(6)	
Month	Yr	Solar Loan I, Solar Loan II, and Solar Loan III Total Common Costs	Solar Loan I Allocation of Common Costs	Solar Loan I Volume Costs	Application and Administrative Fee	Total Solar Loan I Administrative Costs	SPRC Recoverable Administrative Costs	
October	2017	88,636	18,246	-	-	18,246	9,123	Actual
November	2017	63,205	13,740	-	-	13,740	6,870	
December	2017	73,510	14,437	-	-	14,437	7,218	
January	2018	77,252	14,251	-	-	14,251	7,126	
February	2018	69,218	12,758	-	-	12,758	6,379	
March	2018	88,055	16,190	-	-	16,190	8,095	
April	2018	77,655	14,304	-	-	14,304	7,152	Forecast
May	2018	77,655	14,304	-	-	14,304	7,152	
June	2018	77,655	14,304	-	-	14,304	7,152	
July	2018	77,655	14,304	-	-	14,304	7,152	
August	2018	77,655	14,304	-	-	14,304	7,152	
September	2018	77,655	14,304	-	-	14,304	7,152	
October	2018	77,655	14,304	-	-	14,304	7,152	
November	2018	77,655	14,304	-	-	14,304	7,152	
December	2018	76,095	14,017	-	-	14,017	7,008	
January	2019	89,926	14,676	-	-	14,676	7,338	
February	2019	89,926	14,676	-	-	14,676	7,338	
March	2019	89,926	14,676	-	-	14,676	7,338	
April	2019	89,926	14,676	-	-	14,676	7,338	
May	2019	89,926	14,676	-	-	14,676	7,338	
June	2019	89,926	14,676	-	-	14,676	7,338	
July	2019	89,926	14,676	-	-	14,676	7,338	
August	2019	89,926	14,676	-	-	14,676	7,338	
September	2019	89,926	14,676	-	-	14,676	7,338	
Total		1,966,542	350,154	-	-	350,154	175,077	

**ATTACHMENT A
SCHEDULE MCM-SLI-3**

SOLAR LOAN I: ADMINISTRATIVE COST DETAIL BY BPU CATEGORY

Month	Yr	Administration and Program Development Expenditures	Evaluation and Related Research Expenditures	Rebate Processing, Inspections and Other QC Expenditures	Marketing & Sales	Training Expenditures	Application and Administrative Fee	Total	
October	2017	-	-	18,246	-	-	-	18,246	Actual
November	2017	-	-	13,740	-	-	-	13,740	
December	2017	-	-	14,437	-	-	-	14,437	
January	2018	-	-	14,251	-	-	-	14,251	
February	2018	-	-	12,758	-	-	-	12,758	
March	2018	-	-	16,190	-	-	-	16,190	
April	2018	-	-	14,304	-	-	-	14,304	Forecast
May	2018	-	-	14,304	-	-	-	14,304	
June	2018	-	-	14,304	-	-	-	14,304	
July	2018	-	-	14,304	-	-	-	14,304	
August	2018	-	-	14,304	-	-	-	14,304	
September	2018	-	-	14,304	-	-	-	14,304	
October	2018	-	-	14,304	-	-	-	14,304	
November	2018	-	-	14,304	-	-	-	14,304	
December	2018	-	-	14,017	-	-	-	14,017	
January	2019	-	-	14,676	-	-	-	14,676	
February	2019	-	-	14,676	-	-	-	14,676	
March	2019	-	-	14,676	-	-	-	14,676	
April	2019	-	-	14,676	-	-	-	14,676	
May	2019	-	-	14,676	-	-	-	14,676	
June	2019	-	-	14,676	-	-	-	14,676	
July	2019	-	-	14,676	-	-	-	14,676	
August	2019	-	-	14,676	-	-	-	14,676	
September	2019	-	-	14,676	-	-	-	14,676	
Total		-	-	350,154	-	-	-	350,154	

**ATTACHMENT A
SCHEDULE MCM-SLI-4**

**Solar Loan I
Program Administrative Costs Cap**

Year	Total Approved Administrative Cost*	Maximum Recoverable Administrative Cost (50%)*	Requested SPRC Recovery
	(000's)	(000's)	
2008	1,830	915	425
2009	2,615	1,000 ⁽¹⁾	506
2010	1,493	747	259
2011	1,539	770	127
2012	1,586	793	68
2013	1,624	812	95
2014	1,674	837	83
2015	1,726	863	98
2016	1,779	890	62
2017	1,834	917	73
2018	967	484	86 ⁽²⁾
2019	998	499	66
2020	1,029	515	
2021	1,062	531	
2022	1,096	548	
2023	1,131	566	

* "Total Approved Administrative Cost" and "Maximum Recoverable Administrative Cost (50%)" from Attachment D in the Board Order approving Solar Loan I (Docket No. E007040278)

- (1) Note: Per agreement with the parties to the stipulation the maximum administrative cost recovery through the SPRC in any year is \$1.0 million
- (2) Actuals through March 2018, forecast thereafter

Solar Loan I
Number of Loans Closed by Segment
(Through March 31, 2018)

Segment	Loans
Residential	125
Multi-Family/Affordable	6
Municipal/Not-for-Profit	-
Commercial/Industrial	38
Total	169

Solar Loan I
Capacity of Solar System for Loans Closed by Segment
(Through March 31, 2018)

Segment	kW Closed
Residential	935.99
Multi-Family/Affordable	
Municipal/Not-for-Profit	2,264.04
Commercial/Industrial	18,966.74
Total	22,166.77

Solar Loan I
Actual kWh Generated by Segment for Closed Loans
(Through March 31, 2018)

Segment	kWh
Residential	7,576,313
Multi-Family/Affordable	-
Municipal/Not-for-Profit	20,071,634
Commercial/Industrial	163,842,810
Total	191,490,757

Solar Loan I
Number of Loans Closed by Quarter
(Through March 31, 2018)

2009	Loans
Quarter 1	3
Quarter 2	5
Quarter 3	7
Quarter 4	38
2009 Total	53

2010	Loans
Quarter 1	25
Quarter 2	23
Quarter 3	34
Quarter 4	12
2010 Total	94

2011	Loans
Quarter 1	10
Quarter 2	4
Quarter 3	3
Quarter 4	4
2011 Total	21

2012	Loans
Quarter 1	-
Quarter 2	1
Quarter 3	-
Quarter 4	-
2012 Total	1

2013	Loans
Quarter 1	-
Quarter 2	-
Quarter 3	-
Quarter 4	-
2013 Total	-

Program Total	169
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Solar Loan I
Emission Reduction by Segment
(Through March 31, 2018)

(Metric Tons)

Segment	CO2	NOx	S02
Residential	4,127	3.5	8.2
Multi-Family/Affordable	-	-	-
Municipal/Not-for-Profit	10,932	9.3	21.7
Commercial/Industrial	89,239	76.3	177.4
Total	104,298	89.1	207.3

Solar Loan I
SRECs by Segment
(Through March 31, 2018)

Segment	# of SRECs
Residential	7,555
Multi-Family/Affordable	
Municipal/Not-for-Profit	19,268
Commercial/Industrial	163,135
Total	189,958

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

7 My name is Stephen Swetz and I am the Senior Director – Corporate
8 Rates and Revenue Requirements, PSEG Services Corporation. My credentials
9 are included as Schedule SS-SLI-1.

