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December 31, 2020

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 2020 GSMP II Rate Filing)

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

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

Very truly yours,

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

C Attached service list (via e-mail)

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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 APPROVAL OF THE NEXT)BPU DOCKET NO. _____
PHASE OF THE GAS SYSTEM MODERNIZATION)
PROGRAM AND ASSOCIATED COST)
RECOVERY MECHANISM (“GSMP II”))
(DECEMBER 2020 GSMP II RATE FILING)

VERIFIED PETITION

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

INTRODUCTION AND OVERVIEW

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service (BGS), and distribution of gas and the provision of Basic Gas Supply Service (BGSS), for residential, commercial and industrial purposes within the State of New Jersey. PSE&G provides service to approximately 2.3 million electric and 1.8 million gas customers in an area having a population in excess of six 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 2020 for rates to be effective June 1, 2021.

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, subject to the requirement that at least 10% of Program investment be in-service for each roll-in:

GSMP II Rate Roll-in Schedule				
Roll-in #	Rates Effective	Initial Filing	Investment as of	True-up Filing
1 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 ²	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.

7. 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.

8. 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.

9. 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.

10. During the five years 2019 through 2023, the Company will be 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.

11. 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

12. 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, 2021. The annualized increase in gas revenue requirement associated with those investment costs is approximately \$26.355 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, 2021. The projected amounts of plant placed in service from December 1, 2020 through February 28, 2021 will be updated for actual results by March 15, 2021.

13. 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.

14. 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, 2021. Attachment 2 is the testimony of Steven Swetz supporting the revenue requirement and rate calculations.

15. 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 the annual bill from \$878.20 to \$892.74 or \$14.54 or approximately 1.66% (based upon Delivery Rates and BGSS-RSG charges in effect as of December 1, 2020, and assuming that the customer receives BGSS service from PSE&G).

16. 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.

17. In accordance with the Board's Covid-19 order,^[1] notice of this filing, the Petition, testimony, and schedules will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street 4th Floor, Trenton, N.J. 08625 by electronic mail. Electronic copies of the Petition, testimony, and schedules will also be sent to the persons identified on the service list provided with this filing.

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

19. 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, 2021 upon issuance of a written BPU order.

20. 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

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

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

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

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CONCLUSION AND REQUESTS FOR APPROVAL

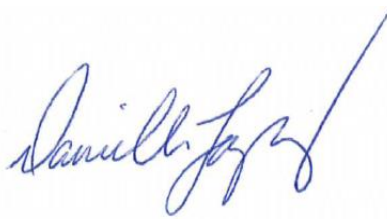
For all the foregoing reasons, PSE&G respectfully requests that the Board retain jurisdiction of this matter and review and expeditiously issue an order approving this Petition specifically finding that:

22. PSE&G is authorized to recover all costs identified herein associated with GSMP II Program costs incurred through February 28, 2021, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and

23. 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, 2021.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



DATED: December 31, 2020

By _____

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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 APPROVAL OF THE NEXT)BPU DOCKET NO. _____
PHASE OF THE GAS SYSTEM MODERNIZATION)
PROGRAM AND ASSOCIATED COST)
RECOVERY MECHANISM ("GSMP II"))
(JUNE 2020 GSMP II RATE FILING)

CERTIFICATION

I, Michael P. McFadden, 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 31, 2020

BY



Michael P. McFadden

PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Gas System Modernization Program II	
MINIMUM FILING REQUIREMENT(MFR)	LOCATION IN FILING
1. PSE&G's income statement for the most recent 12 month period, as filed with the BPU	Attachment 4
2. PSE&G's balance sheet for the most recent 12 month period, as filed with the BPU	Attachment 5
3. A calculation of the proposed rate adjustment based on details related to Program projects included in Plant in Service.	Attachment 2, Schedule SS-GSMPII-5
3.a. 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 2020 GSMP II Rate Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

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

December 31, 2020

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 Director – Gas Transmission & Distribution
8 Engineering for Public Service Electric and Gas Company (“PSE&G”, “the Company”, or
9 “Petitioner”). I am responsible for gas system planning and reliability as well as the safe and
10 efficient engineering, design, and operating procedures of PSE&G’s gas transmission and
11 distribution assets. I am also responsible for the management of the gas Transmission and
12 Distribution Integrity Management Programs, operation and maintenance of 58 metering and
13 regulating stations, four gas plants, and gas control to PSE&G’s gas customers. My credentials
14 are set forth in the attached Schedule WEM-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. Through November 30, 2020 the
18 Company has replaced over 505.7 miles of main and 30,830 services. The rate adjustments in
19 this filing are for recovery of costs associated with gas plant anticipated to be in service by
20 February 28, 2021, but that were not placed in service in a prior rate adjustment. A breakdown of
21 this work on investment proposed to be in rates is provided in the monthly reports provided in
22 Schedule WEM-GSMPII-2.

ATTACHMENT 1

1 The expenditures are listed in Schedule WEM-GSMPII-3 and include actual expenditures
2 through November 30, 2020 and a forecast of gas capital expenditures from December 1, 2020
3 through February 28, 2021 associated with gas plant that is anticipated to be in service by February
4 28, 2021.

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

6 A. Yes. To address the possibility that PSE&G may experience higher plant in service
7 amounts and/or higher expenditures than currently anticipated by February 28, 2021, this forecast
8 is inclusive of contingency for this rate filing. Pursuant to the GSMP II Order, PSE&G will
9 update this filing with actual financial data through February 28, 2021 and adjust the rate
10 impacts accordingly, by March 15, 2021. PSE&G's update of this filing for actual data through
11 February 28, 2021 will assure that only plant in-service is included in rates implemented as a result
12 of this filing.

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

14 A. With regard to the Program investments, PSE&G anticipates having a total of 560 miles
15 of main installed and in-service, 37,000 services replaced and in-service, and 75 district regulators
16 abandoned as of February 28, 2021. Some trailing work associated with the main installed, such
17 as service replacements, district regulator abandonments and pavement restoration, may not be
18 completed by that date.

ATTACHMENT 1

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

2 A. The Company currently expects Stipulated Base expenditures through December 31, 2020
3 of approximately \$46 million, exceeding the minimum annual required investment of \$20 million
4 for 2020, as well as the \$30 million minimum requiring a conference with Staff and Rate Counsel.

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

7 A. Yes. The Company anticipates meeting or exceeding the \$155 million baseline
8 requirement by the end of 2020.

9 **Q. What was the Company's 2019 open leak inventory and resulting 5-year average**
10 **leak inventory for 2014 – 2018?**

11 A. The Company's 2019 open leak inventory was 1,123. Based on the open leak inventory
12 from 2014 – 2017 as specified in paragraph 27 of the Stipulation approved in the GSMP II
13 Order, the 5 year average leak inventory is 1677 as set forth in the below chart.

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

14 **Q. What is the Company's cap on open leaks for 2020?**

15 A. For 2020, the Company's cap is reduced by 1% of the 5 year average leak inventory
16 specified above, or 1660. Thereafter the cap continues to be reduced by 1% per year. The
17 Company anticipates reducing its leak inventory to or below the cap by the end of the year.

ATTACHMENT 1

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

3 A. Yes. The Company conducted the survey in 2018 at a cost of \$50,000, submitted the
4 report to the BPU on March 1, 2019, and submitted the report with updated grid information
5 on February 28, 2020, as required by Attachment D of the GSMP II Order.

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

7 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
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 assumed my current position, which involves overall
14 responsibility for system planning and reliability as well as the safe and efficient
15 engineering, design, and operating procedures of PSE&G's gas transmission and
16 distribution assets. I am also responsible for the management of the Transmission and
17 Distribution Integrity Management Programs, operation and maintenance of 58
18 metering & regulating stations, four gas plants, and gas control to over 1.8 million
19 customers.

20 I am the Committee sponsor for PSE&G's Gas Engineering Committee

1 which is responsible for approval of action items due to regulatory changes and changes
2 to Company technical manuals, the Operator Qualification program, Integrity
3 Management programs, and new technology and materials.

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

Danielle Lopez
Associate Counsel-Regulatory

Law Department
80 Park Plaza, T-5, Newark, New Jersey 07102-4194
Tel: 973.430.6479 fax: 973.430.5983
Email: danielle.lopez@pseg.com



August 31, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – JUNE 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for June 2020 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.

Very truly yours,

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

Danielle Lopez

CC - E-Mail Only:

- 2 -

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

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	\$ 447,733,875	\$ 360,352,109
Replacement Service	\$ 482,000,000	\$ 91,088,947	\$ 96,024,069
Regulator Elimination	\$ 5,600,000	\$ 1,046,720	\$ 605,655
Total	\$ 1,575,000,000	\$ 539,869,542	\$ 456,981,833

Stipulated Base II Major Project Categories	Overall Approved Program	June PTD Budget	June PTD Actual
Replacement Main	\$ 217,200,000	\$ 51,262,140	\$ 51,063,185
Replacement Service	\$ 34,800,000	\$ 12,581,323	\$ 8,583,206
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 9,150,000	\$ 15,884,445
Total	\$ 300,000,000	\$ 72,993,463	\$ 75,530,836

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	\$ 65,253,569	\$ 22,167,442	\$ 272,931,098	\$ 360,352,109	\$ 348,520,998
Replacement Service	\$ 19,971,961	\$ 10,615,821	\$ 65,436,287	\$ 96,024,069	\$ 95,941,929
Regulator Elimination	\$ 111,619	\$ 90,090	\$ 515,565	\$ 605,655	\$ 85,331
Total	\$ 85,337,149	\$ 32,873,353	\$ 338,882,950	\$ 456,981,833	\$ 444,548,258
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	937,894				
Internal Labor - Overtime Hours	315,372				

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	\$ 7,108,369	\$ 4,740,506	\$ 39,214,310	\$ 51,063,185	\$ 48,104,209
Replacement Service	\$ 1,803,091	\$ 412,520	\$ 6,367,595	\$ 8,583,206	\$ 8,568,805
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 6,273,139	\$ 955,046	\$ 8,656,261	\$ 15,884,445	\$ 15,884,445
Total	\$ 15,184,599	\$ 6,108,071	\$ 54,238,165	\$ 75,530,836	\$ 72,557,459
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	177,639				
Internal Labor - Overtime Hours	59,396				