10 **SCOPE OF TESTIMONY**

11 The purpose of my testimony is to support the filing of Public
12 Service Electric and Gas Company (“PSE&G” or the “Company”) for recovery of
13 the costs related to PSE&G’s Solar Loan I Program (“Solar Loan I” or
14 “Program”). The period includes actual costs incurred from October 2017 through
15 March 2018 and forecasted costs through September 2019. My testimony
16 provides the detailed calculations and recovery mechanisms, including projected
17 rate and bill impacts.

18 **COST RECOVERY MECHANISM**

19 General

20 PSE&G is filing to recover the revenue requirements associated with
21 the direct costs of the Program. Direct costs include all costs related to: loans

1 issued under the Program and 50 percent of the administrative costs of running the
2 Program. These costs are offset by the net benefits derived from the net proceeds
3 from the sale of Solar Renewable Energy Certificates (SRECs) and cash payments
4 in lieu of SRECs.

5 Based on the Company's actual collections through March 31, 2018
6 and its projected collections through September 30, 2019, the total Solar Pilot
7 Recovery Charge (SPRC) revenue to be collected from ratepayers is forecasted to
8 be \$8,182,265. The \$8.2 million revenue to be collected from ratepayers is
9 comprised of a forecasted under-collected balance through September 2018 of
10 \$2,364,577 including interest, and a forecasted revenue requirement from October
11 2018 through September 2019 of \$5,817,688. Dividing the \$8.2 million target
12 revenue by the Company's kilowatt-hour (kWh) sales forecast for October 2018
13 through September 2019 results in a proposed rate of \$0.000198/kWh without
14 New Jersey Sales and Use Tax (SUT) for the period October 1, 2018 through
15 September 30, 2019. Since the SPRC rate is currently set at \$0.000136/kWh
16 without SUT, the proposed rate will result in a net annual revenue increase to the
17 Company's electric customers of \$2.6 million. The rate proposed for the SPRC
18 would be effective October 1, 2018 through September 30, 2019 and is designed
19 to recover \$8.2 million over the twelve month period as shown on Schedule SS-
20 SLI-2. PSE&G is proposing that the Board authorize the recovery of the revenue

1 requirements of the Program in accordance with the Board's Order approving the
2 Solar Loan I Program in Docket No. EO07040278. The details of the costs
3 proposed to be recovered, as well as the mechanism for such recovery, are
4 described in the following sections of this testimony.

5 Calculation of the Revenue Requirements of Direct Costs

6 The Program investments are to be treated as separate utility assets,
7 and depending on the type of investment, either depreciated or amortized as
8 described in the corresponding section below. Paragraph 75 of the Board Order
9 approving the Program established the following methodology for calculating the
10 revenue requirements associated with the direct costs of the Program:

11
$$\text{Net Monthly Revenue Requirements} = (\text{Cost of Capital} * \text{Net Plant}) +$$

12
$$\text{Amortization} + \text{Recoverable Administrative Costs} - \text{Net Proceeds from the}$$

13
$$\text{Sale of SRECs} - \text{Cash Payments Received in lieu of SRECs}$$

14 The revenue requirements formula for Solar Loan I was established at a broad
15 level without a supporting schedule showing the detailed calculations. As a result,
16 the Solar Loan I revenue requirement formula was modified to the more detailed
17 calculation used in PSE&G's SPRC cost recovery filing in Docket No.
18 ER10030220. The Board-approved revenue requirement formula is:

19
$$\text{Revenue Requirements} = (\text{Pre-Tax Cost of Capital} * \text{Net Investment}) - \text{Net}$$

20
$$\text{Loan Accrued Interest} + \text{Amortization and/or Depreciation} + \text{Operation}$$

1 *and Maintenance (Recoverable Administrative) Costs – Net Proceeds from*
2 *the Sale of SRECs – Cash Payments in lieu of SRECs*

3 The details of each of the above terms are described as follows:

4 Pre-Tax Cost of Capital – The weighted average cost of capital (WACC)
5 for the Program was set at 7.8406%. For calculating Revenue
6 Requirements, the corresponding Pre-Tax WACC of 11.11% per year, or
7 0.92583% per month, is used in accordance with paragraph 75 of the Order
8 approving the Program. While the Board Order approving the Solar Loan I
9 Program did not state the monthly pre-tax WACC can be updated, given the
10 significant decline in the federal income tax rate from 35% to 21% as a
11 result of the 2017 Tax Cuts and Jobs Act, the Company has reduced the
12 Pre-Tax WACC effective January 1, 2018 to 9.67% per year, or 0.8058%
13 per month.

14 Net Investment – The net investment for the Program is comprised of the
15 following:

- 16 • Total Loan Outstanding Balances
- 17 • SREC Inventory

18 The assumptions supporting the loans and associated amortization
19 schedules and SREC Inventory are found in workpaper WP-SS-SLI-2.xlsx.

1 Cash Payments in lieu of SRECs – This includes when the borrower
2 chooses to repay the loan with cash and any required true up cash
3 payments.

4 The total revenue requirements are based on actual costs incurred
5 through March 31, 2018 and projected costs through September 30, 2019. All
6 loans, including principal and interest, will be repaid by providing the Company
7 with SRECs or cash. For the forecasted period, SREC prices for the months of
8 April 2018 through September 2019 are assumed to be \$209 based on the
9 weighted average result of the last three SREC auctions prior to April 2018. The
10 summary monthly calculations of the actual revenue requirements through March
11 2018 and the forecasted revenue requirements from April 2018 through September
12 2019 are shown in Schedule SS-SLI-3. The detailed monthly calculations of the
13 revenue requirements through September 2019 are shown in Schedule SS-SLI-3a.
14 The calculation of the (over) / under recovered balance along with the associated
15 interest rate calculations is shown in Schedule SS-SLI-4. As summarized on
16 Schedule SS-SLI-2, the expected revenue requirement through September 2019 is
17 \$8,182,265 which includes an expected under-recovery of \$2,364,577 through
18 September 2018 (including interest), and a forecasted revenue requirement of
19 \$5,817,688 from October 2018 through September 2019.

1 Method for Recovery of Direct Cost

2 PSE&G will recover the net Revenue Requirements associated with
3 this Program through the SPRC based on paragraph 75 of the Order approving
4 Solar Loan I. The SPRC was approved as the recovery mechanism for Solar Loan
5 I revenue requirements in paragraph 39 of the Order and is applicable to all
6 electric rate schedules on an equal cents per kilowatt-hour basis. The Company is
7 requesting Board approval of an effective date of October 1, 2018. If Board
8 approval is received prior to October 1, 2018, rates would still go into effect
9 October 1, 2018 as filed. All Program costs incurred prior to October 1, 2018 will
10 be deferred. If Board approval is received after October 1, the proposed initial rate
11 period charge would still be implemented at the time of approval. In that instance,
12 all Program costs incurred prior to the rate-effective date will be deferred until
13 rates go into effect.

14 The calculation of the proposed SPRC increase is shown in Schedule
15 SS-SLI-2. The Total Target Rate Revenues are divided by the current forecasted
16 kilowatt-hours sales from October 2018 through September 2019 to determine the
17 SPRC without SUT applied. PSE&G is proposing to increase the SPRC from a
18 rate of \$0.000136/kWh, without SUT (\$0.000145/kWh with SUT) to
19 \$0.000198/kWh, without SUT (\$0.000211/kWh including SUT). The rates
20 proposed for the SPRC for the period October 1, 2018 through September 30,

1 2019 are designed to recover approximately \$8.2 million. As a result of the
2 proposed new SPRC rate shown in Schedule SS-SLI-2, PSE&G's typical
3 residential electric customers using 750 kWh in a summer month and 7,200 kWh
4 annually would experience an increase in their annual bill from \$1,215.76 to
5 \$1,216.20, an increase of \$0.44 or approximately 0.04%. This is based upon
6 current Delivery Rates and Basic Generation Service Residential Small
7 Commercial Pricing (BGS-RSCP) charges in effect June 1, 2018, and assumes that
8 the customer receives BGS-RSCP service from PSE&G.

9 The electronic version of this filing contains the supporting detailed
10 assumptions and calculations for Schedules SS-SLI-2 through SS-SLI-4 in WP-
11 SS-SLI-1.xlsx. Additional supporting work papers will be provided electronically
12 and are listed in the index below.

13 Under the Company's proposal, any (over) / under recovery of the
14 actual revenue requirements compared to revenues would be deferred. Based on
15 paragraph 75 of the Order approving the Program, the interest rate for the deferred
16 SPRC balance will be calculated at the same rate and methodology as PSE&G
17 currently uses for the electric Societal Benefits Charge. The interest rate would be
18 applicable as the carrying charge rate on any (over) / under recovered balance on a
19 monthly basis.

20 This concludes my testimony at this time.

ATTACHMENT B

Schedule Index

Schedule SS-SLI-1Credentials

Schedule SS-SLI-2Proposed Rate Calculations

Schedule SS-SLI-3Revenue Requirements Calculation - Summary

Schedule SS-SLI-3a.....Revenue Requirements Calculation – Detail

Schedule SS-SLI-4(Over) / Under Recovered Balance Calculation

Electronic Work Paper Index

WP-SS-SLI-1.xlsxActual and Forecasted Revenue Requirements and Rate Analysis
Calculations

WP-SS-SLI-2.xlsxAggregate Loan Amortization Schedules and Forecasted
Revenue Requirement Inputs

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

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

8 **EDUCATIONAL BACKGROUND**

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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	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	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design
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	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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
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 Solar Loan I Program

Proposed Rate Calculations

(\$'s Unless Specified)

Schedule SS-SLI-2

Actual results through March 2018

SUT Rate 6.625%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Source/Description</u>
1	Oct 2018 - Sep 2019	Revenue Requirements	5,817,688	SUM (Schedule SS-SLI-3, Col 20)
2	Sep-18	(Over) / Under Recovered Balance	2,355,168	Schedule SS-SLI-4, Line 4, Col 129
3	Sep-18	Cumulative Interest Exp / (Credit)	<u>9,408</u>	Schedule SS-SLI-4, Line 7, Col 129
4	Oct 2018 - Sep 2019	Total Target Rate Revenue	8,182,265	Line 1 + Line 2 + Line 3
5	Oct 2018 - Sep 2019	Forecasted kWh (000)	41,402,930	
6		Calculated Rate w/o SUT (\$/kWh)	0.000198	(Line 4 / (Line 5*1,000)) [Rnd 6]
7		Public Notice Rate w/o SUT (\$/kWh)	0.000198	Line 6
8		Existing Rate w/o SUT (\$/kWh)	0.000136	
9		Proposed Rate w/o SUT (\$/kWh)	0.000198	Line 6
10		Proposed Rate w/ SUT (\$/kWh)	0.000211	(Line 9 * (1 + SUT Rate)) [Rnd 6]
11		Difference in Proposed and Previous Rate	0.000062	(Line 9 - Line 8)
12		Resultant SPRC Revenue Increase / (Decrease)	2,566,982	(Line 5 * Line 11 * 1,000)