ATTACHMENT 1
SCHEDULE WEM-GSMPII-2
Page 4 of 25

GAS SYSTEM MODERNIZATION PROGRAM																						
	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	Projected Quantity Jan 2020	Actual Quantity Jan 2020	Projected Quantity Feb 2020	Actual Quantity Feb 2020	Projected Quantity Mar 2020	Actual Quantity Mar 2020	Projected Quantity Apr 2020	Actual Quantity Apr 2020	Projected Quantity May 2020	Actual Quantity May 2020	Projected Quantity Jun 2020	Actual Quantity Jun 2020	2020 Estimated Quantity	2020 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	6,800	93,763	2,700	81,745	7,600	87,207	13,000	92,356	72,000	119,187	130,000	135,877	646,580	610,135	1,356,880
					4"	Plastic	246,779	2,100	39,197	1,000	18,642	1,300	21,250	6,000	28,676	32,000	32,560	50,000	27,592	317,400	167,917	414,696
					6"	Plastic	80,521	1,100	13,556	500	8,340	1,400	5,240	2,400	5,081	9,000	15,418	8,400	20,384	120,800	68,019	148,540
					8"	Plastic	34,576	-	3,140	-	201	2,800	2,002	800	5,899	3,800	4,439	1,300	1,158	29,300	16,839	51,415
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	6,507	-	6,507
	16"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	10,000	149,656	4,200	108,928	13,100	115,699	22,200	132,012	116,800	171,604	189,700	191,518	1,114,080	869,417	1,978,038
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	1,000	1,905	800	1,446	700	1,187	800	322	900	137	1,100	1,145	14,500	6,142	20,795
	>2"	Plastic	2	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	1,000	1,906	800	1,446	700	1,187	800	322	900	137	1,100	1,145	14,500	6,143	20,798	
STIPULATED BASE	Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22		10		2		2		2		4		-		20	42
	Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22		10		2		2		2		4		-		20	42
	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	1,000	3,673	400	2,619	1,000	9,962	3,400	3,455	4,000	7,356	3,500	11,211	39,113	38,276	117,402
					4"	Plastic	30,415	500	2,985	500	1,100	2,000	860	1,700	-	3,000	1,050	2,800	1,416	33,300	7,411	37,826
					6"	Plastic	9,773	500	485	400	5	1,000	-	200	290	400	-	200	-	10,800	780	10,553
					8"	Plastic	277	250		250	-	500	-	1,000	-	1,000	-	1,000	-	7,400	-	277
					8"	Steel	-				-	-	-	-	-	-	-	-	-	-	-	-
					12"	Plastic	2	-		-	-	-	-	-	-	-	-	-	-	900	-	2
					12"	Steel	171	500	281	451	-	1,000	81	1,000	75	1,000	4,051	2,000	380	16,651	4,868	5,039
					16"	Steel	100				-	1,800	-	2,000	-	1,800	-	2,000	-	12,400	-	100
20"	Steel	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-					
42"	Steel	700	-		-	-	-	-	-	-	-	-	-	-	597	-	597	1,297				
Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	2,750	7,424	2,001	3,724	7,300	10,903	9,300	3,820	11,200	12,457	11,500	13,604	120,564	51,932	172,496	
Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	60															

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Danielle Lopez
Associate Counsel-Regulatory

Law Department
80 Park Plaza, T-5, Newark, New Jersey 07102-4194
Tel: 973.430.6479 fax: 973.430.5983
Email: danielle.lopez@pseg.com



September 29, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – JULY 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for July 2020 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.

Very truly yours,

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

Danielle Lopez

CC - E-Mail Only:

- 2 -

Stefanie Brand
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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
Replacement Main	\$ 1,087,400,000
Replacement Service	\$ 482,000,000
Regulator Elimination	\$ 5,600,000
Total	\$ 1,575,000,000

July PTD Budget	July PTD Actual
\$ 485,858,218	\$ 395,036,549
\$ 96,463,693	\$ 104,611,766
\$ 1,133,947	\$ 669,094
\$ 583,455,858	\$ 500,317,409

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

July PTD Budget	July PTD Actual
\$ 56,216,887	\$ 55,258,379
\$ 13,200,568	\$ 9,485,375
\$ -	\$ -
\$ 9,741,667	\$ 16,952,742
\$ 79,159,122	\$ 81,696,495

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	July PTD Actual Internal Labor \$	July PTD Actual Material \$	July PTD Actual Other \$	July PTD Actual Total \$
Replacement Main	\$ 69,797,144	\$ 24,884,943	\$ 300,354,463	\$ 395,036,549
Replacement Service	\$ 22,021,694	\$ 11,484,253	\$ 71,105,819	\$ 104,611,766
Regulator Elimination	\$ 142,123	\$ 97,434	\$ 571,660	\$ 669,094
Total	\$ 91,960,960	\$ 36,466,629	\$ 372,031,942	\$ 500,317,409
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	1,013,639			
Internal Labor - Overtime Hours	341,347			

Amount to Plant In-Service
\$ 382,556,344
\$ 104,521,259
\$ 89,852
\$ 487,167,455

Expenditures Incurred To Date Stipulated Base II Projects	July PTD Actual Internal Labor \$	July PTD Actual Material \$	July PTD Actual Other \$	July PTD Actual Total \$
Replacement Main	\$ 7,456,127	\$ 4,878,899	\$ 42,923,353	\$ 55,258,379
Replacement Service	\$ 1,944,209	\$ 434,476	\$ 7,106,689	\$ 9,485,375
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 6,696,399	\$ 1,009,241	\$ 9,247,102	\$ 16,952,742
Total	\$ 16,096,734	\$ 6,322,616	\$ 59,277,145	\$ 81,696,495
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	187,969			
Internal Labor - Overtime Hours	63,835			

Amount to Plant In-Service
\$ 52,257,640
\$ 9,470,974
\$ -
\$ 16,952,742
\$ 78,681,355

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SCHEDULE WEM-GSMPII-2
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[illegible]

Danielle Lopez
Associate Counsel-Regulatory

Law Department
80 Park Plaza, T-5, Newark, New Jersey 07102-4194
Tel: 973.430.6479 fax: 973.430.5983
Email: danielle.lopez@pseg.com

ATTACHMENT 1
SCHEDULE WEM-GSMPII-2
Page 11 of 25



October 28, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – AUGUST 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for August 2020 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.

Very truly yours,

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

Danielle Lopez

CC - E-Mail Only:

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Felicia Thomas-Friel
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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
Replacement Main	\$ 1,087,400,000
Replacement Service	\$ 482,000,000
Regulator Elimination	\$ 5,600,000
Total	\$ 1,575,000,000

August PTD Budget	August PTD Actual
\$ 479,860,651	\$ 424,719,835
\$ 133,652,096	\$ 113,363,093
\$ 1,221,173	\$ 750,696
\$ 614,733,920	\$ 538,833,624

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

August PTD Budget	August PTD Actual
\$ 60,863,168	\$ 58,619,388
\$ 13,558,298	\$ 10,388,710
\$ -	\$ -
\$ 10,333,333	\$ 18,284,075
\$ 84,754,800	\$ 87,292,173

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	August PTD Actual Internal Labor \$	August PTD Actual Material \$	August PTD Actual Other \$	August PTD Actual Total \$
Replacement Main	\$ 76,453,888	\$ 27,111,750	\$ 321,154,197	\$ 424,719,835
Replacement Service	\$ 23,695,161	\$ 12,313,717	\$ 77,354,215	\$ 113,363,093
Regulator Elimination	\$ 150,380	\$ 141,877	\$ 608,819	\$ 750,696
Total	\$ 100,299,430	\$ 39,567,344	\$ 399,117,231	\$ 538,833,624
GSMP II Internal Labor Hours				
Internal Labor - Regular Hours	1,076,838			
Internal Labor - Overtime Hours	364,008			

Amount to Plant In-Service
\$ 411,479,631
\$ 113,261,890
\$ 140,475
\$ 524,881,996

Expenditures Incurred To Date Stipulated Base II Projects	August PTD Actual Internal Labor \$	August PTD Actual Material \$	August PTD Actual Other \$	August PTD Actual Total \$
Replacement Main	\$ 7,979,824	\$ 5,307,517	\$ 45,332,046	\$ 58,619,388
Replacement Service	\$ 2,140,094	\$ 462,662	\$ 7,785,955	\$ 10,388,710
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 7,124,176	\$ 1,097,879	\$ 10,062,020	\$ 18,284,075
Total	\$ 17,244,094	\$ 6,868,059	\$ 63,180,020	\$ 87,292,173
Stip Base II Internal Labor Hours				
Internal Labor - Regular Hours	197,421			
Internal Labor - Overtime Hours	67,702			

Amount to Plant In-Service
\$ 55,507,865
\$ 10,374,309
\$ -
\$ 18,284,075
\$ 84,166,249

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Completed	Projected Quantity Jan 2020	Actual Quantity Jan 2020	Projected Quantity Feb 2020	Actual Quantity Feb 2020	Projected Quantity Mar 2020	Actual Quantity Mar 2020	Projected Quantity Apr 2020	Actual Quantity Apr 2020	Projected Quantity May 2020	Actual Quantity May 2020	Projected Quantity Jun 2020	Actual Quantity Jun 2020	Projected Quantity Jul 2020	Actual Quantity Jul 2020	Projected Quantity Aug 2020	Actual Quantity Aug 2020	2020 Estimated Quantity	2020 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	6,800	93,763	2,700	81,745	7,600	87,207	13,000	92,356	72,000	119,187	130,000	135,877	80,000	95,608	100,000	96,882	646,580	802,625	1,549,370	
					4"	Plastic	246,779	2,100	39,197	1,000	18,642	1,300	21,250	6,000	28,676	32,000	32,560	50,000	27,592	37,000	30,997	58,000	32,267	317,400	231,181	477,960	
					6"	Plastic	80,521	1,100	13,556	500	8,340	1,400	5,240	2,400	5,081	9,000	15,418	8,400	20,384	13,000	2,532	22,000	10,680	120,800	81,231	167,752	
					8"	Plastic	34,576	-	3,140	-	201	2,800	2,002	800	5,899	3,800	4,439	1,300	1,158	1,400	7,517	3,000	8,460	29,300	32,816	67,392	
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	10,000	149,656	4,200	108,928	13,100	115,699	22,200	132,012	116,800	171,604	189,700	191,518	131,400	139,633	183,000	150,296	1,114,080	1,159,346	2,267,967	
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	1,000	1,905	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	14,500	10,146	24,799	
					>2"	Plastic	2	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3	
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	1,000	1,906	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	14,500	10,147	24,802		
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22		10			2		2		2		4		-		2		2		24	46	
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22		10			2		2		2		4		-		2		2		24	46	
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	1,000	3,673	400	2,619	1,000	9,962	3,400	3,455	4,000	7,356	3,500	11,211	6,000	8,742	6,000	5,564	39,113	52,582	131,708	
					4"	Plastic	30,415	500	2,985	500	1,100	2,000	860	1,700	-	3,000	1,050	2,800	1,416	2,300	4,576	5,000	1,397	33,300	13,384	43,799	
					6"	Plastic	9,773	500	485	400	5	1,000	-	200	290	400	-	200	-	800	691	1,800	365	10,800	1,836	11,609	
					8"	Plastic	277	250		250	-	500	-	1,000	-	1,000	-	1,000	-	300	250	1,000	10	7,400	260	537	
					8"	Steel	-				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Plastic	2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	171	500	281	451	-	1,000	81	1,000	75	1,000	4,051	2,000	380	3,000							

[illegible]

Danielle Lopez
Associate Counsel-Regulatory

Law Department
80 Park Plaza, T-5, Newark, New Jersey 07102-4194
Tel: 973.430.6479 fax: 973.430.5983
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ATTACHMENT 1
SCHEDULE WEM-GSMP II-2
Page 16 of 25



November 24, 2020

VIA ELECTRONIC MAIL

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

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
Monthly Report – September 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing are ten copies of this letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for December, 2019 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.