PSE&G Solar Loan I Program

Electric Revenue Requirements Calculation - Summary

Actual data through March 2018

Annual Pre-Tax WACC	9.6700%
Monthly Pre-Tax WACC	0.80583%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(17a)	(18)	(19)	(20)
	Total Loan Outstanding Balance	SREC Inventory	Total Net Loan Investment	Return Requirement On Net Loan Investments	Net Plant Investment	Return Requirement on Plant Investment	Loan Accrued Interest	Loan Interest Paid	Net Loan Accrued Interest	Loan Principal Paid / Amortized	Plant Depreciation	Depreciation / Amortization	O&M Expenses	SREC Value Credited to Loans	Gain / (Loss) on SREC Sales	SREC Disposition Expenses	SREC Call Option Net Benefit	SREC Floor Price Cost	Net Proceeds from the Sale of SRECs	Cash Payments to Loans	Revenue Requirements
Monthly Calculation																					
Oct-17	41,611,370	445,843	42,057,213	407,523	-	-	396,612	396,612	-	607,118	-	607,118	9,123	1,001,775	(220,306)	-	-	555,932	225,537	1,955	796,272
Nov-17	41,218,421	782,725	42,001,146	383,909	-	-	378,451	378,451	-	392,949	-	392,949	6,870	771,400	-	5,925	-	434,517	330,958	-	452,770
Dec-17	41,046,199	244,407	41,290,606	395,978	-	-	387,528	387,528	-	172,222	-	172,222	7,218	559,550	(10,255)	-	-	315,351	233,944	200	341,273
Jan-18	41,035,949	402,313	41,438,263	338,902	-	-	385,844	385,844	-	10,250	-	10,250	7,126	358,443	-	5,544	-	202,143	150,755	37,651	167,871
Feb-18	40,745,681	634,482	41,380,164	306,675	-	-	347,814	347,814	-	290,268	-	290,268	6,379	529,150	-	-	-	296,981	232,169	108,932	262,222
Mar-18	40,596,833	222,651	40,819,483	339,040	-	-	383,147	383,147	-	148,849	-	148,849	8,095	503,975	76,398	-	-	281,324	299,049	28,021	168,913
Apr-18	40,265,336	534,061	40,799,397	329,000	-	-	374,830	396,567	(21,737)	310,564	-	310,564	7,152	707,131	-	-	-	395,911	311,220	-	357,233
May-18	39,633,399	976,096	40,609,495	328,973	-	-	371,809	402,927	(31,118)	600,819	-	600,819	7,152	1,003,746	-	-	-	561,805	441,941	-	526,121
Jun-18	38,875,339	1,471,008	40,346,347	327,267	-	-	366,047	384,835	(18,789)	739,272	-	739,272	7,152	1,124,107	-	-	-	629,252	494,855	-	597,624
Jul-18	37,896,969	588,962	38,485,931	325,117	-	-	359,106	385,604	(26,498)	951,872	-	951,872	7,152	1,337,477	(1,947)	7,451	-	748,658	579,421	-	731,218
Aug-18	36,939,619	1,164,548	38,104,167	310,375	-	-	350,127	377,080	(26,953)	930,397	-	930,397	7,152	1,307,477	-	-	-	731,891	575,586	-	699,290
Sep-18	35,997,721	1,730,102	37,727,823	307,076	-	-	341,355	366,892	(25,537)	916,361	-	916,361	7,152	1,283,253	-	-	-	718,130	565,123	-	691,003
Oct-18	35,144,859	522,291	35,667,150	303,970	-	-	332,709	355,156	(22,447)	830,415	-	830,415	7,152	1,185,571	-	8,775	-	663,477	513,320	-	650,664
Nov-18	34,465,490	964,744	35,430,234	287,476	-	-	324,887	340,771	(15,885)	663,485	-	663,485	7,152	1,004,256	-	-	-	561,803	442,453	-	531,545
Dec-18	33,974,839	1,321,089	35,295,928	285,751	-	-	318,640	328,166	(9,526)	481,125	-	481,125	7,008	809,291	-	-	-	452,999	356,292	-	427,118
Jan-19	33,777,370	225,302	34,002,672	284,339	-	-	314,142	313,854	288	197,757	-	197,757	7,338	511,611	-	6,700	-	286,309	218,602	-	270,544
Feb-19	33,641,271	422,807	34,064,078	273,912	-	-	312,341	306,851	5,489	141,589	-	141,589	7,338	448,441	-	-	-	251,104	197,337	-	220,013
Mar-19	33,395,189	667,964	34,063,153	274,629	-	-	311,094	314,276	(3,182)	242,899	-	242,899	7,338	557,175	-	-	-	312,018	245,157	-	282,891
Apr-19	33,040,408	292,600	33,333,008	274,318	-	-	308,846	317,468	(8,621)	346,160	-	346,160	7,338	663,627	-	3,388	-	371,382	288,858	-	347,579
May-19	32,403,230	707,465	33,110,695	268,763	-	-	305,583	321,540	(15,957)	621,221	-	621,221	7,338	942,761	-	-	-	527,896	414,865	-	498,413
Jun-19	31,646,640	1,172,490	32,819,130	266,861	-	-	299,724	320,019	(20,296)	736,294	-	736,294	7,338	1,056,314	-	-	-	591,386	464,927	-	565,862
Jul-19	30,676,776	556,358	31,233,134	264,484	-	-	292,753	320,816	(28,063)	941,802	-	941,802	7,338	1,262,618	-	5,947	-	706,679	549,993	-	691,694
Aug-19	29,725,219	1,100,176	30,825,395	251,916	-	-	283,810	304,320	(20,510)	931,047	-	931,047	7,338	1,235,367	-	-	-	691,569	543,798	-	667,013
Sep-19	28,779,079	1,637,724	30,416,803	248,421	-	-	275,031	275,052	(21)	946,119	-	946,119	7,338	1,221,171	-	-	-	683,623	537,548	-	664,351
	From Sched SS-SL1-3a Col 11	From Sched SS-SL1-3a Col 15	From Sched SS-SL1-3a Col 3 + Col 16	From Sched SS-SL1-3a Col 26	(Prior Col 5 + Col 5) / 2 [Monthly Pre Tax WACC]	From Sched SS-SL1-3a Col 4	From Sched SS-SL1-3a Col 7	Col 7 - Col 8	From Sched SS-SL1-3a Col 8	From Sched SS-SL1-3a Col 20	From Sched SS-SL1-3a Col 28	From Sched SS-SL1-3a Col 5	From Sched SS-SL1-3a Col 14	From Sched SS-SL1-3a Col 17	From Sched SS-SL1-3a Col 18	From Sched SS-SL1-3a Col 18a	Col 14 + Col 15 + Col 16 + Col 17 + Col 17a	From Sched SS-3 Col 6	Col 4 + Col 6 - Col 9 + Col 12 + Col 13 - Col 18 - Col 19		
Annual Summary																					
2009	42,055,057	1,483,481	43,538,538	1,322,954	-	-	1,267,817	1,209,191	58,626	937,413	-	937,413	505,554	2,146,604	271,256	135,091	-	3,499	2,279,270	-	428,024
2010	62,387,945	2,636,299	65,024,244	5,825,922	-	-	5,558,552	5,617,178	(58,626)	3,820,753	-	3,820,753	258,525	9,411,252	1,499,493	203,401	-	-	10,707,344	26,680	(770,198)
2011	73,099,428	1,795,218	74,894,646	7,945,123	-	-	7,473,721	7,429,658	44,062	4,927,273	-	4,927,273	127,415	12,280,358	(3,344,977)	285,220	-	559,489	8,090,672	76,574	4,788,503
2012	68,251,150	1,287,922	69,539,072	8,049,416	-	-	7,781,089	7,678,212	102,878	4,968,092	-	4,968,092	68,189	12,500,100	(5,730,793)	108,511	-	3,967,845	2,692,950	146,204	10,143,665
2013	63,542,118	268,789	63,810,907	7,490,617	-	-	7,306,211	7,453,150	(146,940)	4,562,092	-	4,562,092	95,021	11,936,750	(2,101,031)	37,127	-	7,028,218	2,770,374	78,492	9,445,803
2014	58,826,912	199,853	59,026,766	6,925,446	-	-	6,800,395	6,793,314	7,081	4,722,287	-	4,722,287	82,769	11,098,375	128,850	33,975	-	6,900,955	4,292,295	417,226	7,013,900
2015	53,360,129	250,247	53,610,376	6,366,311	-	-	6,262,772	6,269,853	(7,081)	5,459,702	-	5,459,702	98,368	11,223,962	1,268,416	32,739	-	6,715,559	5,744,080	505,593	5,681,789
2016	46,834,370	301,316	47,135,686	5,715,005	-	-	5,622,827	5,622,827	0	6,525,760	-	6,525,760	62,226	11,562,986	779,111	33,172	-	5,896,666	6,412,259	585,601	5,305,131
2017	41,046,199	244,407	41,290,606	5,022,950	-	-	4,935,664	4,935,664	-	5,788,170	-	5,788,170	73,199	10,674,288	(69,603)	23,198	-	5,671,669	4,909,819	49,546	5,924,954
2018	33,974,839	1,321,089	35,295,928	3,789,622	-	-	4,256,315	4,454,805	(198,489)	6,873,676	-	6,873,676	85,824	11,153,876	74,451	21,769	-	6,244,375	4,962,183	174,605	5,810,824
Oct 2018 - Sep 2019				3,284,840	-	-	3,679,559	3,818,290	(138,731)	7,079,912	-	7,079,912	87,354	10,898,202	-	24,809	-	6,100,244	4,773,148	-	5,817,688

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Detail
 Actual data through March 2018

Annual Pre-Tax WACC	9.6700%
Monthly Pre-Tax WACC	0.80583%

	(1)	(2)	(3)	(3a)	(3b)	(4)	4a	4b	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Loan Amount Issued	Capitalized Plant	Return On Total Outstanding Loan Balance	Rate to WACC Differential Cost -	Rate to WACC Differential Cost -	Loan Accrued Interest	Loan Accrued Interest - Commercial	Loan Accrued Interest - Residential	SREC Value Credited to Loans	Cash Payments to Loans	Loan Interest Paid	Loan Principal Paid / Amortized	Loan Accrued Interest Balance	Loan Principal Balance	Total Loan Outstanding Balance	Value of SREC Transferred to PSE&G	SREC Auction Sales	Gain / (Loss) on SREC Sales
Monthly Calculations																		
Oct-17	-	-	398,049	-	1,437	396,612	394,586	2,026	1,001,775	1,955	396,612	607,118	-	41,611,370	41,611,370	445,843	1,585,190	(220,306)
Nov-17	-	-	379,740	-	1,289	378,451	376,633	1,818	771,400	-	378,451	392,949	-	41,218,421	41,218,421	336,883	-	-
Dec-17	-	-	388,761	-	1,232	387,528	385,791	1,737	559,550	200	387,528	172,222	-	41,046,199	41,046,199	244,199	772,263	(10,255)
Jan-18	-	-	336,857	(49,796)	808	385,844	384,186	1,658	358,443	37,651	385,844	10,250	-	41,035,949	41,035,949	157,907	-	-
Feb-18	-	-	303,633	(44,892)	711	347,814	346,355	1,459	529,150	108,932	347,814	290,268	-	40,745,681	40,745,681	232,169	-	-
Mar-18	-	-	334,437	(49,461)	751	383,147	381,607	1,540	503,975	28,021	383,147	148,849	-	40,596,833	40,596,833	222,651	710,880	76,398
Apr-18	-	-	327,148	(48,394)	712	374,830	373,370	1,460	707,131	-	396,567	310,564	267,633	39,997,704	40,265,336	311,410	-	-
May-18	-	-	324,470	(48,012)	674	371,809	370,428	1,381	1,003,746	-	402,927	600,819	236,515	39,396,884	39,633,399	442,035	-	-
Jun-18	-	-	319,378	(47,282)	613	366,047	364,790	1,257	1,124,107	-	384,835	739,272	217,727	38,657,613	38,875,339	494,912	-	-
Jul-18	-	-	313,269	(46,396)	559	359,106	357,960	1,147	1,337,477	-	385,604	951,872	191,229	37,705,740	37,896,969	588,962	1,469,061	(1,947)
Aug-18	-	-	305,385	(45,247)	505	350,127	349,091	1,036	1,307,477	-	377,080	930,397	164,275	36,775,344	36,939,619	575,586	-	-
Sep-18	-	-	297,671	(44,127)	442	341,355	340,449	906	1,283,253	-	368,892	916,361	138,739	35,858,983	35,997,721	565,554	-	-
Oct-18	-	-	290,080	(43,020)	391	332,709	331,907	802	1,185,571	-	355,156	830,415	116,291	35,028,568	35,144,859	522,291	1,730,102	-
Nov-18	-	-	283,208	(42,019)	340	324,887	324,188	698	1,004,256	-	340,771	663,485	100,406	34,365,083	34,465,490	442,453	-	-
Dec-18	-	-	277,733	(41,217)	311	318,640	318,003	637	809,291	-	328,166	481,125	90,881	33,883,958	33,974,839	356,345	-	-
Jan-19	-	-	273,779	(40,643)	280	314,142	313,568	574	511,611	-	313,854	197,757	91,169	33,686,201	33,777,370	225,302	1,321,089	-
Feb-19	-	-	272,188	(40,414)	261	312,341	311,805	536	448,441	-	306,851	141,589	96,658	33,544,612	33,641,271	197,505	-	-
Mar-19	-	-	271,091	(40,255)	253	311,094	310,576	518	557,175	-	314,276	242,899	93,476	33,301,713	33,395,189	245,157	-	-
Apr-19	-	-	269,108	(39,969)	231	308,846	308,372	474	663,627	-	317,468	346,160	84,855	32,955,554	33,040,408	292,600	667,964	-
May-19	-	-	266,250	(39,550)	217	305,583	305,139	444	942,761	-	321,540	621,221	68,898	32,334,333	32,403,230	414,865	-	-
Jun-19	-	-	261,115	(38,798)	189	299,724	299,335	388	1,056,314	-	320,019	736,294	48,602	31,598,038	31,646,640	465,025	-	-
Jul-19	-	-	255,018	(37,901)	165	292,753	292,414	339	1,262,618	-	320,816	941,802	20,539	30,656,237	30,676,776	556,358	1,172,490	-
Aug-19	-	-	247,203	(36,748)	141	283,810	283,520	289	1,235,367	-	304,320	931,047	28	29,725,190	29,725,219	543,818	-	-
Sep-19	-	-	239,535	(35,616)	120	275,031	274,786	245	1,221,171	-	275,052	946,119	7	28,779,071	28,779,079	537,548	-	-
	Program Assumption	Program Assumption	Col 3a + Col 3b + Col 4	WP-SS-SL1-2.xlsx 'LoansC' wksht Col 32	WP-SS-SL1-2.xlsx 'LoansR' wksht Col 32	WP-SS-SL1-2.xlsx 'Loans' wksht Col 11	WP-SS-SL1-2.xlsx 'LoansC' wksht Col 11	WP-SS-SL1-2.xlsx 'LoansR' wksht Col 11	WP-SS-SL1-2.xlsx 'Loans' wksht Col 13	WP-SS-SL1-2.xlsx 'Loans' wksht Col 14	WP-SS-SL1-2.xlsx 'Loans' wksht Col 16	WP-SS-SL1-2.xlsx 'Loans' wksht Col 17	WP-SS-SL1-2.xlsx 'Loans' wksht Col 18	WP-SS-SL1-2.xlsx 'Loans' wksht Col 19	Col 9 + Col 10	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 23	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 25	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 26
Annual Summary																		
2009	42,933,844	-	1,272,374	-	4,557	1,267,817			2,146,604	-	1,209,191	937,413	58,626	41,996,431	42,055,057	2,143,104	930,880	271,256
2010	24,212,268	-	5,633,081	-	74,529	5,558,552			9,411,252	26,680	5,617,178	3,820,753	-	62,387,945	62,387,945	9,412,632	9,759,306	1,499,493
2011	15,594,694	-	7,594,846	-	121,125	7,473,721			12,280,358	76,574	7,429,658	4,927,273	44,062	73,055,366	73,099,428	11,724,979	9,221,084	(3,344,977)
2012	16,936	-	7,893,123	-	112,033	7,781,089			12,500,100	146,204	7,678,212	4,968,092	146,940	68,104,210	68,251,150	8,533,307	3,309,809	(5,730,793)
2013	-	-	7,400,847	-	94,636	7,306,211			11,936,750	78,492	7,453,150	4,562,092	-	63,542,118	63,542,118	4,908,532	3,826,635	(2,101,031)
2014	-	-	6,877,305	-	76,910	6,800,395			11,098,375	417,226	6,793,314	4,722,287	7,081	58,819,831	58,826,912	4,197,420	4,395,206	128,850
2015	-	-	6,321,160	-	58,388	6,262,772			11,223,962	505,593	6,269,853	5,459,702	-	53,360,129	53,360,129	4,508,044	5,726,426	1,268,416
2016	-	-	5,662,044	-	39,216	5,622,827			11,562,986	585,601	5,622,827	6,525,760	-	46,834,370	46,834,370	5,666,528	6,394,569	779,111
2017	-	-	4,957,805	-	22,140	4,935,664			10,674,288	49,546	4,935,664	5,788,170	-	41,046,199	41,046,199	5,002,994	4,990,300	(69,603)
2018	-	-	3,713,270	(549,863)	6,818	4,256,315			11,153,876	174,605	4,454,805	6,873,676	90,881	33,883,958	33,974,839	4,912,274	3,910,043	74,451
Oct 2018 - Sep 2019	-	-	3,206,309	(476,150)	2,900	3,679,559			10,898,202	-	3,818,290	7,079,912				4,799,267	4,891,645	-