Very truly yours,

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

Danielle Lopez

cc: E-mail Only

- 2 -

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

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	September PTD Budget	September PTD Actual
Replacement Main \$	\$ 1,087,400,000	\$ 500,749,333	\$ 453,440,126
Replacement Service \$	\$ 482,000,000	\$ 143,653,875	\$ 123,373,347
Regulator Elimination \$	\$ 5,600,000	\$ 1,308,400	\$ 838,834
Total	\$ 1,575,000,000	\$ 645,711,607	\$ 577,652,307

Stipulated Base II Major Project Categories	Overall Approved Program	September PTD Budget	September PTD Actual
Replacement Main \$	\$ 217,200,000	\$ 66,155,887	\$ 63,286,627
Replacement Service \$	\$ 34,800,000	\$ 13,947,743	\$ 10,968,184
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction \$	\$ 30,000,000	\$ 10,925,000	\$ 19,311,193
Total	\$ 300,000,000	\$ 91,028,630	\$ 93,566,004

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	September PTD Actual Internal Labor \$	September PTD Actual Material \$	September PTD Actual Other \$	September PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 81,053,034	\$ 29,500,301	\$ 342,886,792	\$ 453,440,126	\$ 439,011,802
Replacement Service	\$ 25,654,861	\$ 13,324,593	\$ 84,393,893	\$ 123,373,347	\$ 123,256,234
Regulator Elimination	\$ 180,759	\$ 147,140	\$ 691,695	\$ 838,834	\$ 160,234
Total	\$ 106,888,654	\$ 42,972,034	\$ 427,972,379	\$ 577,652,307	\$ 562,428,270
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	1,142,987				
Internal Labor - Overtime Hours	388,767				

Expenditures Incurred To Date Stipulated Base II Projects	September PTD Actual Internal Labor \$	September PTD Actual Material \$	September PTD Actual Other \$	September PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 8,346,338	\$ 5,551,957	\$ 49,388,333	\$ 63,286,627	\$ 60,011,917
Replacement Service	\$ 2,206,032	\$ 488,948	\$ 8,273,204	\$ 10,968,184	\$ 10,953,783
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 7,520,759	\$ 1,152,288	\$ 10,638,146	\$ 19,311,193	\$ 19,311,193
Total	\$ 18,073,128	\$ 7,193,193	\$ 68,299,682	\$ 93,566,004	\$ 90,276,893
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	206,208				
Internal Labor - Overtime Hours	70,952				

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

REPORT DATE: September 2020

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	Projected Quantity Jan 2020	Actual Quantity Jan 2020	Projected Quantity Feb 2020	Actual Quantity Feb 2020	Projected Quantity Mar 2020	Actual Quantity Mar 2020	Projected Quantity Apr 2020	Actual Quantity Apr 2020	Projected Quantity May 2020	Actual Quantity May 2020	Projected Quantity Jun 2020	Actual Quantity Jun 2020	Projected Quantity Jul 2020	Actual Quantity Jul 2020	Projected Quantity Aug 2020	Actual Quantity Aug 2020	Projected Quantity Sep 2020	Actual Quantity Sep 2020	2020 Estimated Quantity	2020 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	6,800	93,763	2,700	81,745	7,600	87,207	13,000	92,356	72,000	119,187	130,000	135,877	80,000	95,608	100,000	96,882	74,480	104,839	646,580	907,464	1,654,209			
					4"	Plastic	246,779	2,100	39,197	1,000	18,642	1,300	21,250	6,000	28,676	32,000	32,560	50,000	27,592	37,000	30,997	58,000	32,267	45,000	36,852	317,400	268,033	514,812			
					6"	Plastic	80,521	1,100	13,556	500	8,340	1,400	5,240	2,400	5,081	9,000	15,418	8,400	20,384	13,000	2,532	22,000	10,680	24,000	10,407	120,800	91,638	172,155			
					8"	Plastic	34,576	-	3,140	-	201	2,800	2,002	800	5,899	3,800	4,439	1,300	1,158	1,400	7,517	3,000	8,460	4,000	4,738	29,300	37,554	72,130			
					12"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	6,507	-	2,979	-	2,007	-	1,802	-	13,295	13,295		
					16" & 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,466	-	1,466	1,466		
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	10,000	149,656	4,200	108,928	13,100	115,699	22,200	132,012	116,800	171,604	189,700	191,518	131,400	139,633	183,000	150,296	147,480	160,104	1,114,080	1,319,450	2,428,071			
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	14,653	1,000	1,905	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	14,500	12,311	26,964			
					>2"	Plastic	2	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3				
	Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	1,000	1,906	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	14,500	12,312	26,967			
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A	22		10		2		2		2		4		-		2		2		2	2	26	48				
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A	22		10		2		2		2		4		-		2		2		2	2	26	48				
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	1,000	3,673	400	2,619	1,000	9,962	3,400	3,455	4,000	7,356	3,500	11,211	6,000	8,742	6,000	5,564	5,000	7,429	39,113	60,011	139,137			
					4"	Plastic	30,415	500	2,985	500	1,100	2,000	860	1,700	-	3,000	1,050	2,800	1,416	2,300	4,576	5,000	1,397	7,000	1,875	33,300	15,259	45,674			
					6"	Plastic	9,773	500	485	400	5	1,000	-	200	290	400	-	200	1,416	800	691	1,800	365	1,000	1,170	10,800	3,006	12,779			
					8"	Plastic	277	250		250	-	500	-	1,000	-	1,000	-	1,000	-	300	250	1,000	10	500	-	7,400	260	537			
					8"	Steel	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
					12"	Plastic	2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-		300		300	-	900	-	2
					12"	Steel	171	500	281	451	-	1,000	81	1,000	75	1,000	4,051	2,000	380	3,000	2,626	1,700	1,081	1,000	2,548	16,651	11,123	11,294			
					16"	Steel	100				-	1,800	-	2,000	-	1,800	-	2,000	-	1,000	-	1,000	-	1,000	-	1,000	-	12,400	-	100	
	20"	Steel	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	42"	Steel	700	-		-	-	-	-	-	-	-	-	-	-	-	597	-	-	-	-	-	-	-	-	597	1,297				
	Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	120,564	2,750	7,424	2,001	3,724	7,300	10,903	9,300	3,820	11,200	12,457	11,500	13,604	13,400	16,885	16,800	8,417	15,800	13,022	120,564	90,256	210,820			
	Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤ 2"	Plastic	1,393	60	42	60	16	60	82	70	2	80	2	100	112	100	208	120	212	150	97	1,300	773	2,166			
					>2"	Plastic	-	-				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	1,393	60	42	60	16	60	82	70	2	80	2	100	112	100	208	120	212	150	97	1,300	773	2,166				
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]

Danielle Lopez
Associate Counsel-Regulatory

Law Department
80 Park Plaza, T-5, Newark, New Jersey 07102-4194
Tel: 973.430.6479 fax: 973.430.5983
Email: danielle.lopez@pseg.com



December 17, 2020

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: NEXT PHASE OF THE PSE&G GAS SYSTEM MODERNIZATION PROGRAM
MONTHLY REPORT – OCTOBER 2020**

Dear Secretary Camacho-Welch:

Enclosed for filing is the letter and enclosures providing Public Service Electric & Gas Company's (PSE&G's) monthly report for October 2020 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.

Very truly yours,

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

Danielle Lopez

CC - E-Mail Only:

- 2 -

Stefanie Brand
Paul Flanagan
Grace Strom Power
Stacy Peterson
Caroline Vachier
Ilene Lampitt
Brian Lipman
Felicia Thomas-Friel
Karen Forbes
Matko Illic

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	October PTD Budget	October PTD Actual
Replacement Main	\$ 1,087,400,000	\$ 514,406,722	\$ 483,430,553
Replacement Service	\$ 482,000,000	\$ 153,372,007	\$ 132,408,000
Regulator Elimination	\$ 5,600,000	\$ 1,395,627	\$ 937,870
Total	\$ 1,575,000,000	\$ 669,174,357	\$ 616,776,423

Stipulated Base II Major Project Categories	Overall Approved Program	October PTD Budget	October PTD Actual
Replacement Main	\$ 217,200,000	\$ 70,111,039	\$ 66,511,074
Replacement Service	\$ 34,800,000	\$ 14,309,811	\$ 11,384,662
Large Diameter HP Joints	\$ 18,000,000	\$ -	\$ -
GSMP Meter Reconstruction	\$ 30,000,000	\$ 11,516,667	\$ 20,579,154
Total	\$ 300,000,000	\$ 95,937,517	\$ 98,474,890

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	October PTD Actual Internal Labor \$	October PTD Actual Material \$	October PTD Actual Other \$	October PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 85,580,648	\$ 31,441,912	\$ 366,407,993	\$ 483,430,553	\$ 467,781,751
Replacement Service	\$ 27,263,335	\$ 14,296,655	\$ 90,848,010	\$ 132,408,000	\$ 132,280,954
Regulator Elimination	\$ 180,793	\$ 148,634	\$ 789,236	\$ 937,870	\$ 252,085
Total	\$ 113,024,776	\$ 45,887,202	\$ 458,045,238	\$ 616,776,423	\$ 600,314,790
GSMP II Internal Labor Hours					
Internal Labor - Regular Hours	1,206,507				
Internal Labor - Overtime Hours	412,079				

Expenditures Incurred To Date Stipulated Base II Projects	October PTD Actual Internal Labor \$	October PTD Actual Material \$	October PTD Actual Other \$	October PTD Actual Total \$	Amount to Plant In-Service
Replacement Main	\$ 8,737,527	\$ 5,808,352	\$ 51,965,196	\$ 66,511,074	\$ 62,953,319
Replacement Service	\$ 2,286,001	\$ 492,367	\$ 8,606,295	\$ 11,384,662	\$ 11,370,261
Large Diameter HP Joints	\$ -	\$ -	\$ -	\$ -	\$ -
GSMP Meter Reconstruction	\$ 7,902,704	\$ 1,168,209	\$ 11,508,242	\$ 20,579,154	\$ 20,579,154
Total	\$ 18,926,231	\$ 7,468,927	\$ 72,079,732	\$ 98,474,890	\$ 94,902,734
Stip Base II Internal Labor Hours					
Internal Labor - Regular Hours	214,711				
Internal Labor - Overtime Hours	75,027				

ATTACHMENT 1
SCHEDULE WEM-GSMPII-2
Page 24 of 25

	Project	Sub-Project	Project Completion Date	Units	Size Installed	Material Installed	2019 Quantity Jan 2020	Projected Quantity Jan 2020	Actual Quantity Jan 2020	Projected Quantity Feb 2020	Actual Quantity Feb 2020	Projected Quantity Mar 2020	Actual Quantity Mar 2020	Projected Quantity Apr 2020	Actual Quantity Apr 2020	Projected Quantity May 2020	Actual Quantity May 2020	Projected Quantity Jun 2020	Actual Quantity Jun 2020	Projected Quantity Jul 2020	Actual Quantity Jul 2020	Projected Quantity Aug 2020	Actual Quantity Aug 2020	Projected Quantity Sep 2020	Actual Quantity Sep 2020	Projected Quantity Oct 2020	Actual Quantity Oct 2020	2020 Estimated Quantity	2020 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	6,800	93,763	2,700	81,745	7,600	87,207	13,000	92,356	72,000	119,187	130,000	135,877	80,000	95,608	100,000	96,882	74,480	104,839	70,000	108,022	646,580	1,015,486	1,762,231
					4"	Plastic	246,779	2,100	39,197	1,000	18,642	1,300	21,250	6,000	28,676	32,000	32,560	50,000	27,592	37,000	30,997	58,000	32,267	45,000	36,852	40,000	19,078	317,400	287,111	533,890
					6"	Plastic	80,521	1,100	13,556	500	8,340	1,400	5,240	2,400	5,081	9,000	15,418	8,400	20,384	13,000	2,532	22,000	10,680	24,000	10,407	24,000	4,671	120,800	96,309	176,830
					8"	Plastic	34,576	-	3,140	-	201	2,800	2,002	800	5,899	3,800	4,439	1,300	1,158	1,400	7,517	3,000	8,460	4,000	4,738	6,500	1,383	29,300	38,937	73,513
					12"	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					12"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					16"& 20"	Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Facilities Blanket	Replacement Main	N/A	Feet of Main	N/A	N/A	1,108,621	10,000	149,656	4,200	108,928	13,100	115,699	22,200	132,012	116,800	171,604	189,700	191,518	131,400	139,633	183,000	150,296	147,480	160,104	140,500	136,548	1,114,080	1,455,998	2,564,619	
Replace Facilities Blanket	Replacement Service	Dec-23	Services Replaced	≤2"	Plastic	14,653	1,000	1,905	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	2,000	1,964	14,500	14,275	28,928	
				>2"	Plastic	2	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	2	4
Replace Facilities Blanket	Replacement Service	N/A	Services Replaced	N/A	N/A	14,655	1,000	1,906	800	1,446	700	1,187	800	322	900	137	1,100	1,145	1,200	1,972	1,600	2,032	1,600	2,165	2,000	1,965	14,500	14,277	28,932	
Abandon Facilities Blanket	Abandon Regulator	Dec-23	Regulators Abandoned	N/A	N/A		22		10		2		2										2		2		2		28	50
Abandon Facilities Blanket	Abandon Regulator	N/A	Regulators Abandoned	N/A	N/A		22		10		2		2										2		2		2		28	50
STIPULATED BASE	Replace Facilities Blanket	Replacement Main	Dec-23	Feet of Main	2"	Plastic	79,126	1,000	3,673	400	2,619	1,000	9,962	3,400	3,455	4,000	7,356	3,500	11,211	6,000	8,742	6,000	5,564	5,000	7,429	2,813	8,225	39,113	68,236	14

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

Attachment 1
Schedule WEM-GSMPII-3

Roll-In	4	4	4	4	4	4			
	Actual 2020 Sep-20	Actual 2020 Oct-20	Actual 2020 Nov-20	Forecast 2020 Dec-20	Forecast 2021 Jan-21	Forecast 2021 Feb-21	Program Total	YTD 2020 Total	Roll-In 4 Total
Miles of Main Replaced	30	26	20	19	19	16	560	315	130
<u>GSMP II Total Program</u>									
Direct Install	\$37,556,575	\$37,882,652	\$44,226,513	\$43,792,546	\$43,792,546	\$38,926,707	\$770,961,388	\$409,099,835	\$246,177,539
COR (less Salvage)	\$1,278,364	\$1,240,561	\$1,204,563	\$1,207,454	\$1,207,454	\$1,073,293	\$21,257,055	\$10,560,188	\$7,211,689
Total	\$38,834,939	\$39,123,213	\$45,431,076	\$45,000,000	\$45,000,000	\$40,000,000	\$792,218,442	\$419,660,023	\$253,389,228
<u>GSMP II Program - Mains</u>									
Direct Install	\$24,802,828	\$5,129,794	\$14,871,774	\$18,202,797	\$18,202,797	\$16,180,264	\$320,457,591	\$198,557,097	\$97,390,254
COR (less Salvage)	\$1,192,533	\$1,220,478	\$1,092,093	\$1,147,179	\$1,147,179	\$1,019,714	\$20,195,910	\$10,032,343	\$6,819,175
Total	\$25,995,361	\$6,350,272	\$15,963,867	\$19,349,976	\$19,349,976	\$17,199,978	\$340,653,502	\$208,589,440	\$104,209,429
<u>GSMP II Program - Services</u>									
Direct Install	\$11,414,624	\$33,477,740	\$25,117,588	\$25,091,418	\$25,091,418	\$22,303,482	\$441,730,752	\$202,710,985	\$142,496,270
COR (less Salvage)	\$85,831	\$20,084	\$112,470	\$60,276	\$60,276	\$53,578	\$1,061,144	\$527,845	\$392,514
Total	\$11,500,455	\$33,497,824	\$25,230,058	\$25,151,693	\$25,151,693	\$22,357,061	\$442,791,896	\$203,238,831	\$142,888,784
<u>GSMP II Program - Regulators</u>									
Direct Install	\$1,339,123	-\$724,882	\$4,237,152	\$498,331	\$498,331	\$442,961	\$8,773,045	\$7,831,753	\$6,291,015
COR (less Salvage)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$1,339,123	-\$724,882	\$4,237,152	\$498,331	\$498,331	\$442,961	\$8,773,045	\$7,831,753	\$6,291,015
<u>Stipulated Base Spend</u>									
Direct Install	\$6,111,885	\$4,616,836	\$3,547,627	\$2,885,047	\$1,923,364	\$1,923,364	\$105,046,398	\$44,472,353	\$21,008,123
COR (less Salvage)	\$168,886	\$285,112	\$209,406	\$114,953	\$76,636	\$76,636	\$4,185,524	\$1,222,196	\$931,628
Total	\$6,280,770	\$4,901,948	\$3,757,033	\$3,000,000	\$2,000,000	\$2,000,000	\$109,231,922	\$45,694,548	\$21,939,752
<u>Baseline Spend</u>									
Direct Install	\$15,899,837	\$18,889,535	\$9,790,692	\$27,500,000	\$18,000,000	\$18,000,000	\$410,590,887	\$182,909,768	\$108,080,064
COR (less Salvage)	\$1,576,482	\$1,854,558	\$2,094,063	\$2,500,000	\$2,000,000	\$2,000,000	\$51,633,283	\$21,246,128	\$12,025,104
Total	\$17,476,320	\$20,744,093	\$11,884,755	\$30,000,000	\$20,000,000	\$20,000,000	\$462,224,170	\$204,155,896	\$120,105,168
	<u>Amount</u>	<u>Percentage</u>							
Total GSMP II Program	\$1,575,000,000								
10% Minimum Filing Requirement	\$157,500,000	10%							
Roll-In # 1 (Actual/Forecast)	4 \$253,389,228	16%							

**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 2020 GSMP II Rate Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

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

December 31, 2020

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

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

COST RECOVERY MECHANISM

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

A. PSE&G is proposing to recover the annual revenue requirement associated with the Program consistent with the GSMP II Rate Mechanism approved in the GSMP II Order. The revenue requirement is based on expected plant in-service and cost of removal expenditures that have not been included in a prior rate adjustment. The plant in-service and cost of removal expenditures are based on actual results through November 30, 2020 and a forecast through February 28, 2021. The forecast from December 1, 2020 through February 28, 2021 will be trued-up with actual results and filed by March 15, 2021.

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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 \$26.355 million based upon the actual and forecasted expenditures discussed above and
5 assuming adjusted base rates go into effect June 1, 2021. The revenue requirement increase
6 is calculated in Schedule SS-GSMP II-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, 2020 (less the amounts already recovered or pending recovery
18 in rates) and a forecast of capital expenditures through February 28, 2021 for projects expected
19 to be in service by February 28, 2021. For details on the GSMP II Investment Costs, see
20 Schedule WEM-GSMP II-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 fourth roll in filing to result in rates

ATTACHMENT 2

1 effective June 1, 2021, so the Accumulated Depreciation in the filing is through May 31, 2021.
2 Consistent with the calculation of Accumulated Depreciation, ADIT is calculated through May
3 31, 2021.

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 case¹, 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

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

ATTACHMENT 2

1 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 130 miles for an O&M savings of
20 approximately \$491,000. 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

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1 additional leak detection surveying costs that will be included in the revenue requirement
2 calculation. For the calculation of the Expense Adjustment and after-tax Expense Adjustment,
3 see Schedule SS-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 2020 fiscal year assessment, which are
20 0.20% 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.

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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, 2021.

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, 2020 , 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 \$878.20 to \$892.74 or \$14.54 or approximately 1.66% (based upon Delivery

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1 Rates and BGSS-RSG charges in effect as of December 1, 2020, 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. Yes. The GSMP Rate Mechanism was approved for \$1.575 billion per paragraph 17
12 of the Stipulation approved in the GSMP II Order, and thus the 10% threshold is \$157.5
13 million. As shown in Schedule WEM-GSMPII-3, the Company anticipates plant in-service of
14 \$253.4 million, exceeding the \$157.5 million threshold.

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

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

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

21 A. Yes. In paragraph 14:3-2A.6(h), the IIP states: “An earnings test shall be required,
22 where Return on Equity (ROE) shall be determined based on the actual net income of the utility

ATTACHMENT 2

1 for the most recent 12-month period divided by the average of the beginning and ending
2 common equity balances for the corresponding period.”

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

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

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

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

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

16 A. The earnings test for this filing is based on the 12 month period of January 2020 through
17 December 2020. Given the Company will update its filing for actual results through February
18 28, 2021, the October through December Common Equity and Net Income represent estimates.
19 The estimates will be replaced with actual results through December 31, 2020 as soon as
20 possible after the 2020 final financials are submitted to the Board.

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

2 A. The Company estimates its ROE for purposes of the earnings test is 8.72%. This is
3 below the ROE threshold in the IIP of 10.1%, and therefore the Company's earnings do not
4 preclude the rate roll-in in this case. The Company will update the earnings test for actual
5 results as soon as possible after the 2020 final financials are submitted to the Board. Please
6 see Schedule SS-GSMPII-7 for the earnings test calculation.

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

8 A. Yes, it does.

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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	ER20120736	written	Dec-20	Energy Strong II / Revenue Requirements & Rate Design - First Roll-In
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Oct-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Oct-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR20060464	written	Jun-20	Gas System Modernization Program II (GSMPII) - Third Roll-In
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	GR20060470	written	Jun-20	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR20060384	written	Jun-20	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER20040324	written	Apr-20	Transitional Renewable Energy Certificate Program (TREC)
Public Service Electric & Gas Company	E/G	GR20010073	written	Jan-20	Remediation Adjustment Charge-RAC 27
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	Gas System Modernization Program II (GSMPII) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302 & GR19091303	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMPII) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E	ER19040530	written	Apr-19	Madison 4kV Substation Project (Madison & Marshall)
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 - GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E/G	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EE) / 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	6/1/2021
Plant In Service as of Date	2/28/2021
Rate Base Balance as of Date	5/31/2021

RATE BASE CALCULATION

	<u>Total</u>	Notes
1 Gross Plant	\$246,178	= In 17
2 Accumulated Depreciation	\$5,159	= In 20
3 Net Plant	\$251,336	= In 1 + In 2
4 Accumulated Deferred Taxes	(\$4,897)	= See "Roll-In Detail" Wkps
5 Rate Base	\$246,439	= In 3 + In 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-GSMPII-3
7 Return Requirement (After Tax)	\$15,973	= In 5 * In 6
8 Depreciation Exp, net	\$2,974	= In 26
9 Expense Adjustment (After Tax)	(\$353)	= In 35
10 Tax Adjustment	\$0	N/A
11 Revenue Factor	1.4173	See Schedule SS-GSMPII-4
12 Roll-in Revenue Requirement	\$26,355	= (In 7 + In 8 + In 9 + In 10) * In 11

SUPPORT

Gross Plant

13 Plant in-service	\$246,178	= See "Roll-In Detail" Wkps
14 CWIP Transferred into Service	\$0	= See "Roll-In Detail" Wkps
15 AFUDC on CWIP Transferred Into Service - Debt	\$0	= See "Roll-In Detail" Wkps
16 AFUDC on CWIP Transferred Into Service - Equity	\$0	= See "Roll-In Detail" Wkps
17 Total Gross Plant	\$246,178	= In 15 + In 16 + In 17 + In 18

Accumulated Depreciation

18 Accumulated Depreciation	(\$2,053)	= See "Roll-In Detail" Wkps
19 Cost of Removal	\$7,212	= See "Roll-In Detail" Wkps
20 Net Accumulated Depreciation	\$5,159	= In 20 + In 21

Depreciation Expense (Net of Tax)