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Detail
 Actual data through March 2018

Annual Pre-Tax WACC	9.6700%
Monthly Pre-Tax WACC	0.80583%

	(15)	(16)	(17)	(18)	(18a)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
	<u>SREC</u>	<u>Return on</u>	<u>SREC</u>	<u>SREC Call</u>	<u>SREC Floor</u>	<u>Gross</u>	<u>Plant</u>	<u>Accumulated</u>		<u>Tax</u>	<u>Deferred</u>	<u>Accumulated</u>	<u>Net Plant</u>	<u>Return</u>	<u>O&M</u>	<u>Revenue</u>	<u>Alternative</u>
<u>Monthly</u>	<u>Inventory</u>	<u>SREC</u>	<u>Dispsotion</u>	<u>Option Net</u>	<u>Price Cost</u>	<u>Plant</u>	<u>Depreciation</u>	<u>Depreciation</u>	<u>Net Plant</u>	<u>Depreciation</u>	<u>Income Tax</u>	<u>Deferred</u>	<u>Investment</u>	<u>Requirement</u>	<u>Expenses</u>	<u>Requirements</u>	<u>Requirements</u>
<u>Calculations</u>		<u>Inventory</u>	<u>Expenses</u>	<u>Benefit</u>		<u>Plant</u>	<u>Depreciation</u>	<u>Depreciation</u>		<u>Depreciation</u>	<u>Income Tax</u>	<u>Income Tax</u>	<u>Investment</u>	<u>on Plant</u>		<u>Requirements</u>	<u>Calculation</u>
Oct-17	445,843	9,474	-	-	555,932	-	-	-	-	-	-	-	-	-	9,123	796,272	796,272
Nov-17	782,725	4,169	5,925	-	434,517	-	-	-	-	-	-	-	-	-	6,870	452,770	452,770
Dec-17	244,407	7,217	-	-	315,351	-	-	-	-	-	-	-	-	-	7,218	341,273	341,273
Jan-18	402,313	2,045	5,544	-	202,143	-	-	-	-	-	-	-	-	-	7,126	167,871	167,871
Feb-18	634,482	3,042	-	-	296,981	-	-	-	-	-	-	-	-	-	6,379	262,222	262,222
Mar-18	222,651	4,602	-	-	281,324	-	-	-	-	-	-	-	-	-	8,095	168,913	168,913
Apr-18	534,061	1,852	-	-	395,911	-	-	-	-	-	-	-	-	-	7,152	357,233	357,233
May-18	976,096	4,503	-	-	561,805	-	-	-	-	-	-	-	-	-	7,152	526,121	526,121
Jun-18	1,471,008	7,889	-	-	629,252	-	-	-	-	-	-	-	-	-	7,152	597,624	597,624
Jul-18	588,962	11,848	7,451	-	748,658	-	-	-	-	-	-	-	-	-	7,152	731,218	731,218
Aug-18	1,164,548	4,990	-	-	731,891	-	-	-	-	-	-	-	-	-	7,152	699,290	699,290
Sep-18	1,730,102	9,406	-	-	718,130	-	-	-	-	-	-	-	-	-	7,152	691,003	691,003
Oct-18	522,291	13,889	8,775	-	663,477	-	-	-	-	-	-	-	-	-	7,152	650,664	650,664
Nov-18	964,744	4,268	-	-	561,803	-	-	-	-	-	-	-	-	-	7,152	531,545	531,545
Dec-18	1,321,089	8,018	-	-	452,999	-	-	-	-	-	-	-	-	-	7,008	427,118	427,118
Jan-19	225,302	10,560	6,700	-	286,309	-	-	-	-	-	-	-	-	-	7,338	270,544	270,544
Feb-19	422,807	1,724	-	-	251,104	-	-	-	-	-	-	-	-	-	7,338	220,013	220,013
Mar-19	667,964	3,537	-	-	312,018	-	-	-	-	-	-	-	-	-	7,338	282,891	282,891
Apr-19	292,600	5,209	3,388	-	371,382	-	-	-	-	-	-	-	-	-	7,338	347,579	347,579
May-19	707,465	2,513	-	-	527,896	-	-	-	-	-	-	-	-	-	7,338	498,413	498,413
Jun-19	1,172,490	5,746	-	-	591,386	-	-	-	-	-	-	-	-	-	7,338	565,862	565,862
Jul-19	556,358	9,466	5,947	-	706,679	-	-	-	-	-	-	-	-	-	7,338	691,694	691,694
Aug-19	1,100,176	4,713	-	-	691,569	-	-	-	-	-	-	-	-	-	7,338	667,013	667,013
Sep-19	1,637,724	8,887	-	-	683,623	-	-	-	-	-	-	-	-	-	7,338	664,351	664,351
	Prior Col 15 + Col 12 - Col 13 - Col 14	WP-SS-SL1- 2.xlsx 'SREC Inv.' wksht Col 28	WP-SS-SL1- 2.xlsx 'SREC Inv.' wksht Col 29	Included in Col 14	WP-SS-SL1- 2.xlsx 'Loans' wksht Col 36	Prior Month Col 19 + Col 2	1/120 of Each Prior 120 Months of Col 2 (10 year amortization)	Prior Col 21 + Col 20	Col 19 - Col 21	See WP-SS- SL1-1.xlsx 'AmortE' wksht	(Col 23 - Col 20) * Income Tax Rate	Prior Col 25 + Col 24	Col 22 - Col 25	(Prior Col 26 + Col 26) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 - Col 4 - Col 5 - Col 6 + Col 7 + Col 8 - Col 14 + Col 16 + Col 17- Col 18 + Col 18a + Col 20 + Col 27 + Col 28	3a + 3b - Col 4 + 16 + 17 - 18 + 18a + 20 + 27 + 28
Annual																	
Summary																	
2009	1,483,481	50,579	135,091	-	3,499	-	-	-	-	-	-	-	-	-	505,554	428,024	428,024
2010	2,636,299	192,841	203,401	-	-	-	-	-	-	-	-	-	-	-	258,525	(770,198)	(770,198)
2011	1,795,218	350,277	285,220	-	559,489	-	-	-	-	-	-	-	-	-	127,415	4,788,503	4,788,503
2012	1,287,922	156,293	108,511	-	3,967,845	-	-	-	-	-	-	-	-	-	68,189	10,143,665	10,143,665
2013	268,789	89,770	37,127	-	7,028,218	-	-	-	-	-	-	-	-	-	95,021	9,445,803	9,445,803
2014	199,853	48,141	33,975	-	6,900,955	-	-	-	-	-	-	-	-	-	82,769	7,013,900	7,013,900
2015	250,247	45,151	32,739	-	6,715,559	-	-	-	-	-	-	-	-	-	98,368	5,681,789	5,681,789
2016	301,316	52,961	33,172	-	5,896,666	-	-	-	-	-	-	-	-	-	62,226	5,305,131	5,305,131
2017	244,407	65,145	23,198	-	5,671,669	-	-	-	-	-	-	-	-	-	73,199	5,924,954	5,924,954
2018	1,321,089	76,352	21,769	-	6,244,375	-	-	-	-	-	-	-	-	-	85,824	5,810,824	5,810,824
Oct 2018 - Sep																	
2019		78,531	24,809	-	6,100,244	-	-	-	-	-	-	-	-	-	87,354	5,817,688	5,817,688