21 Depreciable Plant (xAFUDC-E)	\$246,178	= In 15 + In 16 + In 17
22 AFUDC-E	\$0	= In 18
23 Depreciation Rate	1.68%	= See "Roll-In Detail" Wkps
24 Depreciation Expense	\$4,137	= (In 23 + In 24) * In 25
25 Tax @28.11%	\$1,163	= In 23 * In 25 * Tax Rate
26 Depreciation Expense (Net of Tax)	\$2,974	= In 26 - In 27

Expense Adjustments

27 Miles of Main Replaced	130	= See "Roll-In Detail" Wkps = \$3.3M / 875 miles (See Approved)
28 Agreed O&M Savings/ Mile	(\$3.77)	Stipulation)
29 O&M Savings	(\$491)	= In 29 * In 30
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 32 / In 33
33 Expense Adjustment	(\$491)	= In 31 + In 34
34 Tax @28.11%	(\$138)	= In 35 * Tax Rate
35 Expense Adjustment (Net of Tax)	(\$353)	= In 35 - In 36

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

Attachment 2
Schedule SS-GSMP11-3

November 2018 Forward

	<u>Percent</u>	<u>Embedded Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>	<u>After-Tax Weighted Cost</u>
Common Equity	54.00%	9.60%	5.18%	7.21%	5.18%
Customer Deposits	0.47%	0.87%	0.00%	0.00%	0.00%
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	0.2026	0.2026	2020 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0543</u>	<u>0.0543</u>	2020 RC Assessment
Income before State of NJ Bus. Tax	99.7431	98.1431	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9769</u>	<u>8.8329</u>	
Income Before Federal Income Taxes	90.7662	89.3102	
Federal Income Taxes @ 21%	<u>19.0609</u>	<u>18.7551</u>	
Return	<u>71.7053</u>	<u>70.5551</u>	
Revenue Factor	<u>1.3946</u>	<u>1.4173</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, Weather Normalization Charge, Green Programs Recovery Charge, Tax Adjustment Credit, Miscellaneous items, and Unbilled Revenue.

Column (1) shows the annualized weather normalized billing units. Column (2) shows present Delivery rates (without Sales and Use Tax, SUT) effective December 1, 2020. The commodity rates in the Column (2) reflects January 2020 through December 2020’s class-weighted averages (BGSS-RSG uses the rate as of 12/1/2020). 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								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 16
2	Total Target Distribution Revenue Requirements								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 17
3	Sum of Initial Sync Revenue Requirements								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 18
4	Final Sync Adjustment Factor								2018 Rate Case Schedule SS-G7 R-2, pg 2, line 19
		Total	RSG	GSG	LVG	SLG			
5	Distribution Access	\$ 348,181,228	\$ 285,567,880	\$ 40,848,700	\$ 21,728,392	\$ 36,257			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 20
6	Distribution Delivery	\$ 362,951,052	\$ 231,037,735	\$ 42,604,570	\$ 89,282,536	\$ 26,211			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 21
7	Streetlighting Fixtures	\$ 417,670	\$ 0	\$ 0	\$ 0	\$ 417,670			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 22
8	Customer Service	\$ 80,199,946	\$ 72,101,419	\$ 6,313,852	\$ 1,783,392	\$ 1,284			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 23
9	Measurement	\$ 96,710,544	\$ 70,884,585	\$ 16,046,249	\$ 9,779,669	\$ 41			2018 Rate Case Schedule SS-G7 R-2, pg 2, line 24
10	Total	\$ 888,460,440	\$ 659,591,618	\$ 105,813,371	\$ 122,573,988	\$ 481,463			

Part 2: GSMP Roll-In Revenue Allocation

11	Requested increase in Revenue Requirements								Schedule SS-GSMP II-5
12	Total Target Distribution Revenue Requirements								= line 11 + page 3, col 2
13	Rate Case Minus Streetlight Fixtures								= line 10 - line 7
14	Target Minus Streetlight Fixtures								= line 12 - line 7
15	Final Sync Adjustment Factor								= line 14 / line 13
		Total	RSG	GSG	LVG	SLG			
16	Distribution Access	\$ 393,046,820	\$ 322,365,303	\$ 46,112,341	\$ 24,528,248	\$ 40,929			= line 5 * line 15
17	Distribution Delivery	\$ 409,719,839	\$ 260,808,567	\$ 48,094,468	\$ 100,787,216	\$ 29,588			= line 6 * line 15
18	Streetlighting Fixtures	\$ 417,670	\$ 0	\$ 0	\$ 0	\$ 417,670			= line 7
19	Customer Service	\$ 90,534,271	\$ 81,392,192	\$ 7,127,436	\$ 2,013,194	\$ 1,449			= line 8 * line 15
20	Measurement	\$ 109,172,376	\$ 80,018,561	\$ 18,113,921	\$ 11,039,847	\$ 47			= line 9 * line 15
21	Total	\$ 1,002,890,976	\$ 744,584,622	\$ 119,448,165	\$ 138,368,505	\$ 489,683			

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 =	\$ 26,355	Schedule SS-GSMPII-5
2	Present Distribution Revenue =	\$ 976,536	from RSG, GSG, LVG & SLG
3	Present Total Customer Bills (all on BGSS) =	\$ 1,943,540	Page 4, col 3, line 11 Page 4, col 5, line 11
4	Average Distribution Increase =	2.699%	= Line 1 / Line 2
5	Average Total Bill Increase =	1.356%	= Line 1 / Line 3
6	Lower Distribution increase limit =	1.350% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 =	4.049% in Distribution charges	= 1.5 * Line 4
8	Upper Bill increase limit #2 =	2.712% in Bill Increase	= 2.0 * Line 5
	all rounded to 0.001%		

Inter Class Revenue Allocations

Calculation of Increases

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
line #	Rate Schedule	Proposed Distribution Revenue Requirement (from COS) (in \$1,000)	Present Distribution Revenue (in \$1,000)	Unlimited COS Distribution Charge \$ Increase (in \$1,000)	Present Total Bill Revenue (all on BGSS) (in \$1,000)	Unlimited Distribution Charge Increase (%)	Change in MAC & BGSS credits (in \$1,000)	Limited Final Distribution Charge Increase (%)	Proposed Total Bill Increase (%)	Proposed Distribution Revenue Increase (in \$1,000)

Calculation of TSG-F Increase

1	TSG-F	\$ 3,304.030	\$ 3,466.210	\$ (162.180)	\$ 14,951.625	-4.679%	\$ (3.037)	1.350%	0.293%	\$ 46.794
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Calculation of TSG-NF & CIG Increase

2	TSG-NF	----	\$ 11,010	----	\$ 84,778	----		2.699%	0.350%	\$ 297
3	CIG	----	\$ 3,208	----	\$ 17,096	----		2.699%	0.509%	\$ 87
4	CSG ¹	----	\$ 7,414	----	\$ 7,740	----		----	0.233%	\$ 18

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

5	RSG	\$ 744,585	\$ 725,053	\$ 19,532	\$ 1,190,208	2.694%	\$ (289)	2.699%	1.620%	\$ 19,572
6	GSG	\$ 119,448	\$ 116,313	\$ 3,135	\$ 261,943	2.695%	\$ (45)	2.701%	1.182%	\$ 3,142
7	LVG	\$ 138,369	\$ 134,736	\$ 3,633	\$ 490,386	2.696%	\$ (110)	2.702%	0.720%	\$ 3,640
8	SLG	\$ 489,683	\$ 434,425	\$	\$ 1,002.910					
9	Distribution Only	\$ 72.013	\$ 19.833	\$ 52.180		263.098%	\$ (0.111)	4.049%	0.069%	\$ 0.803
10	Fixtures	\$ 417.670	\$ 414.592	\$ 3.078		0.742%		0.000%	0.000%	\$ -
11	Total for Margin Rates	\$ 1,002,891	\$ 976,536	\$ 26,355	\$ 1,943,540	2.699%	\$ (444.111)	2.699%	1.333%	\$ 26,355

¹ CSG Credits all flow back through BGSS

Notes:	for TSG-F - from 2018 Rate Case Schedule SS-G7 R-2, pg 1, col 6, line 6	SS-GSMPII-1 workpapers	= (2) - (3)	Page 6	= (4) / (3)	SS-GSMPII-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 =				2.699%					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	322,365	81,392	80,019	483,776	1,635,900	\$ 24.64	\$ 8.08	\$ 8.08	Fixed per 2018 Base Rate Case
3	GSG	46,112	7,127	18,114	71,354	140,771	\$ 42.24	\$ 16.12	\$ 16.77	move to costs, limited @ 1.5 times overall avg Distribution % increase
4	LVG	24,528	2,013	11,040	37,581	18,375	\$ 170.44	\$ 143.11	\$ 148.90	move to costs, limited @ 1.5 times overall avg Distribution % increase
5	TSG-F	530	400		930	37	\$ 2,095.57	\$ 766.50	\$ 797.54	move to costs, limited @ 1.5 times overall avg Distribution % increase
6	TSG-NF							\$ 766.50	\$ 797.54	set equal to new TSG-F Service Charge
7	CIG							\$ 178.47	\$ 183.29	increase current @ average Distribution % increase
8	CSG							\$ 766.50	\$ 797.54	set equal to new TSG-F Service Charge
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Notes:	values for RSG, GSG & LVG for Cols 2, 3, & 4 from page 2, lines 16, 19 & 20				= (2) + (3) + (4)	RSG, GSG & LVG from 2018 Rate Case Schedule SS-G7 R-2, page 2, line 1	= Col 5 * 1000 / Col 6 / 12 rounded to \$0.01	From Tariff	based on methodology described	
	values for TSG-F for Cols 2, 3 & 4 from 2018 Rate Case Schedule SS-G7 R-2, page 1, lines 1, 4 & 5					TSG-F from COS workpapers				

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

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge	19,630.803	8.08	\$158,617	19,630.803	8.08	\$158,617	0	0.00
2 Distribution Charge	1,494,872	0.381121	569,727	1,494,872	0.394273	589,388	19,661	3.45
3 Off-Peak Dist	56	0.190561	11	56	0.197137	11	0	0.00
4 Balancing Charge	917,326	0.080397	73,750	917,326	0.080397	73,750	0	0.00
5 SBC	1,494,928	0.051496	76,983	1,494,928	0.051496	76,983	0	0.00
6 Margin Adjustment	1,494,928	(0.008665)	(12,954)	1,494,928	(0.008665)	(12,954)	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	0.004090	6,114	1,494,928	0.004090	6,114	0	0.00
9 Tax Adjustment Credit	1,494,928	(0.082962)	(124,022)	1,494,928	(0.082962)	(124,022)	0	0.00
10 Green Enabling Mechanism	1,494,928	0.000000	0	1,494,928	0.000000	0	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		\$748,211	1,494,928		\$767,872	\$19,661	2.63
15 Unbilled Delivery			(3,377)			(3,466)	(89)	2.64
16 Delivery Subtotal w unbilled			\$744,834			\$764,406	\$19,572	2.63
17								
Supply								
19 BGSS-RSG	1,494,872	0.300212	\$448,779	1,494,872	0.300212	\$448,779	\$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	(0.000079)	(118)	(118)	0.00
22 Off-Peak Comm. Charge	46	0.217005	10	46	0.217005	10	0	0.00
23								
24 Miscellaneous			(1)			(1)	0.00	0.00
25 Supply subtotal	1,494,918		\$448,788	1,494,918		\$448,670	(118.00)	(0.03)
26 Unbilled Supply			(3,414)			(3,413)	1.00	(0.03)
27 Supply Subtotal w unbilled			\$445,374			\$445,257	(117.00)	(0.03)
28								
29 Total Delivery + Supply	1,494,928		\$1,190,208	1,494,928		\$1,209,663	19,455.00	1.63
30								
31								
32								

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

36 plus applicable BGSS charges.

37

RATE SCHEDULE GSG**GENERAL SERVICE****Schedule SS-GSMPII-5**

(Terms & 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)
<u>Delivery</u>								
1 Service Charge	1,689,246	16.12	\$27,231	1,689,246	16.77	\$28,329	\$1,098	4.03
2 Distribution Charge - Pre 7/14/97	2,183	0.299346	653	2,183	0.306187	668	15	2.30
3 Distribution Charge - All Others	295,256	0.299346	88,384	295,256	0.306187	90,404	2,020	2.29
4 Off-Peak Dist Charge - Pre 7/14/97	0	0.149673	0	0	0.153094	0	0	0.00
5 Off-Peak Dist Charge - All Others	45	0.149673	7	45	0.153094	7	0	0.00
6 Balancing Charge	173,170	0.080397	13,922	173,170	0.080397	13,922	0	0.00
7 SBC	297,484	0.051496	15,319	297,484	0.051496	15,319	0	0.00
8 Margin Adjustment	297,484	(0.008665)	(2,578)	297,484	(0.008665)	(2,578)	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	0.004090	1,217	297,484	0.004090	1,217	0	0.00
11 Tax Adjustment Credit	297,484	(0.068844)	(20,480)	297,484	(0.068844)	(20,480)	0	0.00
12 Green Enabling Mechanism	297,484	0.000000	0	297,484	0.000000	0	0	0.00
13 Facilities Charges			0			0	0	0.00
14 Minimum			2			2	0	0.00
15 Miscellaneous			(313)			(313)	0	0.00
16 Delivery Subtotal	297,484		\$123,364	297,484		\$126,497	\$3,133	2.54
17 Unbilled Delivery			372			381	9	2.42
18 Delivery Subtotal w unbilled			\$123,736			\$126,878	\$3,142	2.54
19								
<u>Supply</u>								
21 BGSS	297,484	0.435126	\$129,443	297,484	0.435126	\$129,443	\$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	(0.000033)	(10)	(10)	0.00
24								
25 Miscellaneous			(51)			(51)	0	0.00
26 Supply subtotal	297,484		\$129,392	297,484		\$129,382	(10)	(0.01)
27 Unbilled Supply			8,815			8,814	(1)	(0.01)
28 Supply Subtotal w unbilled			\$138,207			\$138,196	(11)	(0.01)
29								
30 Total Delivery + Supply	297,484		\$261,943	297,484		\$265,074	\$3,131	1.20

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34 Notes:

35 All customers assumed to be on BGSS.

36 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

37 plus applicable BGSS charges.

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**RATE SCHEDULE LVG
LARGE VOLUME 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)
<u>Delivery</u>								
1 Service Charge	220,495	143.11	\$31,555	220,495	148.90	\$32,832	\$1,277	4.05
2 Demand Charge	18,017	3.9893	71,875	18,017	4.0806	73,520	1,645	2.29
3 Distribution Charge 0-1,000 pre 7/14/97	8,974	0.045986	413	8,974	0.043253	388	(25)	(6.05)
4 Distribution Charge over 1,000 pre 7/14/97	45,378	0.041485	1,883	45,378	0.043437	1,971	88	4.67
5 Distribution Charge 0-1,000 post 7/14/97	145,700	0.045986	6,700	145,700	0.043253	6,302	(398)	(5.94)
6 Distribution Charge over 1,000 post 7/14/97	540,051	0.041485	22,404	540,051	0.043437	23,458	1,054	4.70
7 Balancing Charge	361,999	0.080397	29,104	361,999	0.080397	29,104	0	0.00
8 SBC	740,103	0.051496	38,112	740,103	0.051496	38,112	0	0.00
9 Margin Adjustment	740,103	(0.008665)	(6,413)	740,103	(0.008665)	(6,413)	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	0.004090	3,027	740,103	0.004090	3,027	0	0.00
12 Tax Adjustment Credit	740,103	(0.034494)	(25,529)	740,103	(0.034494)	(25,529)	0	0.00
13 Green Enabling Mechanism	740,103	0.000000	\$0	740,103	0.000000	\$0	0	0.00
14 Facilities Charges			1			1	0	0.00
15 Minimum			218			218	0	0.00
16 Miscellaneous			(279)			(279)	(0)	0.09
17 Delivery Subtotal	740,103		\$173,071	740,103		\$176,712	\$3,641	2.10
18 Unbilled Delivery			(44)			(45)	(1)	1.14
19 Delivery Subtotal w unbilled			\$173,027			\$176,667	\$3,640	2.10
20								
21								
<u>Supply</u>								
23 BGSS	740,103	0.427715	\$316,553	740,103	0.427715	\$316,553	\$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	(0.000033)	(24)	(24)	0.00
26								
27 Miscellaneous			(143)			(143)	0	0.00
28 Supply Subtotal	740,103		\$316,410	740,103		\$316,386	(\$24)	(0.01)
29 Unbilled Supply			949			949	0	0.00
30 Supply Subtotal w unbilled			\$317,359			\$317,335	(\$24)	(0.01)
31								
32 Total Delivery + Supply	740,103		<u>\$490,386</u>	740,103		<u>\$494,002</u>	<u>\$3,616</u>	0.74

36 Notes:

37 All customers assumed to be on BGSS.

38 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

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> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 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	0.048385	32.843	678.777	0.049568	33.646	0.803	2.44
7 SBC	678.777	0.051496	34.954	678.777	0.051496	34.954	0.000	0.00
8 Margin Adjustment	678.777	(0.008665)	(5.882)	678.777	(0.008665)	(5.882)	0.000	0.00
9 Green Programs Recovery Charge	678.777	0.004090	2.776	678.777	0.004090	2.776	0.000	0.00
10 Tax Adjustment Credit	678.777	(0.129361)	(87.807)	678.777	(0.129361)	(87.807)	0.000	0.00
11 Green Enabling Mechanism	678.777	0.000000	0.000	678.777	0.000000	0.000	0.000	0.00
12 Facilities Charges			0.000			0.000	0.000	0.00
13 Minimum			0.000			0.000	0.000	0.00
14 Miscellaneous			(13.010)			(13.010)	0.000	0.00
15 Delivery Subtotal	678.777		\$378.466	678.777		\$379.269	\$0.803	0.21
16 Unbilled Delivery			0.000			0.000	0.000	0.00
17 Delivery Subtotal w unbilled			\$378.466			\$379.269	\$0.803	0.21
18								
<u>Supply</u>								
20 BGSS	678.777	0.419734	\$284.906	678.777	0.419734	\$284.906	\$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	(0.000033)	(0.022)	(0.022)	0.00
23 Miscellaneous			131.390			131.390	0.000	0.00
24 Supply Subtotal	678.777		\$416.296	678.777		\$416.274	(\$0.022)	(0.01)
25 Unbilled Supply			208.148			208.137	(0.011)	(0.01)
26 Supply Subtotal w unbilled			\$624.444			\$624.411	(\$0.033)	(0.01)
27								
28 Total Delivery + Supply	678.777		\$1,002.910	678.777		\$1,003.680	\$0.770	0.08
29								
30								
31								

32 Notes:

33 All customers assumed to be on BGSS.

34 SLG units and revenues shown to 3 decimals.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

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)
<u>Delivery</u>								
1 Service Charge	0.166	178.47	\$30	0.166	183.29	\$30	\$0	0.00
2 Margin 0-600,000	32,835	0.079926	2,624	32,835	0.082069	2,695	71	2.71
3 Margin over 600,000	8,232	0.069926	576	8,232	0.072069	593	17	2.95
4 Extended Gas Service	0	0.150000	0	0	0.150000	0	0	0.00
5 SBC	41,067	0.051496	2,115	41,067	0.051496	2,115	0	0.00
6 Green Programs Recovery Charge	41,067	0.004090	168	41,067	0.004090	168	0	0.00
7 Tax Adjustment Credit	41,067	(0.014840)	(609)	41,067	(0.014840)	(609)	0	0.00
8 Green Enabling Mechanism	41,067	0.000000	0	41,067	0.000000	0	0	0.00
9 Facilities Charges			0			0	0	0.00
10 Minimum			0			0	0	0.00
11 Miscellaneous			0			0	0	0.00
12 Delivery Subtotal	41,067		\$4,904	41,067		\$4,992	\$88	1.79
13 Unbilled Delivery			(34)			(35)	(1)	2.94
14 Delivery Subtotal w unbilled			\$4,870			\$4,957	\$87	1.79
15								
<u>Supply</u>								
17 Commodity Component	41,067	0.233229	\$9,578	41,067	0.233229	\$9,578	\$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		\$12,277	42,321		\$12,277	\$0	0.00
23 Unbilled Supply			(51)			(51)	0	0.00
24 Supply Subtotal w unbilled			\$12,226			\$12,226	\$0	0.00
25								
26 Total Delivery + Supply	41,067		\$17,096	41,067		\$17,183	\$87	0.51
27								
28								
29								

30 Notes:

31 All customers assumed to be on BGSS.

32 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

33 plus applicable BGSS charges.

34

RATE SCHEDULE TSG-F
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)
<u>Delivery</u>								
1 Service Charge	0.494	766.50	\$378.651	0.494	797.54	\$393.985	\$15.334	4.05
2 Demand Charge	487	2.1035	1,024.405	487	2.1245	1,034.632	10.227	1.00
3 Demand Charge, Agreements	0	0.0000	0.000	0	0.0000	0.000	0.000	0.00
4 Distribution Charge	25,950	0.080406	2,086.536	25,950	0.081208	2,107.348	20.812	1.00
5 Distribution Charge, Agreements	0	0.000000	0.000	0	0.000000	0.000	0.000	0.00
6 SBC	25,950	0.051496	1,336.321	25,950	0.051496	1,336.321	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	(0.008665)	(224.857)	25,950	(0.008665)	(224.857)	0.000	0.00
9 Margin Adjustment, Agreements	0	(0.008665)	0.000	0	(0.008665)	0.000	0.000	0.00
10 Green Programs Recovery Charge	25,950	0.004090	106.136	25,950	0.004090	106.136	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	(0.027273)	(707.734)	25,950	(0.027273)	(707.734)	0.000	0.00
13 Green Enabling Mechanism	25,950	0.000000	0.000	25,950	0.000000	0.000	0.000	0.00
14 Facilities Charges			0.000			0.000	0.000	0.00
15 Minimum			0.000			0.000	0.000	0.00
16 Miscellaneous			(54.034)			(54.027)	0.007	(0.01)
17 Delivery Subtotal	25,950		3,945.424	25,950		3,991.804	46.380	1.18
18 Unbilled Delivery			35.201			35.615	0.414	1.18
19 Delivery Subtotal w unbilled			3,980.625			4,027.419	46.794	1.18
20								
<u>Supply</u>								
22 Commodity Charge, BGSS-F	25,950	0.422775	\$10,971.000	25,950	0.422775	\$10,971.000	\$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		\$10,971.000	25,950		\$10,971.000	\$0.000	0.00
26 Unbilled Supply			0.000			0.000	0.000	0.00
27 Supply Subtotal w unbilled			\$10,971.000			\$10,971.000	\$0.000	0.00
28								
29 Total Delivery + Supply	25,950		<u>\$14,951.625</u>	25,950		<u>\$14,998.419</u>	<u>\$46.794</u>	0.31

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 12/1/2020

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)
<u>Delivery</u>								
1 Service Charge	2,218	766.50	\$1,700	2,218	797.54	\$1,769	\$69	4.06
2 Dist Charge 0-50,000	99,839	0.089014	8,887	99,839	0.091280	9,113	226	2.54
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	0.089014	6,002	67,427	0.091280	6,155	153	2.55
5 Dist Charge over 50,000, Agreements	11,318	0.023502	266	11,318	0.023502	266	0	0.00
6 SBC	167,266	0.051496	8,614	167,266	0.051496	8,614	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	0.004090	684	167,266	0.004090	684	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	(0.010330)	(1,728)	167,266	(0.010330)	(1,728)	0	0.00
11 Green Enabling Mechanism	167,266	0.000000	0	167,266	0.000000	0	0	0.00
12 Facilities Charges			5			5	0	0.00
13 Minimum			0			0	0	0.00
14 Miscellaneous			(277)			(277)	0	0.00
15 Delivery Subtotal	179,184		\$24,742	179,184		\$25,190	\$448	1.81
16 Unbilled Delivery			(8,326)			(8,478)	(152)	1.83
17 Delivery Subtotal w unbilled			\$16,416			\$16,712	\$296	1.80
18								
<u>Supply</u>								
20 Commodity Charge, BGSS-I	179,184	0.394544	\$70,696	179,184	0.394544	\$70,696	\$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	0.421053	8	19	0.421053	8	0	0.00
24 Miscellaneous			2			2	0	0.00
25 Supply Subtotal	179,229		\$70,755	179,229		\$70,755	\$0	0.00
26 Unbilled Supply			(2,393)			(2,393)	0	0.00
27 Supply Subtotal w unbilled			\$68,362			\$68,362	\$0	0.00
28								
29 Total Delivery + Supply	179,184		<u>\$84,778</u>	179,184		<u>\$85,074</u>	<u>\$296</u>	0.35

33 Notes:

34 All customers assumed to be on BGSS.

35 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

36 plus applicable BGSS charges.

**RATE SCHEDULE CSG
CONTRACT SERVICES
Schedule SS-GSMP11-5**
(Terms & Revenue - Thousands, Rate - \$/Therm)

	Annualized Weather Normalized			Proposed			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
Delivery								
1 Service Charge - Power	0.0800	766.50	\$61	0.0800	797.54	\$64	\$3	4.92
2 Service Charge - Power- Non Firm	0.0120	766.50	9	0.0120	797.54	10	1	11.11
3 Service Charge - Other	0.1090	766.50	84	0.1090	797.54	87	3	3.57
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	0.089014	423	4,755	0.091280	434	11	2.60
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	0.051496	980	789,848	0.051496	980	0	0.00
14 Green Programs Recovery Charge	789,848	0.004090	149	789,848	0.004090	149	0	0.00
15 Tax Adjustment Credit	789,848	(0.001073)	(848)	789,848	(0.001073)	(848)	0	0.00
16 Green Enabling Mechanism	789,848	0.000000	0	789,848	0.000000	0	0	0.00
17 Facilities Chg.			840			840	0	0.00
18 Minimum			271			271	0	0.00
19 Sales Tax Discount - Delivery			(428)			(428)	0	0.00
20 Misc.			300			300	0	0.00
21 Delivery Subtotal	789,848		7,784	789,848		7,802	18	0.23
22 Unbilled Delivery			(93)			(93)	0	0.00
23 Delivery Subtotal w/ Unbilled	789,848		7,691	789,848		7,709	18	0.23
Supply								
26 BGSS-Firm - Power	0	0.000000	0	0	0.000000	0	0	0.00
27 BGSS-Firm - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
28 BGSS-Firm - Other	0	0.000000	0	0	0.000000	0	0	0.00
29								
30 BGSS-Interruptible - Power	0	0.000000	0	0	0.000000	0	0	0.00
31 BGSS-Interruptible - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
32 BGSS-Interruptible - Other	0	0.000000	0	0	0.000000	0	0	0.00
33								
34 Emergency Sales Svc. - Power	0	0.000000	0	0	0.000000	0	0	0.00
35 Emergency Sales Svc. - Power- Non Firm	0	0.000000	0	0	0.000000	0	0	0.00
36 Emergency Sales Svc - Other	0	0.000000	0	0	0.000000	0	0	0.00
37								
38 Pilot Use	26	1.89	49	26	1.89	49	0	0.00
39 Penalty Use	0	0.000000	0	0	0.000000	0	0	0.00
40 Misc.	19		0	19		0	0	0.00
41 Supply Subtotal	45		49	45		49.140	0	0.00
42 Unbilled Supply	0		0	0		0	0	0.00
43 Supply Subtotal w/ Unbilled	45		49	45		49.140	0	0.00
44								
45 Total Delivery & Supply	789,893		7,740	789,893		7,758	18.00	0.23
46								

47 Notes:

48 All customers assumed to be on BGSS.

49 Annualized Weather Normalized Revenue reflects Delivery rates as of 12/1/2020

50 plus applicable BGSS charges.

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

Rate Schedule	Description	Present		Proposed	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
RSG	Service Charge	\$8.08	\$8.62	\$8.08	\$8.62
	Distribution Charges	\$0.381121	\$0.406370	\$0.394273	\$0.420394
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723
	Off-Peak Use	\$0.190561	\$0.203185	\$0.197137	\$0.210197
GSG	Service Charge	\$16.12	\$17.19	\$16.77	\$17.88
	Distribution Charge - Pre July 14, 1997	\$0.299346	\$0.319178	\$0.306187	\$0.326472
	Distribution Charge - All Others	\$0.299346	\$0.319178	\$0.306187	\$0.326472
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.149673	\$0.159589	\$0.153094	\$0.163236
	Off-Peak Use Dist Charge - All Others	\$0.149673	\$0.159589	\$0.153094	\$0.163236
LVG	Service Charge	\$143.11	\$152.59	\$148.90	\$158.76
	Demand Charge	\$3.9893	\$4.2536	\$4.0806	\$4.3509
	Distribution Charge 0-1,000 pre July 14, 1997	\$0.045986	\$0.049033	\$0.043253	\$0.046119
	Distribution Charge over 1,000 pre July 14, 1997	\$0.041485	\$0.044233	\$0.043437	\$0.046315
	Distribution Charge 0-1,000 post July 14, 1997	\$0.045986	\$0.049033	\$0.043253	\$0.046119
	Distribution Charge over 1,000 post July 14, 1997	\$0.041485	\$0.044233	\$0.043437	\$0.046315
	Balancing Charge	\$0.080397	\$0.085723	\$0.080397	\$0.085723
SLG	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	\$0.048385	\$0.051591	\$0.049568	\$0.052852

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

Rate Schedule	Description	Present		Proposed	
		Charge without SUT	Charge Including SUT	Charge without SUT	Charge Including SUT
TSG-F	Service Charge	\$766.50	\$817.28	\$797.54	\$850.38
	Demand Charge	\$2.1035	\$2.2429	\$2.1245	\$2.2652
	Distribution Charges	\$0.080406	\$0.085733	\$0.081208	\$0.086588
TSG-NF	Service Charge	\$766.50	\$817.28	\$797.54	\$850.38
	Distribution Charge 0-50,000	\$0.089014	\$0.094911	\$0.091280	\$0.097327
	Distribution Charge over 50,000	\$0.089014	\$0.094911	\$0.091280	\$0.097327
	Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02
CIG	Service Charge	\$178.47	\$190.29	\$183.29	\$195.43
	Distribution Charge 0-600,000	\$0.079926	\$0.085221	\$0.082069	\$0.087506
	Distribution Charge over 600,000	\$0.069926	\$0.074559	0.072069	\$0.076844
	Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02
BGSS RSG	Commodity Charge including Losses	\$0.300121	\$0.320004	\$0.300041	\$0.319919
CSG	Service Charge	\$766.50	\$817.28	\$797.54	\$850.38
	Distribution Charge - Non-Firm	\$0.089014	\$0.094911	\$0.091280	\$0.097327

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	\$227.72	\$230.12	\$2.40	1.05%
50	340	352.14	356.92	4.78	1.36
100	610	557.90	566.42	8.52	1.53
159	1,000	853.37	867.34	13.97	1.64
172	1,040	878.20	892.74	14.54	1.66
200	1,210	1,004.64	1,021.48	16.84	1.68
300	1,816	1,455.96	1,481.36	25.40	1.74

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2020 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	\$27.36	\$27.71	\$0.35	1.28%
340	50	46.12	46.82	0.70	1.52
610	100	84.54	85.93	1.39	1.64
1,040	172	139.21	141.61	2.40	1.72
1,210	200	160.43	163.22	2.79	1.74
1,816	300	236.35	240.54	4.19	1.77

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2020 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.

PSE&G GSMP II Earnings Test
in \$000

Schedule SS-GSMP II-7
Page 1 of 4

1	Equity Base for Earnings Test	3,150,455	See page 2
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	<u>10.1%</u>	= ln 2 + ln 3
5	Actual Net Income	<u>274,767</u>	See page 4
6	ROE for Earnings Test	8.72%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	<u>Pass</u>	= IF ln 4 > 6, Pass else Fail

PSE&G GSMPII Earnings Test

in \$000

Schedule SS-GSMPII-7

Page 2 of 4

Common Equity Calculation

	Dec-19	Dec-20	Average
1 Common Equity	11,943,378	13,139,266	12,541,322
2 Gas Allocation	25%	25%	
3 Gas Equity Balance	2,978,016	3,322,894.20	3,150,455

10.01%

Actual from FERC Form 1, page 112, line 16
See ln 4 [June 2018] and ln 7 [June 2019]
= ln 1 * ln 2

Gas Allocation Calculation

		Gross Plant	Accumulated Depreciation	Net Investment
		Dec-19		
4	Gas Distribution	8,907,759	(2,419,417)	6,488,341
5	Other	23,566,536	(4,033,286)	19,533,251
6	Total	32,474,295	(6,452,703)	26,021,592
		Dec-20		
7	Gas Distribution	9,541,102	(2,520,687)	7,020,414
8	Other	25,740,797	(5,001,348)	20,739,449
9	Total	35,281,899	(7,522,036)	27,759,863

%

25% See page 3

75% = ln 6 - ln 4

100% FERC Form 1, page 110, line 2 (Plant) and 5 (Accum Dep)

25% See page 3

75% = ln 9 - ln 7

100% FERC Form 1, page 110, line 2 (Plant) and 5 (Accum Dep)

PSE&G GSMP II Earnings Test

in \$000

Schedule SS-GSMP II-7

Page 3 of 4

Gas Net Plant

	Gas Distribution Plant In-Service	Gas Plant Held for Future Use	Gas Plant in Service for Earnings Test*	Gas Accumulated Depreciation
Jan-20	8,907,855	96	8,907,759	(2,419,417) Actual
Feb-20	8,950,377	96	8,950,280	(2,423,230) Actual
Mar-20	8,992,280	96	8,992,184	(2,423,465) Actual
Apr-20	9,029,814	96	9,029,718	(2,434,103) Actual
May-20	9,075,344	96	9,075,248	(2,448,000) Actual
Jun-20	9,137,700	96	9,137,603	(2,457,744) Actual
Jul-20	9,205,019	96	9,204,923	(2,471,489) Actual
Aug-20	9,266,146	96	9,266,050	(2,485,186) Actual
Sep-20	9,326,334	96	9,326,238	(2,494,281) Actual
Oct-20	9,399,504	96	9,399,408	(2,502,765) Frcst
Nov-20	9,470,057	96	9,469,961	(2,511,581) Frcst
Dec-20	9,541,198	96	9,541,102	(2,520,687) Frcst

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

PSE&G GSMP II Earnings Test

in \$000

Schedule SS-GSMP II-7

Page 4 of 4

	Net Utility Operating Income*	Less Net Interest Charges*	Regulatory Net Income for Earnings Test	
Jan-20	81,561	(7,729)	73,832	<i>Actual</i>
Feb-20	89,847	(7,920)	81,927	<i>Actual</i>
Mar-20	55,996	(7,735)	48,261	<i>Actual</i>
Apr-20	15,168	(7,888)	7,280	<i>Actual</i>
May-20	154	(7,979)	(7,825)	<i>Actual</i>
Jun-20	14,549	(8,030)	6,519	<i>Actual</i>
Jul-20	(12,022)	(7,890)	(19,912)	<i>Actual</i>
Aug-20	(9,000)	(7,986)	(16,986)	<i>Actual</i>
Sep-20	3,957	(7,960)	(4,003)	<i>Actual</i>
Oct-20	5,258	(8,199)	(2,942)	<i>Plan</i>
Nov-20	37,648	(8,239)	29,409	<i>Plan</i>
Dec-20	87,400	(8,193)	79,206	<i>Plan</i>
Total	370,516	(95,749)	274,767	

* Excludes GPRC

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 2020 GSMP II Rate Filing)

Notice of Filing and Notice of Public Hearings

Docket No. XXXXXXXXXX

PLEASE TAKE NOTICE that in December 2020, Public Service Electric and Gas Company ("Public Service," "PSE&G," or "Company") filed a petition and supporting documentation with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking Board approval for gas base rate changes to provide for cost recovery associated with the extension of the Company's Gas System Modernization Program ("GSMP II" or "Program").

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 \$26.4 million associated with \$253.4 million of actual Program investments through November 30, 2020 and forecasted Program investments through February 28, 2021.

For illustrative purposes, the estimated base rates effective June 1, 2021, 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 residential gas heating customer using 100 therms per month during the winter months, and 610 therms on an annual basis, would see an increase in the annual bill from \$557.90 to \$566.42, or \$8.52, or approximately 1.53%. Also, a typical residential gas heating customer using 172 therms per month during the winter months, and 1,040 therms on an annual basis, would see an initial

increase in the annual bill from \$878.20 to \$892.74, or \$14.54, or approximately 1.66%. 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 filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

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

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, telephonic public hearings have been scheduled on the following dates and times so that members of the public may present their views on the Company's filing.

Date:
Times:

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the public hearings. Members of the public are invited to listen, and if they choose, express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov. Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made

at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the

Board may designate, to ensure that all interested persons are heard.

Table # 1
BASE RATES
For Residential RSG Customers
Rates if Effective June 1, 2021

Rate Schedule			Base Rates	
			Charges in Effect December 1, 2020 Including SUT	Estimated Charges Including SUT
RSG	Service Charge	per month	\$8.62	\$8.62
	Distribution Charge	\$/Therm	0.406370	0.420394
	Off-Peak Use	\$/Therm	0.203185	0.210197
	Basic Gas Supply Service-RSG (BGSS-RSG)	\$/Therm	0.320004	0.319919

⁽¹⁾Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of December 1, 2020 and assumes that the customer receives commodity service from Public Service.

Table # 2
Proposed Percentage Change in Revenue
by Customer Class For Gas Service
For Rates if Effective June 1, 2021

	Rate Class	Percent Change
Residential Service	RSG	1.63
General Service	GSG	1.20
Large Volume Service	LVG	0.74
Street Lighting Service	SLG	0.08
Firm Transportation Gas Service	TSG-F	0.31
Non-Firm Transportation Gas Service	TSG-NF	0.35
Cogeneration Interruptible Service	CIG	0.51
Contract Services	CSG	0.23
Overall		1.29

The percent increases noted above are based upon December 1, 2020 Delivery Rates and assumes that customers receive commodity service from Public Service Electric and Gas Company.

Table # 3
Residential Gas Service For Rates if Effective June 1, 2021

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Monthly Percent Change Would Be:
170	25	\$27.36	\$27.71	\$0.35	1.28%
340	50	46.12	46.82	0.70	1.52
610	100	84.54	85.93	1.39	1.64
1,040	172	139.21	141.61	2.40	1.72
1,210	200	160.43	163.22	2.79	1.74
1,816	300	236.35	240.54	4.19	1.77

- (1) Based upon Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect as of December 1, 2020 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits.
(2) Same as (1) except includes change for GSMP II Base Rate Adjustments.

Danielle Lopez, Esq.
Associate Counsel—Regulatory
PUBLIC SERVICE ELECTRIC AND GAS COMPANY

ATTACHMENT 4

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

INCOME ACCOUNT

	<u>YTD 2019 *</u> '(\$000)
400 Electric Operating Revenues	\$ 3,249,896
Electric Operating Expenses:	
401 Operation Expense	2,307,697
402 Maintenance Expense	116,291
403 Depreciation Expense	288,157
404 Amortization of Limited Term Plant	15,385
407 Amortization of Property Losses	23,666
408.1 Taxes Other Than Income Taxes	24,818
409.1 Income Taxes - Federal	48,572
410.1 Provision for Deferred Income Taxes	235,858
411.1 Provision for Deferred Income Taxes - Credit	(260,834)
411.103 Accretion Expense-Electric	227
411.4 Investment Tax Credit Adjustments (Net)	6,516
Total Electric Utility Operating Expenses	<u>2,806,354</u>
Electric Utility Operating Income	<u>\$ 443,542</u>

* Electric Distribution only

	<u>YTD 2019</u>
400 Gas Operating Revenues	\$ 1,882,506
Gas Operating Expenses:	
401 Operation Expense	1,270,310
402 Maintenance Expense	37,075
403 Depreciation Expense	166,474
404 Amortization of Limited Term Plant	11,774
407 Amortization of Property Losses	31,616
407.3 Amortization of Excess cost of removal	19,621
407.4 Amortization of Excess cost of removal	0
408.1 Taxes Other Than Income Taxes	17,712
409.1 Income Taxes - Federal	(3,670)
410.1 Provision for Deferred Income Taxes	128,177
411.1 Provision for Deferred Income Taxes - Cr	(153,045)
411.4 Investment Tax Credit Adjustments (Net)	(793)
Total Gas Utility Operating Expenses	<u>1,525,251</u>
Gas Utility Operating Income	<u>\$ 357,255</u>

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

Sep 30, 2020

Assets and Other Debits
Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$ 22,061,505
103	Electric Experimental Plant Unclassified	-
105	Electric Utility Plant Held for Future Use	20,772
106	Electric Completed Construction not classified- Electric	2,138,271
107	Electric Construction Work in Progress	1,830,367
	Total Electric Utility Plant	26,050,914

Gas Utility Plant

101	Gas Utility Plant in Service	\$ 9,138,351
103	Gas Experimental Plant Unclassified	-
105	Gas Utility Plant Held for Future Use	96
106	Gas Completed Construction not classified	36,374
107	Gas Construction Work in Progress	21,113
	Total Gas Utility Plant	9,195,934

Common Utility Plant

101	Common Utility Plant in Service	\$ 453,397
106	Common Completed Construction not classified	-
107	Common Construction Work in Progress	26,701
	Total Common Utility Plant	480,098

Total Utility Plant 35,726,946

Accumulated Provisions for Depreciation and Amortization of

Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(4,253,244)
108.5	Electric Utility Plant Held for Future Use	-
	Total Electric Utility Plant	(4,253,244)

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(2,393,846)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(220,672)
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Total Accumulated Provisions for
Depreciation and Amortization
of Utility Plant (6,867,762)

Net Utility Plant Excluding Nuclear Fuel 28,859,184

Property under capital leases

110	Electric & Gas Property under capital leases	101,647
		101,647

Nuclear Fuel

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

Accumulated Provisions for Amortization

120.5	120.5 Nuclear Fuel	-
	Net Nuclear Fuel	-
	Net Utility Plant	28,960,831
		0

Other Property and Investments

121	Nonutility Property	3,249
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(933)
123 & 123.1	Investments in Associated & Subsidiary Companies	45,204
124	Other Investments	225,113
125-8	Special Funds	50,573
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	323,206

BALANCE SHEET

\$ (In Thousands)

Sep 30, 2020

Current and Accrued Assets

131	Cash	\$	89,115
132-4	Special Deposits		32,491
135	Working Funds		-
136	Temporary Cash Investments		135,000
141-3	Notes and Accounts Receivable		1,094,112
144	Accumulated Provision for Uncollectible Accounts - Credit		(157,797)
145-6	Receivables from Associated Companies		16,575
151-5	Materials and Supplies (incl. 163)		213,372
158	Allowances		-
164	Gas Stored Underground - Current		-
165	Prepayments		92,018
171	Interest and Dividends Receivable		-
172	Rents Receivable		7,249
173	Accrued Utility Revenues		179,419
174	Miscellaneous Current and Accrued		22,094
175	Current Portion of Derivative Instrument Assets		-
	Total Current and Accrued Assets		1,723,647

Deferred Debits

181	Unamortized Debt Expense		63,257
182	Unrec'd Plt and Reg Costs and Other Reg Assets		4,006,602
183	Preliminary Survey and Investigation Charges		23,718
184	Clearing Accounts		3
185	Temporary Facilities		-
186	Miscellaneous Deferred Debits		35,067
188	Research and Development Expenditures		-
189	Unamortized Loss on Reacquired Debt		37,610
190	Accumulated Deferred Income Taxes		842,276
	Total Deferred Debits		5,008,533
	Total Assets and Other Debits	\$	36,016,217
			0

BALANCE SHEET**\$ (In Thousands)**Sep 30, 2020

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		2,080,903
210	Gain on Resale or Cancellation of Required Capital Stock		-
211	Miscellaneous Paid-In Capital		-
215	Appropriated Retained Earnings		-
216	Unappropriated Retained Earnings		9,824,013
216.1	Unappropriated Undistributed Subsidiary Earnings		122
219	Other Comprehensive Income		2,642
	Total Proprietary Capital		<u>12,799,940</u>

Long-Term Debt

221	221 Bonds		11,008,381
223	223 Advances from Assoc. Co.		-
225	225 Unamortized Premium on Long-Term Debt		-
226	226 Unamortized Discount on Long-Term Debt		<u>(29,378)</u>
	Total Long-Term Debt		10,979,003

Other Non-Current Liabilities

227-9	Other Non-current Liabilities		1,058,476
244	Long-Term Portion of Derivative Instrument Liabilities		-
230	Asset Retirement Obligation		<u>310,737</u>
	Total Other Non-Current Liabilities		1,369,213

Current and Accrued Liabilities

231	Notes Payable		-
232	Accounts Payable		713,321
233-4	Payables to Associated Companies		268,859
235	Customer Deposits		72,804
236	Taxes Accrued		2,379
237	Interest Accrued		121,773
238	Dividends Declared		-
239	Matured Long-Term Debt		-
241	Tax Collections Payable		433
242	Miscellaneous Current and Accrued Liabilities		584,336
243	Obligations Under Capital leases		13,051
244	Current Portion of Derivative Instrument Liabilities		-
	Total Current and Accrued Liabilities		<u>1,776,954</u>

Deferred Credits

252	Customer Advances for Construction		63,647
253	Other Deferred Credits		397,442
254	Other Regulatory Liabilities		3,255,869
255	Accumulated Deferred Investment Tax Credits		128,990
281-3	Accumulated Deferred Income Taxes		<u>5,245,158</u>
	Total Deferred Credits		9,091,106

Total Liabilities and Other Credits

\$ 36,016,217