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000068	0.000068	0.000068	0.000068	0.000068	0.000068	0.000068
	(117)	(118)	(119)	(120)	(121)	(122)	(123)
<u>SLI (Over)/Under Calculation</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>
(1) Solar Loan I SPRC Revenue	234,764	211,900	198,961	237,830	245,818	208,811	218,645
(2) Revenue Requirements	<u>679,864</u>	<u>796,272</u>	<u>452,770</u>	<u>341,273</u>	<u>167,871</u>	<u>262,222</u>	<u>168,913</u>
(3) Monthly (Over)/Under Recovery	445,100.3	584,372.2	253,809.4	103,442.8	(77,947.4)	53,411.0	(49,732.3)
(4) Deferred Balance	445,891.7	1,030,263.9	1,284,073.4	1,387,516.2	1,309,568.8	1,362,979.8	1,313,247.5
(5) Monthly Interest Rate	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%
(6) After Tax Monthly Interest Expense/(Credit)	212.7	703.0	1,102.2	1,272.3	1,567.3	1,553.0	1,555.2
(7) Cumulative Interest Balance Added to Subsequent Year's Revenue	(9,816.5)	(9,113.5)	(8,011.3)	(6,739.0)	(5,171.7)	(3,618.7)	(2,063.5)
(8) Requirements	436,075.2	1,021,150.4	1,276,062.0	1,380,777.2	1,304,397.1	1,359,361.1	1,311,184.0
(9) Net Sales - kWh (000)							
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000068	0.000068	0.000136	0.000136	0.000136	0.000136	0.000198
	(124)	(125)	(126)	(127)	(128)	(129)	(130)
<u>SLI (Over)/Under Calculation</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>
(1) Solar Loan I SPRC Revenue	190,351	213,277	508,908	601,117	587,813	460,565	635,957
(2) Revenue Requirements	<u>357,233</u>	<u>526,121</u>	<u>597,624</u>	<u>731,218</u>	<u>699,290</u>	<u>691,003</u>	<u>650,664</u>
(3) Monthly (Over)/Under Recovery	166,882.3	312,844.9	88,716.2	130,100.9	111,477.0	230,437.8	14,706.9
(4) Deferred Balance	1,480,129.8	1,792,974.7	1,883,152.7	2,013,253.6	2,124,730.6	2,355,168.5	2,379,283.8
(5) Monthly Interest Rate	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%
(6) After Tax Monthly Interest Expense/(Credit)	1,623.3	1,902.0	2,136.2	2,264.2	2,404.6	2,603.3	2,254.7
(7) Cumulative Interest Balance Added to Subsequent Year's Revenue	(440.2)	1,461.8	2,136.2	4,400.5	6,805.1	9,408.4	2,254.7
(8) Requirements	1,479,689.6	1,794,436.5	1,885,289.0	2,017,654.1	2,131,535.8	2,364,576.9	2,381,538.6
(9) Net Sales - kWh (000)	2,799,280	3,136,419	3,741,971	4,419,978	4,322,158	3,386,507	3,211,905
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000198	0.000198	0.000198	0.000198	0.000198	0.000198	0.000198
	(131)	(132)	(133)	(134)	(135)	(136)	(137)
<u>SLI (Over)/Under Calculation</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>
(1) Solar Loan I SPRC Revenue	572,028	667,546	694,325	624,017	653,971	566,650	601,998
(2) Revenue Requirements	<u>531,545</u>	<u>427,118</u>	<u>270,544</u>	<u>220,013</u>	<u>282,891</u>	<u>347,579</u>	<u>498,413</u>
(3) Monthly (Over)/Under Recovery	(40,483.3)	(240,427.3)	(423,781.8)	(404,004.5)	(371,079.5)	(219,070.2)	(103,585.1)
(4) Deferred Balance	2,338,800.6	2,098,373.3	1,674,591.5	1,270,587.0	899,507.5	680,437.3	576,852.2
(5) Monthly Interest Rate	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%	0.16167%
(6) After Tax Monthly Interest Expense/(Credit)	2,246.9	2,113.1	1,796.8	1,402.6	1,033.5	752.4	598.8
(7) Cumulative Interest	4,501.7	6,614.8	8,411.6	9,814.2	10,847.7	11,600.1	12,198.9
(8) Balance Added to Subsequent Year's Revenue Requirements	2,343,302.2	2,104,988.1	1,683,003.2	1,280,401.3	910,355.3	692,037.4	589,051.1
(9) Net Sales - kWh (000)	2,889,032	3,371,442	3,506,694	3,151,603	3,302,882	2,861,867	3,040,395
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000198	0.000198	0.000198	0.000198
	(138)	(139)	(140)	(141)

	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Notes</u>
(1) Solar Loan I SPRC Revenue	756,000	884,002	860,323	680,963	SL I Rate * Line 9
(2) Revenue Requirements	<u>565,862</u>	<u>691,694</u>	<u>667,013</u>	<u>664,351</u>	From SS-SL1-3, Col 20
(3) Monthly (Over)/Under Recovery	(190,137.7)	(192,307.9)	(193,309.3)	(16,612.3)	Line 2 - Line 1
(4) Deferred Balance	386,714.5	194,406.6	1,097.3	(15,515.0)	Prev Line 4 + Line 3 + Line 10 + Line 11
(5) Monthly Interest Rate	0.16167%	0.16167%	0.16167%	0.16167%	Annual Interest Rate / 12
(6) After Tax Monthly Interest Expense/(Credit)	458.9	276.8	93.1	(6.9)	(Prev Line 4 + Line 4) / 2 * (1 - Tax Rate) * Line 5
(7) Cumulative Interest Balance Added to Subsequent Year's Revenue	12,657.8	12,934.6	13,027.7	13,020.8	Prev Line 7 + Line 6
(8) Requirements	399,372.3	207,341.2	14,124.9	(2,494.2)	Line 4 + Line 7
(9) Net Sales - kWh (000)	3,818,180	4,464,658	4,345,063	3,439,210	
(10) SPRC Settlement: Application Fee Credit					
(11) SPRC Settlement: Prior to Filing Expenses Credit					

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 64

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

**Charge
(per kilowatthour)**

SOLAR PILOT RECOVERY CHARGE:

Charge.....	\$ 0.000136 <u>0.000198</u>
Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.000145 <u>0.000211</u>

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. This interest rate shall change each August 1.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 64

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

**Charge
(per kilowatthour)**

SOLAR PILOT RECOVERY CHARGE:

Charge.....\$ 0.000198

Charge including New Jersey Sales and Use Tax (SUT).....\$ 0.000211

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. This interest rate shall change each August 1.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric Solar Pilot Recovery Charge (SPRC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
200	1,920	\$343.32	\$343.44	\$0.12	0.03%
450	4,320	736.12	736.36	0.24	0.03
750	7,200	1,215.76	1,216.20	0.44	0.04
803	7,800	1,316.80	1,317.30	0.50	0.04
1,360	13,160	2,224.92	2,225.76	0.84	0.04

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2018 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes changes in the Solar Pilot Recovery Charge.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,920	200	\$35.33	\$35.34	\$0.01	0.03%
4,320	450	76.47	76.49	0.02	0.03
7,200	750	127.90	127.95	0.05	0.04
7,800	803	137.35	137.40	0.05	0.04
13,160	1,360	236.69	236.78	0.09	0.04

- (3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2018 and assumes that the customer receives BGS-RSCP service from Public Service.
- (4) Same as (3) except includes changes in the Solar Pilot Recovery Charge.

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF CHANGES IN ITS ELECTRIC SOLAR PILOT RECOVERY CHARGE (SPRC) FOR ITS SOLAR LOAN I PROGRAM

Notice of a Filing and Notice of Public Hearings

BPU Docket No. XXXXXXXXXX

TAKE NOTICE that Public Service Electric and Gas Company (Public Service, the Company) filed a Petition with the New Jersey Board of Public Utilities (Board, BPU) on June 28, 2018 requesting an increase in the cost recovery mechanism for the Solar Loan I Program (Program). As directed in the original Board Order EO07040278 dated April 16, 2008, PSE&G implemented the Program and associated cost recovery mechanism. As part of this filing, PSE&G has included an annual update on the status of the Program. As proposed in the Company's filing, the resultant revenue increase proposed for the Company's electric customer's totals approximately \$2.6 million on an annual basis.

PSE&G proposes to recover the Program costs through the Solar Pilot Recovery Charge (SPRC). The SPRC is applicable to all electric rate schedules. The proposed SPRC, if approved by the Board, is shown in Table #1.

Under the Company's proposal, a typical residential electric customer using 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,215.76 to \$1,216.20, or \$0.44 or approximately 0.04%. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #2

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the Solar Pilot Recovery Charge to levels it finds just and reasonable. Therefore, the Board may establish the Solar Pilot Recovery Charge at a level other than that proposed by Public Service. Therefore, the described charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers, online at the PSEG website at <http://www.pseg.com/pseandgfilings> and at the Board of Public Utilities at 44 South Clinton Avenue, Seventh Floor, Trenton, New Jersey 08625-0350.

The following dates, times and locations for public hearings on the Company's filing have been scheduled so that members of the public may present their views.

Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date 1, 2018
Time 1
Location 1
Location 1 Overflow
Room 1
Room 1 Overflow
Address 1
City 1, New Jersey Zip 1

Date 2, 2018
Time 2
Location 2
Location 2 Overflow
Room 2
Room 2 Overflow
Address 2
City 2, New Jersey Zip 2

Date 3, 2018
Time 3
Location 3
Location 3 Overflow
Room 3
Room 3 Overflow
Address 3
City 3, New Jersey Zip 3

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at the following address.

Customers may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, New Jersey, 08625-0350 ATTN: Secretary Aida Camacho-Welch whether or not they attend the public hearings. To review PSE&G's rate filing, visit <http://www.pseg.com/pseandgfilings>.

**Table # 1
Solar Pilot Recovery Charge**

	Solar Pilot Recovery Charge	
	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)
Electric - \$ per kWhr	\$0.000145	\$0.000211

**Table # 2
Residential Electric Service**

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Percent Change Would Be:
1,920	200	\$35.33	\$35.34	\$0.01	0.03%
4,320	450	76.47	76.49	0.02	0.03
7,200	750	127.90	127.95	0.05	0.04
7,800	803	137.35	137.40	0.05	0.04
13,160	1,360	236.69	236.78	0.09	0.04

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2018 and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes proposed change in the Solar Pilot Recovery Charge.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY