



December 1, 2020

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric Infrastructure Investment
Recovery Charges Pursuant to the Second Energy Strong Program
(Energy Strong II)

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 Edward Gray, Stephen Swetz, and Supporting Schedules in the above-referenced proceeding.

Please be advised that workpapers will be furnished to the Board of Public Utilities Staff and the Division of Rate Counsel upon execution of a Confidentiality Agreement, which is provided herewith for execution.

Very truly yours,

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

C Attached service list (via e-mail)

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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)
ELECTRIC INFRASTRUCTURE))
INVESTMENT RECOVERY CHARGES))
PURSUANT TO THE SECOND ENERGY))
STRONG PROGRAM))
(ENERGY STRONG II))

PETITION
BPU DOCKET NOS.

VERIFIED PETITION

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

INTRODUCTION AND OVERVIEW OF THE FILING

1. Petitioner is a public utility engaged in the distribution of electricity and the provision of electric Basic Generation Service (“BGS”), and distribution of gas and the provision of Basic Gas Supply Service (“BGSS”), for residential, commercial and industrial customers within the State of New Jersey. PSE&G provides service to approximately 2.2 million electric and 1.8 million gas customers in an area having a population in excess of 6.2 million persons and that extends from the Hudson River opposite New York City, southwest to the Delaware River at Trenton, and south to Camden, New Jersey.

2. Petitioner is subject to Board regulation for the purposes of setting its retail distribution rates and to assure safe, adequate, and reliable electric distribution and natural gas

distribution service pursuant to *N.J.S.A. 48:2-21 et seq.*

3. PSE&G is filing this Petition seeking Board approval for electric base rate changes to provide for cost recovery associated with the Company's Energy Strong II Program ("ES II" or "Program"). The Energy Strong II Program was approved in a Board Order dated September 11, 2019 in BPU Docket Nos. EO18060629 and GO18060630 ("Energy Strong II Order"). In this Order, the Board adopted a Stipulation that explicitly authorizes the first rate filing for this Program to be filed no earlier than November 1, 2020 for rates effective no earlier than May 1, 2021. Stipulation, paragraph 40.

BACKGROUND

4. By Order dated May 21, 2014, the Board authorized PSE&G to implement its Energy Strong Program ("Energy Strong" or "ES I"). Pursuant to the Energy Strong Order, PSE&G was to invest and recover through the Energy Strong Adjustment Mechanism up to \$1 billion (\$0.6 billion electric and \$0.4 billion gas), to be recovered through future base rate adjustments, to harden its infrastructure, thereby making it less susceptible to damage from wind, flying debris, and water damage in anticipation of future Major Storm Events and to strengthen the resiliency of the Company's delivery system. The Energy Strong Order also approved a cost recovery mechanism that allowed for semi-annual rate adjustments for spending related to electric investments and annual rate adjustments for spending related to gas investments.

5. On December 19, 2017, pursuant to subchapter N.J.A.C. 14:3-2A.1 et seq. ("IIP Rules"), the Board established a regulatory mechanism supporting the implementation of an Infrastructure Investment Program ("IIP"), which allows a utility to accelerate its investment in the construction,

installation, and rehabilitation of certain non-revenue producing utility plant and facilities that enhance safety, reliability, and/or resiliency. Through an IIP approved by the Board, a utility may obtain accelerated recovery of qualifying investments, subject to the terms of the subchapter, and any other conditions set forth by the Board in approving an individual utility's IIP. The IIP rules became effective on January 16, 2018.

6. On June 8, 2018, the Company filed a petition (“ESII Petition” or “Petition”) with the Board seeking approval of the next phase of its Energy Strong Program, ESII, for recovery of costs associated with infrastructure investments that serve to enhance safety, reliability, and/or resiliency through both electric and gas subprograms. The Company asserts that the Program builds upon ESI, which was approved by a Board order dated May 21, 2014 in BPU Docket Nos. EO13020155 and GO13020156 (“Energy Strong Order”).

7. The Company proposed a five (5) year Program in its ESII Petition, with a total investment level of approximately \$2.5 billion - consisting of \$1.5 billion of electric infrastructure projects and \$1.0 billion of gas infrastructure projects. PSE&G provided that the Program was aimed at improving the reliability and resiliency of the Company's electric and gas systems by rebuilding and raising critical electrical equipment, installing stronger poles and wires, deploying advanced technology, building backup pipes, modernizing critical gas equipment, and improving customer service. The proposed electric projects were grouped into four (4) subprograms: Station Subprogram (\$906M), Outside Plant Higher Design and Construction Standards Subprogram (\$345M), Contingency Reconfiguration Subprogram (\$145M), and Grid Modernization Subprogram (\$107M). The gas projects were grouped into two (2) subprograms: the Curtailment Resiliency Subprogram (\$863M) and the Metering and

Regulation Upgrade Subprogram (\$136M). The Company proposed to make semi-annual roll in filings to recover revenue requirements for plant placed in service, but not yet placed in rates.

8. Following proper notice, public hearings were held on the ES II Petition and its associated rate impacts in both the afternoon and evening in Hackensack, New Jersey on January 7, 2019; Mt. Holly, New Jersey on January 8, 2019; and in New Brunswick, New Jersey on January 9, 2019. The rate impacts of the Petition appeared in the public notice for these public hearings.

9. PSE&G provided direct and rebuttal testimony in support of its Petition and Rate Counsel submitted the direct testimony recommending a reduction in program spend and rejection of certain subprograms.

10. Evidentiary hearings were held before President Fiordaliso at the Board's offices in Trenton, New Jersey on June 10, 11, 14, and 17, 2019.

11. Following discovery, the filing of testimony, evidentiary hearings and several settlement conferences, the Parties executed a stipulation of settlement ("Stipulation") resolving this matter on August 23, 2019.

12. This Stipulation approved by the Energy Strong II Order on September 11, 2019, provided that the ESII Program will include an investment level of up to \$691.5 million recovered through the stipulated cost recovery mechanism described below. The Energy Strong II Order also approved investment of up to an additional \$150.5 million on certain capital projects during the Program term that will not be recovered through the Energy Strong II Rate Mechanism, but that will be considered Stipulated Base expenditure to be recovered in the Company's next base rate case. Of that \$150.5 million, \$100 million will be spent at the

Company's discretion toward electric outside plant higher design and construction standards ("outside plant") and/or electric life cycle subprograms identified in the Energy Strong II petition. The remaining \$50.5 million will be used to complete the six (6) gas M&R station upgrades specified in the Stipulation. If the completion of the six (6) M&R station upgrades requires less than the estimated \$50.5 million, the Company will have the option of achieving the \$50.5 million of Stipulated Base expenditure through additional gas M&R station upgrades.

13. In total, the Company shall spend \$842 million to complete the Program, with \$691.5 million within the Energy Strong II Rate Mechanism and \$150.5 million within Stipulated Base. All prudently incurred costs on Energy Strong II projects above \$842 million will count toward baseline capital expenditures as discussed in paragraph 35 of the Stipulation.

14. Under the Stipulation approved by the Energy Strong Order, specific Energy Strong subprogram investment levels shall be up to the following amounts:

	<u>\$ million</u>
A. Electric Energy Strong Program	
• Electric Station Flood Mitigation	\$389
• Contingency Reconfiguration	\$145
• Grid Modernization, Communication System	\$72
• Grid Modernization, ADMS	<u>\$35</u>
Electric ES II Total	\$641
B. Gas Energy Strong Program	
• M&R Station Upgrades	<u>\$ 50.5</u>
Gas ES Total	\$50.5
 TOTAL ES II Program	 \$691.5

15. The Energy Strong II Order outlined the Minimum Filing Requirements ("MFRs") for the Energy Strong II cost recovery petitions and provided for the recovery of Energy Strong II approved costs by future adjustments to base rates. A matrix setting forth the location of each

MFR is provided in Appendix A to this Petition.

REQUEST FOR COST RECOVERY

16. Consistent with the Energy Strong II Order, PSE&G is seeking BPU approval to recover the revenue requirements associated with certain capitalized electric investment costs of the Energy Strong Program through January 31, 2021. The annualized increase in electric revenue requirement associated with those investment costs is approximately \$13.523 million in revenue and is supported by Attachment 2, Schedule SS-ES II-2, which is attached hereto. This filing is an electric-only filing as the gas portion of the capital investment from the inception of the program and forecasted through January 31, 2021 falls below the 10% threshold to qualify for accelerated electrical cost recovery per paragraph 37 of the Stipulation approved in the ES II Order. The base rate revenue requirement adjustment and increase calculation have been used as the basis to increase current base rates, and include actual expenditures through October 31, 2020 and projected expenditures through January 31, 2021. The projected amounts for November 1, 2020 through January 31, 2021 will be updated for actual results by February 21, 2021.

17. As required by the Energy Strong II Order and Stipulation, the proposed electric rate adjustment is based on the rate design in the Energy Strong II Order and utilizes the rate design methodology used to set rates in the Company's most recently concluded base rate case. Specifically, the Company will utilize the corresponding billing determinants, including the weather normalized billing determinants approved in the most recent base rate case. The detailed calculation supporting the electric rate design is shown in Attachment 2, Schedule SS-ES II 2-5.

18. Attachment 1 is the testimony of Edward F. Gray, PSE&G's Director of Transmission & Distribution Engineering, Electric & Gas Asset Strategy, addressing the progress of the Energy Strong II Program and plant in-service at the end of January 2021. Attachment 2 is the testimony of Steven Swetz supporting the revenue requirement and rate calculations.

19. The annual average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-ES II-6. The annual impact of the proposed rates to the typical residential electric customer that uses 740 kilowatt-hours in a summer month and 6,920 kilowatt-hours annually is an increase of \$5.84, or approximately 0.44%.

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

21. In accordance with the Board's recent Covid-19 order,¹ notice of this filing, the Petition, testimony, and schedules will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street 4th Floor, Trenton, N.J. 08625 by electronic 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.

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.

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

23. PSE&G requests that the Board find the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule SS-ESII - 5, is just and reasonable and PSE&G should be authorized to implement the proposed rates as set forth herein, effective May 1, 2021 upon issuance of a written BPU order.

24. Any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of *N.J.S.A.* 48:2-21 and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the average percentage changes in final rates may increase or decrease compared to the proposed rates based upon the Board's decision.

COMMUNICATIONS

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

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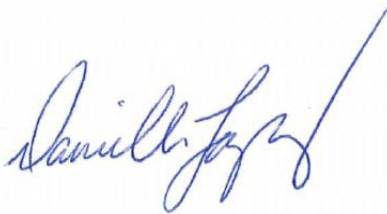
CONCLUSION AND REQUESTS FOR APPROVAL

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

1. PSE&G is authorized to recover all costs identified herein associated with Energy Strong II incurred through January 31, 2021, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and
2. The rates as calculated in the proof of revenue, Attachment 2, Schedule SS-ESII- 5 to this Petition, are just and reasonable and may be implemented for service rendered on and after May 1, 2021.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

DATED: December 1, 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)
ELECTRIC INFRASTRUCTURE))
INVESTMENT RECOVERY CHARGES))
PURSUANT TO THE SECOND ENERGY))
STRONG PROGRAM))
(ENERGY STRONG II))

BPU DOCKET NOS.

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 1, 2020

BY



Michael P. McFadden

APPENDIX A

PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – The Second Energy Strong Program Energy Strong Program II	
MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
I. General Filing Requirements	
1. PSE&G's income statement for the most recent 12 month period prepared using the same Federal Energy Regulatory Commission ("FERC") reporting and accounting conventions that are reflected in the Company's Annual Report to the Board.	Attachment 4
2. PSE&G's balance sheet for the most recent 12 month period, as filed with the Board prepared using the same FERC reporting and accounting conventions that are reflected in the Company's Annual Report to the Board.	Attachment 5
3. PSE&G's capital spending for each of the past five (5) years, broken down by major categories (e.g., system reinforcement, replace facilities, environmental/regulatory, and support facilities).	Attachment 1, Schedule EFG-ES II-2
4. PSE&G's overall approved ES II capital budget broken down by major categories, both budgeted and actual amounts.	Attachment 1, Schedule EFG-ES II-2
5. For each ES II Program subprogram: a. The original project summary for each ES II sub-program, b. Expenditures incurred to date for each sub-program, i. The cost of removal and ii. The amount of allocated overhead. c. Appropriate metric (e.g., rec losers installed), and d. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction)	Attachment 1, Schedule EFG-ES II-2
6. Anticipated sub-program timeline with updates and expected changes.	Attachment 1, Schedule EFG-ES II-2
7. A calculation of the proposed rate adjustment based on details related to ES II Program projects included in Plant in Service, including a calculation of the associated depreciation expense, based on those projects closed to Plant in Service during the period.	Attachment 2, Schedule SS-ES II-5
8. A list of any .and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the ES II	N/A – None

APPENDIX A

Program projects, such as relocation, reimbursement, or stimulus money. An explanation of the financial treatment associated with the receipt of the government funds or credits.	
9. 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-ES II-2
10. An earnings test calculation demonstrating that the calculated ROE does not exceed the Company's allowed ROE from the latest base rate case by 50-basis points or more. The Company should divide the actual net income of the utility for the most recent 12-month period filed with the Board or FERC by the average of the beginning and ending common equity balances for the corresponding period, subject to adjustments. Common equity will be as reflected on the Company's FERC financial statements, adjusted to reflect only the electric and gas distribution allocation. The Company should provide nine (9) months actual data and three (3) months forecasted data at the time of each Initial Filing. The three (3) months of forecasted data should be updated with actuals at the same time the Company provides the Actuals Update for Investments.	Attachment 2, Schedule SS-ES II-7

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

**IN THE MATTER OF THE PETITION OF PUBLIC
SERVICE ELECTRIC AND GAS COMPANY FOR
APPROVAL OF ELECTRIC INFRASTRUCTURE
INVESTMENT RECOVERY CHARGES PURSUANT TO
THE SECOND ENERGY STRONG PROGRAM
(ENERGY STRONG II)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

EDWARD F. GRAY

**DIRECTOR – TRANSMISSION AND DISTRIBUTION
ENGINEERING**

December 1, 2020

**DIRECT TESTIMONY
OF
EDWARD F GRAY
DIRECTOR – TRANSMISSION AND DISTRIBUTION ENGINEERING**

Q. Please state your name and title.

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

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide information on the status of certain projects and expenditures related to the electric portion of PSE&G’s Second Energy Strong Program (“ES II” or “Program”), which was approved in an Order of the New Jersey Board of Public Utilities (“Board” or “BPU”) dated September 11, 2019 (“ES II Order”).

OVERVIEW OF ENERGY STRONG II PROGRAM

Q. Please describe the Company’s Second Energy Strong Program.

A. The Settlement approved by the ES II Order provides for an accelerated rate recovery mechanism of up to \$641 million of electric infrastructure investment through the ES II Rate Mechanism. In addition, PSE&G will invest up to an additional \$100 million on outside plant higher design and construction standards and/or electric life cycle

projects that will be considered Stipulated Base expenditures to be recovered in the Company's next base rate case as long as this investment is found prudent.

The \$641 million of electric investment to be recovered through the ES II Rate Mechanism includes the actual investment and cost of removal expenditures but excludes Allowance for Funds Used During Construction ("AFUDC"), which will also be recovered through the ES II Rate Mechanism. The total ES II Rate Mechanism and Stipulated Base investments are anticipated to be made over a 51-month period beginning on the effective date of the ES II Order authorizing the Program, including up to \$741 million of electric infrastructure investment. The Energy Strong II Order provided that the specific Energy Strong subprogram investment levels shall be up to the following amounts:

	<u>\$ Million</u>
A. Electric Energy Strong Program	
• Electric Station Flood Mitigation	\$389
• Contingency Reconfiguration Strategies	\$145
• Grid Modernization, Communication System	\$72
• Grid Modernization, ADMS	\$35
• Stipulated Base	<u>\$100</u>
Electric ES II Total	\$741

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

A. Yes. A description of the work on investment proposed to be in rates performed for the program through January 31, 2021 is provided in Schedule EFG-ES II-2. The monthly expenditures for the electric subprograms are listed in EFG-ES II-3 and include actual total ES II expenditures not included in rates through October 31, 2020 and a forecast of electric capital expenditures from November 1, 2020 through January 31, 2021. The

1 amounts provided in EFG-ES II-2 and EFG-ES II-3 are for the ESII Rate Mechanism
2 only.

3 To address the possibility that PSE&G may experience higher plant in service
4 amounts and/or higher expenditures than currently anticipated by January 31, 2021, this
5 forecast is inclusive of contingency for this rate filing. Pursuant to the ES II Order,
6 PSE&G will update this filing for actual data through January 31, 2021, and adjust the
7 rate impacts accordingly, by February 21, 2021. Therefore, no contingency will be
8 recovered from customers.

9 For purposes of this filing, the following table summarizes the stations and
10 equipment PSE&G anticipates will be placed in-service through January 31, 2021.

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-service as of 10/31/2020 (Actual)	In-service as of 01/31/2021 (Forecast)
Market Street Substation Elimination	Poles, Wires and Overhead Transformers	X	X
Ridgefield 4kV Substation Elimination	Poles, Wires and Overhead Transformers	X	X
Ridgefield 13kV Substation	Contingency Switchgear		X

MFR-4: Contingency Reconfiguration In-Service		
	Program To- Date Oct 31,2020	Planned January 2021 Roll-In
Reclosers Commissioned	621	833
Reclosers Installed	688	833
1 Phase Fusesavers	0	57
2 Phase Fusesavers	0	18

1

MFR-4: Wireless Network In-Service		
	Program To- Date Oct 31,2020	Planned January 2021 Roll-In
Reclosers Retrofits	91	154
New Reclosers	631	833
Fuse Savers	0	75

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

3 **A. Yes, it does.**

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

My name is Edward F. Gray and I am employed by Public Service Electric and Gas. I am the Director – Transmission and Distribution Engineering where I am responsible for engineering standards, reliability and maintenance programs for Electric Transmission and Distribution.

EDUCATIONAL BACKGROUND

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

WORK EXPERIENCE

I have over 29 years' experience in Engineering and Asset Management at PSE&G. I have had various positions at PSE&G in Substation Engineering, System development for Electric and Gas work management, New Business Policy, Solar Interconnections, Resource Planning and Financial Management. I am presently the Director – Transmission and Distribution Engineering with oversight of electric engineering standards, reliability and maintenance programs.

ATTACHMENT 1
SCHEDULE EFG-ES II-1
PAGE 2 OF 2

1 I have been actively involved in Electric programs implemented since 2009.
2 I was the program lead for Electric Distribution for both Capital Economic Stimulus
3 Infrastructure Investment Programs responsible for the project implementation including
4 cost and scheduling for each sub-program. For both programs developed discovery
5 responses and was involved in various settlement and review meetings with BPU Staff and
6 Rate Council. I was directly involved in my current position in the development of the
7 Energy Strong program. I was actively involved in the preparation of testimony, project
8 estimates, discovery responses and settlement meetings during the project approval. After
9 approval was directly involved with project implementation on engineering and design of
10 projects as well as working with the Independent Monitor on various process and data
11 requests.

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

**Minimum Filing Requirements
Second Energy Strong Program
("ES II")
11/30/2020**

MFR 3: PSE&G's capital spending for each of the past five (5) years, broken down by major categories (e.g., system reinforcement, replace facilities, environmental/regulatory, and support facilities).

Base Breakdown by Major Category	2015	2016	2017	2018	2019
Replace Facilities	\$ 101.0	\$ 123.0	\$ 172.0	\$ 329.3	\$ 181.4
System Reinforcement	\$ 55.5	\$ 74.3	\$ 146.8	\$ 141.5	\$ 89.7
Environmental Regulatory	\$ 9.4	\$ 8.4	\$ 7.5	\$ 6.5	\$ 6.0
Replace Meters	\$ 15.2	\$ 14.9	\$ 16.4	\$ 15.0	\$ 13.1
Support Facilities	\$ 7.7	\$ 5.5	\$ 14.8	\$ 34.9	\$ 11.5
Base Total \$	\$ 188.8	\$ 226.1	\$ 357.5	\$ 527.2	\$ 301.7

MFR 4: PSE&G's overall approved ES II capital budget broken down by major categories, both budgeted and actual amounts.

Budget vs Actual Expenditures		
in Millions		
Sub-Programs	Budget	Actual 31-Oct-20
Electric		
Flood Mitigation	\$389.00	\$41.55
Contingency Reconfiguration	\$145.00	\$48.81
Grid Modernization – Communication System	\$72.00	\$12.58
Grid Modernization - ADMS	\$35.00	\$14.85
Total Electric	\$641.00	\$117.79

MFR 5: For each ES II Program subprogram:

- a. The original project summary for each ES II sub-program,
- b. Expenditures incurred to date for each sub-program,
 - i. The cost of removal and
 - ii. The amount of allocated overhead.
- c. Appropriate metric (e.g., rec losers installed), and

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

ES II Program subprograms:

- *Electric Station Flood Mitigation*

A. Program Summary: The Company will mitigate the 16 stations identified below. The cost estimates in paragraph 21 for the Electric Station Flood Mitigation projects include a 35% risk and contingency.

Flood Mitigation					
#	Station	Anticipated Method	#	Station	Anticipated Method
1	Academy Street	Raise	9	Meadow Road	Raise
2	Clay Street	Raise	10	Orange Valley	Raise
3	Constable Hook	Raise	11	Ridgefield 13kV	Raise
4	Hasbrouck Heights	Raise	12	Ridgefield 4KV	Eliminate
5	Kingsland	Raise	13	State Street	Raise
6	Lakeside Avenue	Raise	14	Toney's Brook	Raise
7	Leonia	Raise	15	Waverly	Raise
8	Market Street	Eliminate	16	Woodlynne	Raise

PSE&G may change the mitigation method for a station if it concludes that an alternative method would provide the same benefits to customers at a lower cost, or if permitting or other circumstances make it impossible or inappropriate to use the method specified in the filing. Any change in the mitigation method for a station will not be made without 15 days prior written and

electronic notification to Board Staff (Director, Division of Energy or designee) and Rate Counsel providing them with the opportunity to object within that time period. The notification will include detailed supporting information to support the Company's position that the proposed alternative will provide the same benefits to customers at a lower cost, or if permitting or other circumstances make it impossible or inappropriate to use the method specified in the filing. If there is no objection by Board Staff or Rate Counsel within 15 days of receipt of the electronic notice, the Company may move forward with the change.

If the Company determines the work on the 16 aforementioned substations identified in the flood mitigation subprogram can be completed under the \$389 million investment ceiling associated with substations, PSE&G may reallocate any funds to those stations identified in the life cycle station upgrade portion of the June 8, 2018 filing for accelerated recovery.

If the Company cannot complete its work on the 16 substations within the \$389 million clause recovery allotment, PSE&G may seek recovery of any excess amount in its next base rate case. Additionally, any prudently incurred costs for work on the 16 substations that exceed \$389 million will be credited toward the Company's baseline capital expenditure requirement provided in paragraph 35 of this Stipulation.

B. Expenditures incurred through October 31, 2020 : \$41.55M

- i. The cost of removal : \$0.85M
- ii. The amount of allocated overhead : \$10.81M

C. Appropriate metric:

Two substations are partially in-service as of October 31, 2020. The Company also completed some outside plant conversion work. It is anticipated that 1 additional substation will be partially in-service by January 31, 2020.

Station	Equipment	In-service as of 10/31/2020 (Actual)	In-service as of 01/31/2021 (Forecast)
Market Street Substation Elimination	Poles, Wires and Overhead Transformers	X	X

Ridgefield 4kV Substation Elimination	Poles, Wires and Overhead Transformers	X	X
Ridgefield 13kV Substation	Contingency Switchgear		X

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

Of the sixteen stations slated for flood mitigation, ten have started detailed engineering design. Seven of the nine planned projects have awarded POs for A/E design. Nine projects have awarded purchase orders for switchgear/major equipment. Eight projects submitted Site Plan application of which four have received approval. Six projects (Ridgefield 4kv, Market St, Academy, Ridgefield 13kv, Leonia and Waverly) are in construction. A Civil Construction PO has been issued on Waverly Phase-1 and electrical construction POs have issued on Academy and Leonia. The Ridgefield 13kv project set the temporary switchgear on site on Sept 30, 2020. Key Plan drawing, conceptual designs and 50% estimates have progressed on Orange Valley and Lakeside.

- *Contingency Reconfiguration*

A. Program Summary: PSE&G will invest up to \$145 million to harden its electric distribution system and increase system resiliency by implementing contingency reconfiguration strategies, which were also part of ES I. These strategies will increase the sections in present loop designs by utilizing reclosers, convert all existing two (2)-section overhead 13kV circuits to three (3)-section circuits by installing additional three (3)-phase reclosers, and install single phase recloser devices on branch lines that operate with only fuses.

B. Expenditures incurred through October 31, 2020: \$48.81M

- i. The cost of removal : \$2.12M
- ii The amount of allocated overhead : \$16.21M

C. Appropriate metric:

ES II Contingency Reconfiguration Unit Summary: Oct 31, 2020		
	Program To- Date Oct 31,2020	Planned January 2021 Roll-In
Reclosers Commissioned	621	833
Reclosers Installed	688	833
1 Phase Fusesavers	0	57
2 Phase Fusesavers	0	18

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

Work/Activity	Completed to Date	
	Reclosers	Fuse Savers
Engineered (Units)	900	25

- *Grid Modernization - Communication Network*

A. Program Summary: An investment of up to \$72 million will be made by the Company to install a private wireless communications network and eliminate the use of dedicated phone lines for remote communication for both PSE&G and customer equipment. The overall network will use wireless and fiber technology to provide coverage for all switching devices on the system to facilitate both system and customer equipment communication moving forward. The system will be private and encrypted to ensure the security of PSE&G's capability to monitor and control the distribution system.

B. Expenditures incurred through October 31, 2020: \$12.58M

- i. The cost of removal : \$11.4K
- ii. The amount of allocated overhead : \$1.97M

- C. Appropriate Metric: As of October 31, 2020 a total of 722 radios were connected to the new Wireless Network service (FirstNet) - comprised of 91 existing reclosers retrofitted with new radios and 631 new reclosers commissioned. By the end of January 2021, 154 existing reclosers are scheduled to be retrofitted and 1,062 total Wireless Network radios to be commissioned.
- D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction) :

Wireless Network:

The PSE&G Wireless Network infrastructure solution for connecting to the First Net LTE Network was placed in-service on June 10, 2020. The Network Monitoring solution for all devices communicating on First Net LTE Network was placed in-service on July 16, 2020. Work is currently in progress for final installation of the Network Monitoring Analytics Server and additional network testing.

Operations and Substations Fiber (new fiber):

New fiber installs to eleven (11) operations/substations locations are currently in various stages of engineering and construction for both outside plant and inside plant.

Work/Activity	Completed to Date
Outside Plant (OP) Runs Engineered	11
In Construction	10
Inside Plant (IP) Engineered	6

Fiber Cutover:

The currently defined scope for this portion of the subprogram is 12 fiber cutover stations. Engineering for fiber cutover has been completed for two (2) stations.

- *Grid Modernization – ADMS:*

- A. Program Summary: The Company will invest up to \$35 million to develop an Advanced Distribution Management System (“ADMS”) that will incorporate data from Geographic Information System (“GIS”) and SCADA, intelligent fault indicators, Smart Meters, and other advanced metering infrastructure (“AMI”). The system will replace the existing Outage Management System (“OMS”)
- B. Expenditures incurred through October 31, 2020: \$14.85M
 - i. The cost of removal: \$0M
 - ii. The amount of allocated overhead : \$0.36M
- C. Appropriate Metric: ADMS has three major components: OMS Replacement, DMS/DERMS, and Platform Upgrade. No production releases for these components are scheduled to be completed by January 2021.
- D. Work completed, including identified tasks completed (e.g., design phase, material procurement, permit gathering, phases of construction) :

All major vendor contracts have been signed and design activities have commenced for all three project components. 95% of all new hardware required for the ADMS implementation has been procured and delivered as of the end of October.

**Cost of removal and allocated overhead cost are included in total expenditures to date for each subprogram*

MFR 6: Anticipated sub-program timeline with updates and expected changes.

MFR-6: Timeline and Updates / Expected Changes				
E/G	Sub-Program	In-Service	Updates	Expected Changes
Electric	Flood Mitigation	Jan-24	None	None
Electric	Contingency Reconfiguration	Jul -23	None	None
Electric	Grid Modernization-Communication	Dec.-23	None	None
Electric	Grid Modernization – ADMS	Jun-23	None	None

PSE&G SECOND ENERGY STRONG PROGRAM ("ES II")

Schedule EFG-ES II-3

Electric Cash Flow for Roll-in 1

	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Actual Jul-20	Actual Aug-20	Actual Sep-20	Actual Oct-20	Forecast Nov-20	Forecast Dec-20	Forecast Jan-21	Roll-in 1 Total
1																	
2																	
3 Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,973	\$ 2,110	\$ 2,006	\$ 5,808	\$ 21,897
4 CWIP Install	\$ 290	\$ 784	\$ 903	\$ 1,085	\$ 1,142	\$ 2,825	\$ 3,077	\$ 3,031	\$ 3,749	\$ 3,955	\$ 4,951	\$ 5,428	\$ (2,492)	\$ 6,934	\$ 4,695	\$ 7,689	\$ 48,046
5 COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67	\$ 185	\$ 138	\$ 146	\$ 131	\$ 89	\$ 74	\$ 20	\$ 9	\$ 9	\$ 33	\$ 901
6 Total	\$ 290	\$ 784	\$ 903	\$ 1,085	\$ 1,142	\$ 2,893	\$ 3,262	\$ 3,169	\$ 3,895	\$ 4,086	\$ 5,040	\$ 5,502	\$ 9,502	\$ 9,053	\$ 6,710	\$ 13,530	\$ 70,843
7 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,744	\$ 9,744
8																	
9																	
10 Direct Install	\$ 1,172	\$ 4,030	\$ 3,967	\$ 4,853	\$ 4,392	\$ 5,071	\$ 3,962	\$ 2,254	\$ 1,822	\$ 3,527	\$ 2,231	\$ 4,281	\$ 5,123	\$ 5,296	\$ 4,829	\$ 8,766	\$ 65,577
11 CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 COR/Salvage	\$ 77	\$ 157	\$ 196	\$ 145	\$ 227	\$ 245	\$ 239	\$ 237	\$ 149	\$ 62	\$ 46	\$ 143	\$ 201	\$ -	\$ -	\$ -	\$ 2,124
13 Total	\$ 1,249	\$ 4,188	\$ 4,164	\$ 4,998	\$ 4,619	\$ 5,316	\$ 4,201	\$ 2,491	\$ 1,971	\$ 3,589	\$ 2,277	\$ 4,424	\$ 5,324	\$ 5,296	\$ 4,829	\$ 8,766	\$ 67,701
14 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15																	
16																	
17 Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186	\$ 448	\$ 55	\$ 507	\$ 780	\$ 725	\$ 870	\$ 1,020	\$ 1,464	\$ 1,380	\$ 2,227	\$ 9,661
18 CWIP Install	\$ -	\$ 6	\$ 78	\$ 324	\$ 1,017	\$ 687	\$ 1,134	\$ 1,125	\$ 889	\$ 367	\$ 181	\$ 1,056	\$ 1,118	\$ 2,551	\$ 997	\$ 2,042	\$ 13,572
19 COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ (0)	\$ 0	\$ 1	\$ 2	\$ 7	\$ 1	\$ 4	\$ 10	\$ 26
20 Total	\$ -	\$ 6	\$ 78	\$ 324	\$ 1,017	\$ 873	\$ 1,583	\$ 1,181	\$ 1,395	\$ 1,147	\$ 907	\$ 1,928	\$ 2,144	\$ 4,016	\$ 2,381	\$ 4,279	\$ 23,259
21 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797	\$ 1,720	\$ -	\$ -	\$ -	\$ 558	\$ 279	\$ 6,652	\$ 11,005
22																	
23																	
ADMS																	
24 Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMS	\$ -	\$ -	\$ -	\$ 36	\$ 116	\$ 548	\$ 261	\$ 216	\$ 4,012	\$ 3,476	\$ 1,617	\$ 1,877	\$ 2,491	\$ 1,147	\$ 1,068	\$ 2,467	\$ 19,537
ADMS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMS	\$ -	\$ -	\$ 36	\$ 116	\$ 548	\$ 261	\$ 216	\$ 202	\$ 4,012	\$ 3,476	\$ 1,617	\$ 1,877	\$ 2,491	\$ 1,147	\$ 1,068	\$ 2,467	\$ 19,537
ADMS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29																	
43																	
Direct Install	\$ 1,172	\$ 4,030	\$ 3,967	\$ 4,853	\$ 4,392	\$ 5,257	\$ 4,411	\$ 2,309	\$ 2,328	\$ 4,307	\$ 2,956	\$ 5,151	\$ 18,116	\$ 8,869	\$ 8,215	\$ 16,800	\$ 97,134
CWIP Install	\$ 290	\$ 790	\$ 1,018	\$ 1,525	\$ 2,707	\$ 3,774	\$ 4,427	\$ 4,359	\$ 8,649	\$ 7,798	\$ 6,749	\$ 8,360	\$ 1,118	\$ 10,633	\$ 6,760	\$ 12,198	\$ 81,154
COR/Salvage	\$ 77	\$ 157	\$ 196	\$ 145	\$ 227	\$ 313	\$ 425	\$ 375	\$ 295	\$ 193	\$ 136	\$ 219	\$ 228	\$ 10	\$ 12	\$ 43	\$ 3,051
Total	\$ 1,538	\$ 4,977	\$ 5,182	\$ 6,523	\$ 7,326	\$ 9,343	\$ 9,263	\$ 7,043	\$ 11,272	\$ 12,298	\$ 9,842	\$ 13,731	\$ 19,462	\$ 19,512	\$ 14,987	\$ 29,041	\$ 181,340
CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797	\$ 1,720	\$ -	\$ -	\$ -	\$ 558	\$ 279	\$ 16,396	\$ 20,749

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

**IN THE MATTER OF THE PETITION OF PUBLIC
SERVICE ELECTRIC AND GAS COMPANY FOR
APPROVAL OF ELECTRIC INFRASTRUCTURE
INVESTMENT RECOVERY CHARGES PURSUANT
TO THE SECOND ENERGY STRONG PROGRAM
(ENERGY STRONG II)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

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

December 1, 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-ES II-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 the Infrastructure Investment Recovery Charge to recover the revenue requirement associated with its Second Energy Strong Program ("ES II" or "Program") through the ES II Rate Mechanism approved by the Board of Public Utilities ("Board" or "BPU") as described in paragraph 41 of

ATTACHMENT 2

1 the Stipulation of Settlement approved by the Board in Docket Nos. EO18060629 and
2 GO18060630 on September 11, 2019 (“ES II Order”).

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

12 **COST RECOVERY MECHANISM**

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

14 A. PSE&G is proposing to recover the annual revenue requirement associated with the
15 Program consistent with the ES II Rate Mechanism approved in the ES II Order. The revenue
16 requirement is based on expected plant in-service and cost of removal expenditures that have
17 not been included in a prior rate adjustment. The plant in-service and cost of removal
18 expenditures are based on actual results through October 31, 2020 and a forecast through
19 January 31, 2021. The forecast from November 1, 2020 through January 31, 2021 will be
20 trued-up with actual results and filed by February 21, 2021.

ATTACHMENT 2

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

3 A. The Company is proposing a forecasted annual electric revenue requirement increase
4 of \$13.523 million. The electric revenue requirement increase is calculated in Schedule SS-
5 ES II-2.

6 **Q. Is there a forecasted annual gas revenue requirement increase being proposed for**
7 **his ES roll-in filing?**

8 A. No. The Company is only proposing a forecasted annual electric revenue requirement
9 as expected gas investment will not meet the minimum investment level of 10% of the total
10 amount authorized to be recovered, which I discuss later in my testimony.

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

12 A. The revenue requirement for the ES II is calculated using the following formula
13 approved by the Board in the ES II Order:

14
$$\text{Revenue Requirements} = ((\text{ES II Rate Base} * \text{After Tax WACC}) +$$

15
$$\text{Depreciation Expense (net of tax) + Tax Adjustments}) * \text{Revenue Factor}$$

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

17 A. Per the ES II Order, ES II Rate Base is calculated as the ES II Investment Costs less
18 Accumulated Depreciation and less Accumulated Deferred Income Taxes (ADIT). This is the
19 first ES II electric roll-in filing, and the Energy Strong Investment Costs consist of actual plant
20 placed into service from October 1, 2019 through October 31, 2020 and a forecast of capital
21 expenditures through January 31, 2021 that are expected to be in service by January 31, 2021.
22 For details on the electric Energy Strong Investment Costs, see Schedule EFG-ES II-3.
23 Accumulated Depreciation is the sum of the depreciation expense incurred from the date the

ATTACHMENT 2

1 ES II projects were placed into service and the effective date of the base rate change. The ES
2 II Order anticipates the first roll-in filing to result in rates effective May 1, 2021, so the
3 Accumulated Depreciation in the filing is through April 30, 2021. Consistent with the
4 calculation of Accumulated Depreciation, ADIT is also calculated through April 30, 2021.

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

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

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

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

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

2 A. Depreciation expense is calculated as Gross Plant in-Service multiplied by the
3 applicable annual depreciation rate for the assets being placed into service. The ES II Order
4 specified the depreciation rates would be based on the depreciation rates applied to the same
5 asset in current base rates. The Company's 2018 base rate case established new depreciation
6 rates by asset class. The asset classes expected to be applicable to the ES II investment are
7 Station Equipment, Overhead Conductors and Devices, Software, and Communication
8 Equipment. The annual depreciation rates for Station Equipment, Overhead Conductors and
9 Devices, Software, and Communication Equipment will be 2.06%, 1.80%, 11.1% and 10.00%
10 respectively, as established in the 2018 base rate case, and will be applicable to the ES II plant
11 placed into service. Since the net revenue requirement for the roll-in will be grossed up by the
12 revenue factor in the revenue requirement formula approved by the Board, the depreciation
13 expense must be calculated net of tax. The tax basis associated with the depreciation expense
14 is calculated as direct in-service expenditures plus any CWIP capital expenditures transferred
15 into service, plus the debt component of any AFUDC transferred into service. The depreciation
16 expense net of tax is calculated as the annual depreciation expense less the tax associated with
17 the depreciation expense as described above. The equity portion of the AFUDC transferred
18 into service is not recognized in the tax basis of the plant transferred into service. As a result,
19 there is no tax depreciation expense associated with that portion of Plant in-Service. Therefore,
20 the depreciation expense net of tax must be multiplied by the revenue factor to recover the tax
21 gross-up related to the AFUDC-equity.

ATTACHMENT 2

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

2 A. No. Direct Install expenditures do not accrue AFUDC, and CWIP expenditures accrue
3 AFUDC during the construction phase, but once CWIP expenditures are placed into service,
4 AFUDC is no longer applied.

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

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

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

13 A. The Tax Adjustment for the ES II revenue requirement is calculated as the Roll-in
14 related Cost of Removal multiplied by the percentage of electric pre-1981 asset retirements
15 for the year, divided by five for the five-year amortization period, and multiplied by the Federal
16 Statutory Tax Rate. The percentage of electric assets with a vintage before 1981 based on
17 actual results through 2019 is 9.27%. This percentage is updated annually.

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

19 A. The Revenue Factor adjusts the net of tax revenue requirement for federal and state
20 income taxes, and the costs associated with the BPU and Division of Rate Counsel (RC) Annual
21 Assessments and Gas Revenue Uncollectibles. The BPU/RC Assessment Expenses consist of
22 payments, based upon a percentage of revenues collected (updated annually), to the State based

ATTACHMENT 2

1 on the electric and gas intrastate operating revenues for the utility. The Company has utilized
2 the respective BPU/RC assessment rates based on the 2020 fiscal year assessment, which are
3 0.20% and 0.05%, respectively, and the Gas Revenue Uncollectible rate of 1.60%, which was
4 set in the Company's 2018 base rate case. See Schedule SS-ES II-4 for the calculation of the
5 revenue factor.

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

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

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

12 A. Yes. The detailed calculations supporting the revenue requirement calculation
13 described above are provided in electronic workpaper WP-SS-ES II-1.xlsx.

14 **RATE DESIGN**

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

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

ATTACHMENT 2

1 The detailed calculations supporting the rate design are shown in Schedule SS-ES II-5.
2 This schedule contains the proposed base rates as a result of the ES II base rate adjustment
3 effective for May 1, 2021.

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

5 A. Based upon rates effective November 1, 2020, the annual average bill impacts of the
6 rates requested are set forth in Schedule SS-ES II-5.

7 The annual impact of the proposed rates to the typical residential electric customer
8 using 740 kWh in a summer month and 6,920 kWh annually would be an increase in the annual
9 bill from \$1,314.40 to \$1,320.24 or \$5.84, or approximately 0.44% (based upon Delivery Rates
10 and BGS-RSCP charges in effect November 1, 2020 and assuming that the customer receives
11 BGS-RSCP service from PSE&G).

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

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

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

21 A. Yes. The ES II Rate Mechanism was approved for \$641 million of accelerated
22 electrical cost recovery per paragraph 21 of the Stipulation approved in the ES II Order, and

ATTACHMENT 2

1 thus the 10% threshold is \$64.1 million. As shown in Schedule EFG-ES II-3, the Company
2 anticipates total plant in-service of \$120.9 million, exceeding the \$64.1 million threshold,
3 excluding AFUDC. While the Company anticipates meeting the 10% threshold for the ES II
4 electric investment, gas investment it is not expected to meet its 10% threshold and therefore
5 this is an electric-only filing.

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

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

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

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

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

17 A. The Company will use the common equity balance from its financial statements filed
18 with FERC and/or the BPU, on the same basis that it prepares its annual audited FERC Form
19 I. The earnings test for this filing will be the period of October 2019 through September
20 2020. The Company’s calendar year 2020 FERC and BPU financial statements will not be
21 available until April 2021. Therefore, the earnings test for this time period will not be

ATTACHMENT 2

1 provided in this proceeding. Please note that the September 2020 balance utilized in the
2 earnings test was prepared before the Company's third quarter results were submitted by the
3 end of November and are thus a forecast. Since the Company's common equity balance is
4 for all of PSE&G, the Company will calculate the Electric allocation of common equity as
5 the percentage of Electric Net Plant compared to total PSE&G Net Plant, excluding
6 Construction Work in Progress, from the same financial statements used to determine
7 PSE&G common equity. This calculation is consistent with the calculation for the GSMPII
8 earnings test.

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

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

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

14 A. The earnings test for this filing is based on the 12 month period of October 2019 through
15 September 2020. The September 30, 2020 common equity, and net income balance reflect
16 estimates. The Company will update the earnings test at the time the Company updates its
17 filing for actual results by February 21, 2021.

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

19 A. The Company estimates its ROE for purposes of the earnings test is 8.03%. This is
20 below the ROE threshold in the IIP of 10.1%, and therefore the Company's earnings do not
21 preclude the rate roll-in in this case. The Company will update the earnings test for actual

ATTACHMENT 2

- 1 results by February 21, 2021, consistent with the update for ES II investment. Please see
2 Schedule SS-ES II-7 for the earnings test calculation.

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

4 **A.** Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

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

ELECTRONIC WORKPAPER INDEX

WP-SS-ES II-1.xlsx

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

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

WORK EXPERIENCE

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

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

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

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

7 **EDUCATIONAL BACKGROUND**

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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER20100685 & GR20100686	written	Oct-20	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E	ER20100658	written	Oct-20	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER20060467 & GR20060468	written	Jun-20	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, EE17, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	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
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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

PSE&G Energy Strong II
Electric Roll-in
Roll-in Filing

in (\$000)

Schedule SS-ES II-2

Rate Effective Date	5/1/2021
Plant In Service as of Date	1/31/2021
Rate Base Balance as of Date	4/30/2021

RATE BASE CALCULATION

	Total	Notes
1 Gross Plant	\$118,385	= ln 16
2 Accumulated Depreciation	\$1,161	= ln 19
3 Net Plant	\$119,547	= ln 1 + ln 2
4 Accumulated Deferred Taxes	-\$2,655	= See "Dep-" Wkps Row 724
5 Rate Base	\$116,892	= ln 3 + ln 4
6 Rate of Return - After Tax (Schedule WACC)	6.48%	See Schedule SS-ESII-3
7 Return Requirement (After Tax)	\$7,577	= ln 5 * ln 6
8 Depreciation Exp, net	\$2,157	= ln 25
9 Tax Adjustment	-\$12	
10 Revenue Factor	1.391	See Schedule SS-ESII-4
11 Roll-in Revenue Requirement	\$13,523	= (ln 7 + ln 8 + ln 9) * ln 10

SUPPORT

Gross Plant

12 Plant in-service	\$97,134	= See "Dep-" Wkps Row 702
13 CWIP Transferred into Service	\$20,749	= See "Dep-" Wkps Row 703
14 AFUDC on CWIP Transferred Into Service - Debt	\$132	= See "Dep-" Wkps Row 704
15 AFUDC on CWIP Transferred Into Service - Equity	\$371	= See "Dep-" Wkps Row 705
16 Total Gross Plant	\$118,385	= ln 12 + ln 13 + ln 14 + ln 15

Accumulated Depreciation

17 Accumulated Depreciation	-\$1,890	= See "Dep-" Wkps Row 711
18 Cost of Removal	\$3,051	= See "Dep-" Wkps Row 706
19 Net Accumulated Depreciation	\$1,161	= ln 17 + ln 18

Depreciation Expense (Net of Tax)

20 Depreciable Plant (xAFUDC-E)	\$118,015	= ln 12 + ln 13 + ln 14
21 AFUDC-E	\$371	= ln 15
22 Depreciation Rate	2.53%	= ln 23 / ln 20
23 Depreciation Expense	\$3,000	= See "Dep-" Wkps Row 706
24 Tax @ 28.11%	\$843	= ln 20 * ln 22 * Tax Rate
25 Depreciation Expense (Net of Tax)	\$2,157	= ln 23 - ln 24

PSE&G Energy Strong II
Weighted Average Cost of Capital (WACC)

Schedule SS-ES II-3

	<u>Percent</u>	<u>Embedded Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>	<u>After Tax Weighted Cost</u>
Common Equity	54.00%	9.60%	5.18%	7.21%	5.18%
Customer Deposits	0.47%	0.87%	0.00%	0.00%	0.00%
Other Capital	<u>45.53%</u>	3.96%	<u>1.80%</u>	<u>1.80%</u>	<u>1.30%</u>
Total	100.00%		<u><u>6.99%</u></u>	<u><u>9.02%</u></u>	<u><u>6.48%</u></u>
Federal Income Tax	21.00%				
State NJ Business Incm Tax	<u>9.00%</u>				
Tax Rate	28.11%				

PSE&G Energy Strong II
Revenue Factor Calculation

Schedule SS-ES II-4

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		1.6000	From 2018 Base Rate Case
BPU Assessment Rate	0.0020	0.0020	2020 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0005</u>	<u>0.0005</u>	2020 RC Assessment
Income before State of NJ Bus. Tax	99.9974	98.3974	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9998</u>	<u>8.8558</u>	
Income Before Federal Income Taxes	90.9977	89.5417	
Federal Income Taxes @ 21%	<u>19.1095</u>	<u>18.8037</u>	
Return	<u>71.8882</u>	<u>70.7379</u>	
Revenue Factor	<u>1.3910</u>	<u>1.4137</u>	

Electric Revenue Requirement Allocation Explanation of Format

Pages 2 through 5 presented in Schedule SS-ESII-4 are the four relevant pages from the complete cost of service and revenue requirement allocation methodology based on the 2018 Base Rate Case Settlement, approved by the Board on October 29, 2018. Page 2 Part 1 shows the “Final” revenue requirement allocation to each rates class and its associated functions as defined in the 2018 PSE&G Base Rate Case (Rate Case). Part 2 allocates the Energy Strong 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 charge calculations for each rate class by which are calculated in accordance with the Rate Case Board Order.

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

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

The pages presented in Schedule SS-ESII-4 are the selected applicable columns of the relevant pages from the complete rate change workpapers from the Company’s 2018 Electric Base Rate Case and have been appropriately modified per my testimony to reflect the Energy Strong II projects.

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

In the detailed rate design pages, all the components are separated into Delivery and Supply. In addition to the Distribution components of Delivery, also included in the schedule are lines for Societal Benefits Charge, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charge, Green Programs Recovery Charge, Tax Adjustment Credit, 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 November 1, 2020.

The Supply-BGS rates in the Column (2) reflect the rates in effect as of November 1, 2020 and for CIEP energy, reflect the class average hourly rates from July 1, 2019 to June 30, 2020. Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGS provision. Column (4) repeats the billing units of Column (1). Column (5) shows the proposed rates without SUT that result in the proposed revenues shown in Column (6). Columns (7) and (8) show the proposed base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on pages 26 and 27 of this schedule.

Cost of Service and Rate Design Sync

Step 1: Initial Sync

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

Notes:	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	2018 Rate Case Schedule SS-E8 R-2, page 2, lines 1-15	Sum (Col 2 - Col 7)
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Step 2: ES2 Sync

16	Total Rev Req Increase to be Recovered Through Rates				\$	13,522,564	Schedule SS-ESII-2								
17	Total Target Distribution Revenue Requirements				\$	1,222,008,408	= Line 16 + page 4, Col 3, Line 21								
18	Rate Case Minus Streetlight Fixtures				\$	1,253,866,048	= col 8, line 15 - col 2, line 15								
19	Target Minus Streetlight Fixtures				\$	1,164,540,914	= line 17 - col 2, line 15								
20	Final Sync Adjustment Factor					0.92876	= line 19 / line 18								
		Streetlighting		Access		Local Delivery		System Delivery		Cust Svs		Measurement		Total	
21	RS	\$	-	\$	29,612,446	\$	300,230,378	\$	182,406,173	\$	81,789,306	\$	59,238,558	\$	653,276,861
22	RHS	\$	-	\$	229,877	\$	2,978,466	\$	851,840	\$	475,715	\$	311,199	\$	4,847,097
23	RLM	\$	-	\$	302,714	\$	3,982,006	\$	3,133,129	\$	550,053	\$	415,550	\$	8,383,453
24	WH	\$	-	\$	1,939	\$	2,445	\$	-	\$	42,915	\$	77,846	\$	125,146
25	WHS	\$	-	\$	28	\$	23	\$	-	\$	556	\$	1,113	\$	1,720
26	HS	\$	-	\$	-	\$	377,461	\$	189,402	\$	39,839	\$	26,306	\$	633,008
27	BPL	\$	43,197,026	\$	-	\$	2,095,235	\$	-	\$	153,007	\$	-	\$	45,445,268
28	BPL-POF	\$	277,921	\$	-	\$	97,470	\$	-	\$	3,468	\$	-	\$	378,859
29	PSAL	\$	13,992,547	\$	-	\$	1,001,507	\$	-	\$	801,541	\$	-	\$	15,795,595
30	GLP	\$	-	\$	14,900,640	\$	97,222,423	\$	88,987,711	\$	14,820,702	\$	11,672,023	\$	227,603,500
31	LPL-S	\$	-	\$	1,010,446	\$	85,171,765	\$	93,361,545	\$	3,106,814	\$	12,316,552	\$	194,967,121
32	LPL-P	\$	-	\$	89,264	\$	13,589,867	\$	23,157,822	\$	275,165	\$	1,324,357	\$	38,436,475
33	HTS-S	\$	-	\$	52,834	\$	18,248,980	\$	12,835,995	\$	71,131	\$	753,628	\$	31,962,569
34	HTS-HV	\$	-	\$	44,215	\$	34,603	\$	-	\$	5,463	\$	67,457	\$	151,738
35	Total	\$	57,467,494	\$	46,244,403	\$	525,032,628	\$	404,923,618	\$	102,135,675	\$	86,204,590	\$	1,222,008,408
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)							

Notes:	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Step 1 Rev Req * Line 20	Sum (Col 2 - Col 7)
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Inter Class Revenue Increase Allocations

Calculation of Increase Limits

<u>line #</u>		(in \$1,000)	Notes:
1	Requested Revenue Increase to be recovered from rate schedule charges =	\$ 13,523	Schedule SS-ESII-2
2	Present Distribution Revenue =	\$ 1,208,486	Page 4, col 3, line 21
3	Present Total Customer Bills (all on BGS) =	\$ 5,785,121	Page 4, col 5, line 21
4	Average Distribution Increase =	1.119%	= Line 1 / Line 2
5	Average Total Bill Increase =	0.234%	= Line 1 / Line 3
6	Lower Distribution increase limit =	0.560% in Distribution charges	= 0.5 * Line 4
7	Upper Distribution increase limit #1 =	1.958% in Distribution charges	= 1.75 * Line 4
8	Upper Bill increase limit #2 =	0.468% in Bill Increase	= 2.0 * Line 5
	all rounded to 0.001%		

Inter Class Revenue Increase Calculations

Calculation of Increases

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
line #	Rate Schedule	Proposed Distribution Revenue Requirement (from COS)	Present Distribution Revenue	Unlimited COS Distribution Charge \$ Increase	Present Total Bill Revenue (all on BGS)	Unlimited Distribution Charge Increase	Limited Final Distribution Charge Increase	Proposed Total Bill Increase	Proposed Distribution Revenue Increase	
		(in \$1,000)	(in \$1,000)	(in \$1,000)	(in \$1,000)	(%)	(%)	(%)	(in \$1,000)	
1	RS	\$ 653,277	\$ 563,337	\$ 89,940	\$ 2,297,703	15.966%	1.785%	0.438%	\$ 10,058	
2	RHS	\$ 4,847	\$ 4,149	\$ 698	\$ 16,865	16.826%	1.880%	0.462%	\$ 78	
3	RLM	\$ 8,383	\$ 7,377	\$ 1,006	\$ 37,196	13.643%	1.526%	0.304%	\$ 113	
4	WH *	\$ 125.146	\$ 50.474	\$ 74.672	\$ 118.261	147.941%	1.096%	0.468%	\$ 0.553	
5	WHS *	\$ 1.720	\$ 0.150	\$ 1.570	\$ 1.152	1046.410%	1.958%	0.260%	\$ 0.003	
6	HS	\$ 633	\$ 726	\$ (93)	\$ 2,772	-12.809%	0.560%	0.144%	\$ 4	
7	BPL	\$ 45,445	\$ 56,021		\$ 73,151					
8	Distribution Only	\$ 2,248	\$ 1,905	\$ 343		18.018%	0.610%	0.016%	\$ 12	
9	Luminaires and Poles	\$ 43,197	\$ 54,116	\$ (10,919)		0.000%	0.000%	0.000%	\$ -	
10	BPL-POF *	\$ 378.859	\$ 320.220		\$ 1,177.004					
11	Distribution Only	\$ 100.938	\$ 97.220	\$ 3.718		3.824%	0.560%	0.046%	\$ 0.544	
12	Luminaires and Poles	\$ 277.921	\$ 223.000	\$ 54.921		0.000%	0.000%	0.000%	\$ -	
13	PSAL	\$ 15,796	\$ 27,794		\$ 37,149					
14	Distribution Only	\$ 1,803	\$ 1,087	\$ 716		65.874%	0.622%	0.019%	\$ 7	
15	Luminaires and Poles	\$ 13,993	\$ 26,707	\$ (12,714)		0.000%	0.000%	0.000%	\$ -	
16	GLP	\$ 227,603	\$ 259,710	\$ (32,107)	\$ 1,220,166	-12.362%	0.560%	0.119%	\$ 1,454	
17	LPL-S	\$ 194,967	\$ 219,543	\$ (24,576)	\$ 1,338,401	-11.194%	0.560%	0.092%	\$ 1,229	
18	LPL-P	\$ 38,436	\$ 38,242	\$ 194	\$ 325,577	0.509%	0.560%	0.066%	\$ 214	
19	HTS-S	\$ 31,963	\$ 28,926	\$ 3,037	\$ 401,671	10.498%	1.174%	0.085%	\$ 340	
20	HTS-HV	\$ 152	\$ 2,290	\$ (2,138)	\$ 33,174	-93.374%	0.560%	0.039%	\$ 13	
21	Total	\$ 1,222,008	\$ 1,208,486	\$ 13,523	\$ 5,785,121	1.119%	1.119%	0.234%	\$ 13,523	

* WH, WHS and & BPL-POF shown to 3 decimal points

Notes: Page 2, Step 2, col 8 = (2) - (3) Page 6 = (4) / (3) calculated on limits = (9) / (5) = (3) * (7)

Service Charge Calculations

Service charges are comprised of revenue requirements for the Distribution Access and Measurement segments related to Minimum Size Facilities, plus the Revenue Requirements for the Customer Service segment.

line #	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Average Distribution Increase =		1.119%	page 3, Line 4					
	Rate <u>Schedule</u>	Access Segment Revenue <u>Requirement</u>	Measurement Segment Revenue <u>Requirement</u>	Customer Service Segment Revenue <u>Requirements</u>	Rev Req to be recovered through <u>Service Charge</u>	# of <u>Customers</u>	Cost Based Monthly Service <u>Charge</u>	Current Monthly Service <u>Charge</u>	Proposed Limited Monthly Service <u>Charge</u>
							<u>(\$/month)</u>	<u>(\$/month)</u>	<u>(\$/month)</u>
2	RS	\$ 29,612,446	\$ 59,238,558	\$ 81,789,306	\$ 170,640,310	1,868,649	\$ 7.61	\$ 4.64	\$ 4.64 see Note 1
3	RHS	\$ 229,877	\$ 311,199	\$ 475,715	\$ 1,016,791	9,233	\$ 9.18	\$ 4.64	\$ 4.64 see Note 1
4	RLM	\$ 302,714	\$ 415,550	\$ 550,053	\$ 1,268,318	12,158	\$ 8.69	\$ 13.07	\$ 13.07 see Note 2
5	WH	no service charge							
6	WHS	\$ 28	\$ 1,113	\$ 556	\$ 1,697	18	\$ 7.88	\$ 0.59	\$ 0.60 see Note 2
7	HS	\$ -	\$ 26,306	\$ 39,839	\$ 66,145	1,091	\$ 5.05	\$ 3.51	\$ 3.57 see Note 2
8	BPL	no service charge							
9	BPL-POF	no service charge							
10	PSAL	no service charge							
11	GLP	\$ 14,900,640	\$ 1,324,357	\$ 14,820,702		261,946			
12	GLP Metered					256,116	\$ 9.89	\$ 4.47	\$ 4.55 see Note 3
13	GLP Unmetered					5,766	\$ 9.46	\$ 2.07	\$ 2.10 see Note 4
14	GLP-NU					64			\$ 347.77 set equal to LPL-S
15	LPL-S	\$ 1,010,446	\$ 12,316,552	\$ 3,106,814	\$ 16,433,812	8,645	\$ 158.41	\$ 347.77	\$ 347.77 see Note 2
16	LPL-P	\$ 89,264	\$ 1,324,357	\$ 275,165	\$ 1,688,786	754	\$ 186.71	\$ 347.77	\$ 347.77 see Note 2
17	LPL-P <100 kW						\$ 155.87	\$ 20.20	\$ 20.54 see Note 5
18	HTS-S	\$ 52,834	\$ 753,628	\$ 71,131	\$ 877,593	193	\$ 378.42	\$ 1,911.39	\$ 1,911.39 see Note 2
19	HTS-HV	\$ 44,215	\$ 67,457	\$ 5,463	\$ 117,135	14	\$ 706.03	\$ 1,720.25	\$ 1,720.25 see Note 2

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

- Notes: 1 Agreed upon in Settlement
2 Move toward cost limited at no decrease from current service charge and no increase greater than 1.5 times the overall average distribution % increase.
3 Access and Customer Service Rev Req per total GLP Customer plus Measurement Rev Req divided by the number of metered customers divided by 12; limits the same as Note 2
4 Access and Customer Service Rev Req per total GLP Customer divided by 12; limits the same as Note 2
5 Calculated at the GLP Access Segment per customer plus the GLP Customer Service Segment Revenue Requirements per customer plus the LPL-P Measurement Segment per customer divided by 12; limits the same as Note 2

**ELECTRIC PROOF OF REVENUE
SUMMARY
ELECTRIC RATE INCREASE
Energy Strong II**
(kWhrs & Revenue in Thousands)

Rate Schedule		Annualized Weather Normalized		Proposed		Increase	
		kWhrs	Revenue	kWhrs	Revenue	Revenue	Percent
		(1)	(2)	(3)	(4)	(5)	(6)
1 Residential	RS	12,934,045	\$2,297,703	12,934,045	\$2,307,761	\$10,058	0.44
2 Residential Heating	RHS	126,581	16,865	126,581	16,943	78	0.46
3 Residential Load Management	RLM	211,824	37,196	211,824	37,309	113	0.30
4 Water Heating	WH	1,086	118.261	1,086	118.814	0.553	0.47
5 Water Heating Storage	WHS	16	1.152	16	1.155	0.003	0.26
6							
7 Building Heating	HS	16,145	2,772	16,145	2,776	4	0.14
8 General Lighting and Power	GLP	7,764,699	1,220,166	7,764,699	1,221,620	1,454	0.12
9 Large Power & Lighting-Sec	LPL-S	11,276,802	1,338,401	11,276,802	1,339,630	1,229	0.09
10 Large Power & Lighting-Pri	LPL-P	3,235,414	325,577	3,235,414	325,791	214	0.07
11 High Tension-Subtr.	HTS-S	4,566,472	401,671	4,566,472	402,011	340	0.08
12 High Tension-HV	HTS-HV	417,997	33,174	417,997	33,187	13	0.04
13							
14 Body Politic Lighting	BPL	282,858	73,151	282,858	73,163	12	0.02
15 Body Politic Lighting-POF	BPL-POF	14,450	1,177.004	14,450	1,177.548	0.544	0.05
16 Private Street & Area Lighting	PSAL	151,732	37,149	151,732	37,156	7	0.02
17							
18							
19	Totals	41,000,121	\$5,785,121	41,000,121	\$5,798,645	\$13,523	0.23

Notes: All customers assumed to be on BGS.
WH, WHS & BPL-POF revenues shown to 3 decimals.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

**RATE SCHEDULE RS
RESIDENTIAL SERVICE
Energy Strong II**

(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
Delivery								
1 Service Charge	22,423.79	\$4.64	\$104,046	22,423.79	\$4.64	\$104,046	\$0	0.00
2 Distribution 0-600 June - September	3,528,124	0.038220	134,845	3,528,124	0.040081	141,411	6,566	4.87
3 Distribution 0-600 October - May	5,657,900	0.033344	188,657	5,657,900	0.033344	188,657	0	0.00
4 Distribution over 600 June - September	1,931,618	0.042041	81,207	1,931,618	0.043902	84,802	3,595	4.43
5 Distribution over 600 October - May	1,816,403	0.033344	60,566	1,816,403	0.033344	60,566	0	0.00
6 SBC	12,934,045	0.008154	105,464	12,934,045	0.008154	105,464	0	0.00
7 NGC	12,934,045	0.000068	880	12,934,045	0.000068	880	0	0.00
8 STC-TBC	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
9 STC-MTC-Tax	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
10 ZECRC	12,934,045	0.004000	51,736	12,934,045	0.004000	51,736	0	0.00
11 Solar Pilot Recovery Charge	12,934,045	0.000140	1,811	12,934,045	0.000140	1,811	0	0.00
12 Green Programs Recovery Charge	12,934,045	0.001783	23,061	12,934,045	0.001783	23,061	0	0.00
13 Tax Adjustment Credit	12,934,045	(0.005813)	(75,186)	12,934,045	(0.005813)	(75,186)	0	0.00
14 Green Enabling Mechanism	12,934,045	0.000000	-	12,934,045	0.000000	0	0	0.00
15 Facilities Chg.			-			0	0	0.00
16 Minimum			-			0	0	0.00
17 Miscellaneous			(240)			(240)	0	0.00
18 Delivery Subtotal	12,934,045		\$676,847	12,934,045		\$687,008	\$10,161	1.50
19 Unbilled Delivery			(6,832)			(6,935)	(103)	1.51
20 Delivery Subtotal w unbilled			\$670,015			\$680,073	\$10,058	1.50
21								
Supply-BGS								
23 BGS 0-600 June - September	3,528,124	0.124250	\$438,369	3,528,124	0.124250	\$438,369	\$0	0.00
24 BGS 0-600 October - May	5,657,900	0.126089	713,399	5,657,900	0.126089	713,399	0	0.00
25 BGS over 600 June - September	1,931,618	0.133206	257,303	1,931,618	0.133206	257,303	0	0.00
26 BGS over 600 October - May	1,816,403	0.126089	229,028	1,816,403	0.126089	229,028	0	0.00
27 BGS Reconciliation-RSCP	12,934,045	0.000000	0	12,934,045	0.000000	0	0	0.00
28 Miscellaneous			(1)			(1)	0	0.00
29 Supply Subtotal	12,934,045		\$1,638,098	12,934,045		\$1,638,098	\$0	0.00
30 Unbilled Supply			(10,410)			(10,410)	0	0.00
31 Supply Subtotal w unbilled			\$1,627,688			\$1,627,688	\$0	0.00
32								
33 Total Delivery + Supply	12,934,045		\$2,297,703	12,934,045		\$2,307,761	\$10,058	0.44
34								
35								
36								
37								
38								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	110.79	\$4.64	\$514	110.79	\$4.64	\$514	\$0	0.00
2 Distribution 0-600 June - September	19,973	0.048613	971	19,973	0.049665	992	21	2.16
3 Distribution 0-600 October - May	41,979	0.032784	1,376	41,979	0.033274	1,397	21	1.53
4 Distribution over 600 June - September	10,227	0.053513	547	10,227	0.054565	558	11	2.01
5 Distribution over 600 October - May	54,402	0.015184	826	54,402	0.015674	853	27	3.27
6 SBC	126,581	0.008154	1,032	126,581	0.008154	1,032	0	0.00
7 NGC	126,581	0.000068	9	126,581	0.000068	9	0	0.00
8 STC-TBC	126,581	0.000000	-	126,581	0.000000	0	0	0.00
9 STC-MTC-Tax	126,581	0.000000	-	126,581	0.000000	0	0	0.00
10 Zero Emission Certificate Recovery Charge	126,581	0.004000	506	126,581	0.004000	506	0	0.00
11 Solar Pilot Recovery Charge	126,581	0.000140	18	126,581	0.000140	18	0	0.00
12 Green Programs Recovery Charge	126,581	0.001783	226	126,581	0.001783	226	0	0.00
13 Tax Adjustment Credit	126,581	(0.005222)	(661)	126,581	(0.005222)	(661)	0	0.00
14 Green Enabling Mechanism	126,581	0.000000	-	126,581	0.000000	0	0	0.00
15 Facilities Chg.			-			0	0	0.00
16 Minimum			-			0	0	0.00
17 Miscellaneous			(2)			(2)	0	0.00
18 Delivery Subtotal	126,581		\$5,362	126,581		\$5,442	\$80	1.49
19 Unbilled Delivery			(104)			(106)	(2)	1.92
20 Delivery Subtotal w unbilled			\$5,258			\$5,336	\$78	1.48
21								
<u>Supply-BGS</u>								
23 BGS 0-600 June - September	19,973	0.087718	\$1,752	19,973	0.087718	\$1,752	\$0	0.00
24 BGS 0-600 October - May	41,979	0.093302	3,917	41,979	0.093302	3,917	0	0.00
25 BGS over 600 June - September	10,227	0.099694	1,020	10,227	0.099694	1,020	0	0.00
26 BGS over 600 October - May	54,402	0.093302	5,076	54,402	0.093302	5,076	0	0.00
27 BGS Reconciliation-RSCP	126,581	0.000000	0	126,581	0.000000	0	0	0.00
28 Miscellaneous			0			0	0	0.00
29 Supply Subtotal	126,581		\$11,765	126,581		\$11,765	\$0	0.00
30 Unbilled Supply			(158)			(158)	0	0.00
31 Supply Subtotal w unbilled			\$11,607			\$11,607	\$0	0.00
32								
33 Total Delivery + Supply	126,581		\$16,865	126,581		\$16,943	\$78	0.46
34								
35								
36								
37								
38								

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

**RATE SCHEDULE WH
WATER HEATING SERVICE
Energy Strong II**
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Distribution Sum	329.000	0.047398	\$15.594	329.000	0.047907	\$15.761	\$0.167	1.07
2 Distribution Win	757	0.047398	\$35.880	757	0.047907	\$36.266	\$0.386	1.08
3 SBC	1,086	0.008154	\$8.855	1,086	0.008154	\$8.855	\$0.000	0.00
4 NGC	1,086	0.000124	\$0.135	1,086	0.000124	\$0.135	\$0.000	0.00
5 STC-TBC	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
6 STC-MTC-Tax	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
7 Zero Emission Certificate Recovery Charge	1,086	0.004000	\$4.344	1,086	0.004000	\$4.344	\$0.000	0.00
8 Solar Pilot Recovery Charge	1,086	0.000140	\$0.152	1,086	0.000140	\$0.152	\$0.000	0.00
9 Green Programs Recovery Charge	1,086	0.001783	\$1.936	1,086	0.001783	\$1.936	\$0.000	0.00
10 Tax Adjustment Credit	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
11 Green Enabling Mechanism	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
12 Facilities Chg.			\$0.000			\$0.000	\$0.000	0.00
13 Minimum			\$0.000			\$0.000	\$0.000	0.00
14 Miscellaneous			\$0.000			\$0.010	\$0.010	0.00
15 Delivery Subtotal	1,086		\$66.896	1,086		\$67.459	\$0.563	0.84
16 Unbilled Delivery			<u>-\$1.134</u>			<u>-\$1.144</u>	<u>-\$0.010</u>	0.88
17 Delivery Subtotal w unbilled			\$65.762			\$66.315	\$0.553	0.84
18								
<u>Supply-BGS</u>								
20 BGS Summer	329	0.046716	\$15.370	329	0.046716	\$15.370	\$0.000	0.00
21 BGS Winter	757	0.049048	\$37.129	757	0.049048	\$37.129	\$0.000	0.00
22 BGS Reconciliation-RSCP	1,086	0.000000	\$0.000	1,086	0.000000	\$0.000	\$0.000	0.00
23 Miscellaneous			\$0.000			\$0.000	\$0.000	0.00
24 Supply Subtotal	1,086		\$52.499	1,086		\$52.499	\$0.000	0.00
25 Unbilled Supply			<u>\$0.000</u>			<u>\$0.000</u>	<u>\$0.000</u>	0.00
26 Supply Subtotal w unbilled			\$52.499			\$52.499	\$0.000	0.00
27								
28 Total Delivery + Supply	1,086		<u>\$118.261</u>	1,086		<u>\$118.814</u>	<u>\$0.553</u>	0.47
29								
30								
31								
32 Notes:			All customers assumed to be on BGS.					
33			WH, WHS & BPL-POF revenues shown to 3 decimals.					
34			Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020					
35								
36								
37								
38								

RATE SCHEDULE WHS
WATER HEATING STORAGE SERVICE
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	0.215	0.59	\$0.127	0.215	0.60	\$0.129	\$0.002	1.57
2 Distribution June - September	3.646	0.001615	0.006	3.646	0.001677	0.006	0.000	0.00
3 Distribution October - May	12.454	0.001615	0.020	12.454	0.001677	0.021	0.001	5.00
4 SBC	16.100	0.008154	0.131	16.100	0.008154	0.131	0.000	0.00
5 NGC	16.100	0.000124	0.002	16.100	0.000124	0.002	0.000	0.00
6 STC-TBC	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
7 STC-MTC-Tax	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
8 Zero Emission Certificate Recovery Charge	16.100	0.004000	0.064	16.100	0.004000	0.064	0.000	0.00
9 Solar Pilot Recovery Charge	16.100	0.000140	0.002	16.100	0.000140	0.002	0.000	0.00
10 Green Programs Recovery Charge	16.100	0.001783	0.029	16.100	0.001783	0.029	0.000	0.00
11 Tax Adjustment Credit	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
12 Green Enabling Mechanism	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
13 Facilities Chg.			0.000			0.000	0.000	0.00
14 Minimum			0.000			0.000	0.000	0.00
15 Miscellaneous			0.000			0.000	0.000	0.00
16 Delivery Subtotal	16		\$0.381	16		\$0.384	\$0.003	0.79
17 Unbilled Delivery			<u>(0.008)</u>			<u>(0.008)</u>	<u>0.000</u>	0.00
18 Delivery Subtotal w unbilled			\$0.373			\$0.376	\$0.003	0.80
19								
20 <u>Supply-BGS</u>								
21 BGS- June - September	3.646	0.046816	\$0.171	3.646	0.046816	\$0.171	\$0.000	0.00
22 BGS- October - May	12.454	0.049903	0.621	12.454	0.049903	0.621	0.000	0.00
23 BGS Reconciliation-RSCP	16.100	0.000000	0.000	16.100	0.000000	0.000	0.000	0.00
24 Miscellaneous			0.000			0.000	<u>0.000</u>	0.00
25 Supply Subtotal	16.100		0.792	16.100		0.792	\$0.000	0.00
26 Unbilled Supply			<u>(0.013)</u>			<u>(0.013)</u>	<u>0.000</u>	0.00
27 Supply Subtotal w unbilled			\$0.779			\$0.779	\$0.000	0.00
28								
29 Total Delivery + Supply	16.100		<u>\$1.152</u>	16.100		<u>\$1.155</u>	<u>\$0.003</u>	0.26
30								
31								
32								
33 Notes:			All customers assumed to be on BGS.					
34			WH, WHS & BPL-POF revenues shown to 3 decimals.					
35			Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020					
36								
37								
38								

RATE SCHEDULE HS
BUILDING HEATING SERVICE
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	13.093	3.51	\$46	13.093	3.57	\$47	\$1	2.17
2 Distribution June - September	3,469	0.096281	334	3,469	0.096570	335	1	0.30
3 Distribution October - May	12,676	0.028795	365	12,676	0.028952	367	2	0.55
4 SBC	16,145	0.008154	132	16,145	0.008154	132	0	0.00
5 NGC	16,145	0.000124	2	16,145	0.000124	2	0	0.00
6 STC-TBC	16,145	0.000000	0	16,145	0.000000	0	0	0.00
7 STC-MTC-Tax	16,145	0.000000	0	16,145	0.000000	0	0	0.00
8 Zero Emission Certificate Recovery Charge	16,145	0.004000	65	16,145	0.004000	65	0	0.00
9 Solar Pilot Recovery Charge	16,145	0.000140	2	16,145	0.000140	2	0	0.00
10 Green Programs Recovery Charge	16,145	0.001783	29	16,145	0.001783	29	0	0.00
11 Tax Adjustment Credit	16,145	-0.002279	-37	16,145	-0.002279	-37	0	0.00
12 Green Enabling Mechanism	16,145	0.000000	0	16,145	0.000000	0	0	0.00
13 Facilities Chg.			0			0	0	0.00
14 Minimum			0			0	0	0.00
15 Miscellaneous			(1)			(1)	0	0.00
16 Delivery Subtotal	16,145		\$937	16,145		\$941	\$4	0.43
17 Unbilled Delivery			<u>(23)</u>			<u>(23)</u>	<u>0</u>	0.00
18 Delivery Subtotal w unbilled			\$914			\$918	\$4	0.44
19								
20 <u>Supply-BGS</u>								
21 BGS- June - September	3,469	0.117215	\$407	3,469	0.117215	\$407	\$0	0.00
22 BGS- October - May	12,676	0.116905	1482	12,676	0.116905	1482	0	0.00
23 BGS Reconciliation-RSCP	16,145	0.000000	0	16,145	0.000000	0	0	0.00
24 Miscellaneous			0			0	0	0.00
25 Supply Subtotal	16,145		\$1,889	16,145		\$1,889	\$0	0.00
26 Unbilled Supply			<u>(31)</u>			<u>(31)</u>	<u>0</u>	0.00
27 Supply Subtotal w unbilled			\$1,858			\$1,858	\$0	0.00
28								
29 Total Delivery + Supply	16,145		<u>\$2,772</u>	16,145		<u>\$2,776</u>	<u>\$4</u>	0.14
30								
31								
32								
33 Notes:			All customers assumed to be on BGS.					
34			Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020					
35								
36								
37								
38								

RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
Delivery	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	3,042.260	4.47	\$13,599	3,042.260	4.55	\$13,842	\$243	1.79
2 Service Charge-unmetered	100.329	2.07	208	100.329	2.10	211	3	1.44
3 Service Charge-Night Use	0.767	347.77	267	0.767	347.77	267	0	0.00
4 Distrib. KW Annual	28,477	3.6931	105,168	28,477	3.7111	105,681	513	0.49
5 Distrib. KW Summer	10,394	9.2611	96,260	10,394	9.3063	96,730	470	0.49
6 Distribution kWhr, June-September	2,784,306	0.003019	8,406	2,784,306	0.003034	8,448	42	0.50
7 Distribution kWhr, October-May	4,958,973	0.007706	38,214	4,958,973	0.007744	38,402	188	0.49
8 Distribution kWhr, Night use, June-September	7,441	0.007706	57	7,441	0.007744	58	1	1.75
9 Distribution kWhr, Night use, October-May	13,979	0.007706	108	13,979	0.007744	108	0	0.00
10 SBC	7,764,699	0.008154	63,313	7,764,699	0.008154	63,313	0	0.00
11 NGC	7,764,699	0.000124	963	7,764,699	0.000124	963	0	0.00
12 STC-TBC	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
13 STC-MTC-Tax	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
14 Zero Emission Certificate Recovery Charge	7,764,699	0.004000	31,059	7,764,699	0.004000	31,059	0	0.00
15 Solar Pilot Recovery Charge	7,764,699	0.000140	1,087	7,764,699	0.000140	1,087	0	0.00
16 Green Programs Recovery Charge	7,764,699	0.001783	13,844	7,764,699	0.001783	13,844	0	0.00
17 Tax Adjustment Credit	7,764,699	-0.001669	-12,959	7,764,699	-0.001669	-12,959	0	0.00
18 Green Enabling Mechanism	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
19 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	5		\$2.22/\$3.20	5	0	0.00
20 Facilities Chg.		1.45%	63		1.45%	63	0	0.00
21 Minimum			42			42	0	0.00
22 Distrib. Miscellaneous			<u>(1,726)</u>			<u>(1,727)</u>	<u>(1)</u>	0.06
23 Delivery Subtotal	7,764,699		\$357,978	7,764,699		\$359,437	\$1,459	0.41
24 Unbilled Delivery			<u>(1,319)</u>			<u>(1,324)</u>	<u>(5)</u>	0.38
25 Delivery Subtotal w unbilled			\$356,659			\$358,113	\$1,454	0.41

RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
Energy Strong II
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
Supply-BGS									
1	Generation Capacity Obl June-September	10,134	5.2965	\$53,675	10,134	5.2965	\$53,675	\$0	0.00
2	Generation Capacity Obl October-May	20,198	5.2965	106,979	20,198	5.2965	106,979	0	0.00
3	Transmission Capacity Obl	26,597	12.1331	322,704	26,597	12.1331	322,704	0	0.00
4	BGS kWhr June - September not night use	2,784,306	0.047808	133,112	2,784,306	0.047808	133,112	0	0.00
5	BGS kWhr October - May not night use	4,958,973	0.049686	246,392	4,958,973	0.049686	246,392	0	0.00
6	BGS kWhr June - September night use	7,441	0.041682	310	7,441	0.041682	310	0	0.00
7	BGS kWhr October - May night use	13,979	0.046292	647	13,979	0.046292	647	0	0.00
8	BGS Reconciliation-RSCP	7,764,699	0.000000	0	7,764,699	0.000000	0	0	0.00
9	BGS Miscellaneous			(145)			(145)	0	0.00
10	Supply Subtotal	7,764,699		\$863,674	7,764,699		\$863,674	\$0	0.00
11	Unbilled Supply			(167)			(167)	0	0.00
12	Supply Subtotal w unbilled			\$863,507			\$863,507	\$0	0.00
13									
14	Total Delivery + Supply	7,764,699		<u>\$1,220,166</u>	7,764,699		<u>\$1,221,620</u>	<u>\$1,454</u>	0.12

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE LPL-Sec
LARGE POWER & LIGHTING SERVICE-SECONDARY
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
Delivery	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	103,740	347.77	\$36,078	103,740	347.77	\$36,078	\$0	0.00
2 Distrib. KW Annual	28,389	3.5280	100,156	28,389	3.5515	100,824	668	0.67
3 Distrib. KW June - September	10,139	8.3934	85,101	10,139	8.4493	85,667	566	0.67
4 Distribution kWhr On Peak June-September	1,986,049	0.000000	0	1,986,049	0.000000	0	0	0.00
5 Distribution kWhr Off Peak June-September	2,006,262	0.000000	0	2,006,262	0.000000	0	0	0.00
6 Distribution kWhr On Peak October-May	3,504,143	0.000000	0	3,504,143	0.000000	0	0	0.00
7 Distribution kWhr Off Peak October-May	3,780,348	0.000000	0	3,780,348	0.000000	0	0	0.00
8 SBC	11,276,802	0.008154	91,951	11,276,802	0.008154	91,951	0	0.00
9 NGC	11,276,802	0.000124	1,398	11,276,802	0.000124	1,398	0	0.00
10 STC-TBC	11,276,802	0.000000	0	11,276,802	0.000000	0	0	0.00
11 STC-MTC-Tax	11,276,802	0.000000	0	11,276,802	0.000000	0	0	0.00
12 Zero Emission Certificate Recovery Charge	11,276,802	0.004000	45,107	11,276,802	0.004000	45,107	0	0.00
13 Solar Pilot Recovery Charge	11,276,802	0.000140	1,579	11,276,802	0.000140	1,579	0	0.00
14 CIEP Standby Fee	4,018,143	0.000150	603	4,018,143	0.000150	603	0	0.00
15 Green Programs Recovery Charge	11,276,802	0.001783	20,107	11,276,802	0.001783	20,107	0	0.00
16 Tax Adjustment Credit	11,276,802	-0.000978	-11,029	11,276,802	-0.000978	-11,029	0	0.00
17 Green Enabling Mechanism	11,276,802	0.000000	0	11,276,802	0.000000	0	0	0.00
18 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	128		\$2.22/\$3.20	128	0	0.00
19 Facilities Chg.		1.45%	247		1.45%	247	0	0.00
20 Minimum			0			0	0	0.00
21 Dist. Miscellaneous			(1,202)			(1,202)	0	0.00
22 Delivery Subtotal	11,276,802		\$370,224	11,276,802		\$371,458	\$1,234	0.33
23 Unbilled Delivery			(1,620)			(1,625)	(5)	0.31
24 Delivery Subtotal w unbilled			\$368,604			\$369,833	\$1,229	0.33

RATE SCHEDULE LPL-Sec
LARGE POWER & LIGHTING SERVICE-SECONDARY
Energy Strong II
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
Supply-BGS									
0-499									
1	Generation Capacity Obl - June-September	6,439	5.2965	\$34,104	6,439	5.2965	\$34,104	\$0	0.00
2	Generation Capacity Obl - October-May	12,996	5.2965	68,833	12,996	5.2965	68,833	0	0.00
3	Transmission Capacity Obl	16,672	12.1331	202,283	16,672	12.1331	202,283	0	0.00
4	BGS kWhr June-September On Peak	1,302,213	0.052974	68,983	1,302,213	0.052974	68,983	0	0.00
5	BGS kWhr June-September Off Peak	1,315,466	0.041682	54,831	1,315,466	0.041682	54,831	0	0.00
6	BGS kWhr October-May On Peak	2,297,596	0.052928	121,607	2,297,596	0.052928	121,607	0	0.00
7	BGS kWhr October-May Off Peak	2,478,699	0.046292	114,744	2,478,699	0.046292	114,744	0	0.00
500+									
9	Generation Capacity Obl - June-September	3,422	10.9569	37,495	3,422	10.9569	37,495	0	0.00
10	Generation Capacity Obl - October-May	6,784	10.9569	74,332	6,784	10.9569	74,332	0	0.00
11	Transmission Capacity Obl	8,643	12.1331	104,866	8,643	12.1331	104,866	0	0.00
12	BGS kWhr June-September	1,374,632	0.029495	40,545	1,374,632	0.029495	40,545	0	0.00
13	Spare	0	0.029495	0	0	0.029495	0	0	0.00
14	BGS kWhr October-May	2,508,196	0.027329	68,548	2,508,196	0.027329	68,548	0	0.00
15	Spare	0	0.027329	0	0	0.027329	0	0	0.00
16									
17	BGS Reconciliation-RSCP	7,393,974	0.000000	0	7,393,974	0.000000	0	0	0.00
18	BGS Reconciliation-CIEP	3,882,828	0.000000	0	3,882,828	0.000000	0	0	0.00
19	BGS Miscellaneous			(102)			(102)	0	0.00
20	Supply Subtotal	11,276,802		\$991,069	11,276,802		\$991,069	\$0	0.00
21	Unbilled Supply			(21,272)			(21,272)	0	0.00
22	Supply Subtotal w unbilled			\$969,797			\$969,797	\$0	0.00
23									
24	Total Delivery + Supply	11,276,802		<u>\$1,338,401</u>	11,276,802		<u>\$1,339,630</u>	<u>\$1,229</u>	0.09

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE LPL-Pri
LARGE POWER & LIGHTING SERVICE-PRIMARY
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
<u>Delivery</u>	(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
1 Service Charge	8.672	347.77	\$3,016	8.672	347.77	\$3,016	\$0	0.00
2 Service Charge-Alternate	0.373	20.20	8	0.373	20.54	8	0	0.00
3 Distrib. KW Annual	7,243	1.6442	11,909	7,243	1.6544	11,983	74	0.62
4 Distrib. KW June - September	2,493	9.1274	22,755	2,493	9.1840	22,896	141	0.62
5 Distribution kWhr On Peak June-September	543,764	0.000000	0	543,764	0.000000	0	0	0.00
6 Distribution kWhr Off Peak June-September	627,198	0.000000	0	627,198	0.000000	0	0	0.00
7 Distribution kWhr On Peak October-May	938,452	0.000000	0	938,452	0.000000	0	0	0.00
8 Distribution kWhr Off Peak October-May	1,126,000	0.000000	0	1,126,000	0.000000	0	0	0.00
9 SBC	3,235,414	0.007997	25,874	3,235,414	0.007997	25,874	0	0.00
10 NGC	3,235,414	0.000121	391	3,235,414	0.000121	391	0	0.00
11 STC-TBC	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
12 STC-MTC-Tax	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
13 Zero Emission Certificate Recovery Charge	3,235,414	0.004000	12,942	3,235,414	0.004000	12,942	0	0.00
14 Solar Pilot Recovery Charge	3,235,414	0.000140	453	3,235,414	0.000140	453	0	0.00
15 CIEP Standby Fee	3,235,414	0.000150	485	3,235,414	0.000150	485	0	0.00
16 Green Programs Recovery Charge	3,235,414	0.001783	5,769	3,235,414	0.001783	5,769	0	0.00
17 Tax Adjustment Credit	3,235,414	-0.000594	-1,922	3,235,414	-0.000594	-1,922	0	0.00
18 Green Enabling Mechanism	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
19 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	557		\$2.22/\$3.20	557	0	0.00
20 Facilities Chg.		1.45%	439		1.45%	439	0	0.00
21 Minimum			7			7	0	0.00
22 Dist. Miscellaneous			<u>(304)</u>			<u>(304)</u>	<u>0</u>	0.00
23 Delivery Subtotal	3,235,414		\$82,379	3,235,414		\$82,594	\$215	0.26
24 Unbilled Delivery			<u>(311)</u>			<u>(312)</u>	<u>(1)</u>	0.32
25 Delivery Subtotal w unbilled			\$82,068			\$82,282	\$214	0.26

RATE SCHEDULE LPL-Pri
LARGE POWER & LIGHTING SERVICE-PRIMARY
Energy Strong II
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
<u>Supply-BGS</u>									
1	Generation Capacity Obl June-September	2,368	10.9569	\$25,946	2,368	10.9569	\$25,946	\$0	0.00
2	Generation Capacity Obl October-May	4,724	10.9569	51,760	4,724	10.9569	51,760	0	0.00
3	Transmission Capacity Obl	6,170	12.1331	74,861	6,170	12.1331	74,861	0	0.00
4	BGS kWhr June-September On Peak	543,764	0.028353	15,417	543,764	0.028353	15,417	0	0.00
5	BGS kWhr June-September Off Peak	627,198	0.028353	17,783	627,198	0.028353	17,783	0	0.00
6	BGS kWhr October-May On Peak	938,452	0.026409	24,784	938,452	0.026409	24,784	0	0.00
7	BGS kWhr October-May Off Peak	1,126,000	0.026409	29,737	1,126,000	0.026409	29,737	0	0.00
8	BGS Reconciliation-CIEP	3,235,414	0.000000	0	3,235,414	0.000000	0	0	0.00
9	BGS Miscellaneous			<u>0</u>			<u>0</u>	<u>0</u>	0.00
10	Supply Subtotal	3,235,414		\$240,288	3,235,414		\$240,288	\$0	0.00
11	Unbilled Supply			<u>3,221</u>			<u>3,221</u>	<u>0</u>	0.00
12	Supply Subtotal w unbilled			\$243,509			\$243,509	\$0	0.00
13									
14	Total Delivery + Supply	3,235,414		<u>\$325,577</u>	3,235,414		<u>\$325,791</u>	<u>\$214</u>	0.07

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

**RATE SCHEDULE HTS-SUBTR.
HIGH TENSION SERVICE-SUBTRANSMISSION
Energy Strong II**
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	2,319	1,911.39	\$4,433	2,319	1,911.39	\$4,433	\$0	0.00
2 Distrib. KW Annual	11,987	1.0722	12,852	11,987	1.0872	13,032	180	1.40
3 Distrib. KW June - September	2,962	3.8758	11,480	2,962	3.9301	11,641	161	1.40
4 Distribution kWhr On Peak	1,616,031	0.000000	0	1,616,031	0.000000	0	0	0.00
5 Spare	0	0.000000	0	0	0.000000	0	0	0.00
6 Distribution kWhr On Peak	2,950,441	0.000000	0	2,950,441	0.000000	0	0	0.00
7 Spare	0	0.000000	0	0	0.000000	0	0	0.00
8 SBC	4,566,472	0.007921	36,171	4,566,472	0.007921	36,171	0	0.00
9 NGC	4,566,472	0.000119	543	4,566,472	0.000119	543	0	0.00
10 STC-TBC	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
11 STC-MTC-Tax	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
12 Zero Emission Certificate Recovery Charge	4,566,472	0.004000	18,266	4,566,472	0.004000	18,266	0	0.00
13 Solar Pilot Recovery Charge	4,566,472	0.000140	639	4,566,472	0.000140	639	0	0.00
14 CIEP Standby Fee	4,566,472	0.000150	685	4,566,472	0.000150	685	0	0.00
15 Green Programs Recovery Charge	4,566,472	0.001783	8,142	4,566,472	0.001783	8,142	0	0.00
16 Tax Adjustment Credit	4,566,472	-0.000611	-2,790	4,566,472	-0.000611	-2,790	0	0.00
17 Green Enabling Mechanism	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
18 Duplicate Svc (Same Sub/Different Sub)		\$1.83/\$2.20	105		\$1.83/\$2.20	105	0	0.00
19 Facilities Chg.		1.45%	686		1.45%	686	0	0.00
20 Minimum			0			0	0	0.00
21 Dist. Miscellaneous			<u>(527)</u>			<u>(527)</u>	<u>0</u>	0.00
22 Delivery Subtotal	4,566,472		\$90,685	4,566,472		\$91,026	\$341	0.38
23 Unbilled Delivery			<u>(324)</u>			<u>(325)</u>	<u>(1)</u>	0.31
24 Delivery Subtotal w unbilled			\$90,361			\$90,701	\$340	0.38

**RATE SCHEDULE HTS-SUBTR.
HIGH TENSION SERVICE-SUBTRANSMISSION
Energy Strong II**
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Percent</u>
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
<u>Supply-BGS</u>									
1	Generation Capacity Obl June-September	2,724	10.9569	\$29,847	2,724	10.9569	\$29,847	\$0	0.00
2	Generation Capacity Obl October-May	5,423	10.9569	59,419	5,423	10.9569	59,419	0	0.00
3	Transmission Capacity Obl	7,276	12.1331	88,280	7,276	12.1331	88,280	0	0.00
4	BGS kWhr June-September	1,616,031	0.027571	44,556	1,616,031	0.027571	44,556	0	0.00
5	Spare	0	0.027571	0	0	0.027571	0	0	0.00
6	BGS kWhr October-May	2,950,441	0.026060	76,887	2,950,441	0.026060	76,887	0	0.00
7	Spare	0	0.026060	0	0	0.026060	0	0	0.00
8	BGS Reconciliation-CIEP	4,566,472	0.000000	0	4,566,472	0.000000	0	0	0.00
9	BGS Miscellaneous			(24)			(24)	0	0.00
10	Supply Subtotal	4,566,472		\$298,965	4,566,472		\$298,965	\$0	0.00
11	Unbilled Supply			<u>12,345</u>			<u>12,345</u>	0	0.00
12	Supply Subtotal w unbilled			\$311,310			\$311,310	\$0	0.00
13									
14	Total Delivery + Supply	4,566,472		<u>\$401,671</u>	4,566,472		<u>\$402,011</u>	<u>\$340</u>	0.08

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE HTS-HV
HIGH TENSION SERVICE-HIGH VOLTAGE
Energy Strong II
(Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed			Difference	
	<u>Units</u> (1)	<u>Rate</u> (2)	<u>Revenue</u> (3=1*2)	<u>Units</u> (4)	<u>Rate</u> (5)	<u>Revenue</u> (6=4*5)	<u>Revenue</u> (7=6-3)	<u>Percent</u> (8=7/3)
<u>Delivery</u>								
1 Service Charge	0.166	1,720.25	\$286	0.166	1,720.25	\$286	\$0	0.00
2 Distrib. KW Annual	3,286	0.6166	2,026	3,286	0.6206	2,039	13	0.64
3 Distrib. KW June - September	0	0.000000	0	0	0.000000	0	0	0.00
4 Distribution kWhr June - September	148,652	0.000000	0	148,652	0.000000	0	0	0.00
5 Spare	0	0.000000	0	0	0.000000	0	0	0.00
6 Distribution kWhr October - May	269,345	0.000000	0	269,345	0.000000	0	0	0.00
7 Spare	0	0.000000	0	0	0.000000	0	0	0.00
8 SBC	417,997	0.007851	3,282	417,997	0.007851	3,282	0	0.00
9 NGC	417,997	0.000118	49	417,997	0.000118	49	0	0.00
10 STC-TBC	417,997	0.000000	0	417,997	0.000000	0	0	0.00
11 STC-MTC-Tax	417,997	0.000000	0	417,997	0.000000	0	0	0.00
12 Zero Emission Certificate Recovery Charge	417,997	0.004000	1,672	417,997	0.004000	1,672	0	0.00
13 Solar Pilot Recovery Charge	417,997	0.000140	59	417,997	0.000140	59	0	0.00
14 CIEP Standby Fee	417,997	0.000150	63	417,997	0.000150	63	0	0.00
15 Green Programs Recovery Charge	417,997	0.001783	745	417,997	0.001783	745	0	0.00
16 Tax Adjustment Credit	417,997	-0.000277	-116	417,997	-0.000277	-116	0	0.00
17 Green Enabling Mechanism	417,997	0.000000	0	417,997	0.000000	0	0	0.00
18 Facilities Chg.			33			33	0	0.00
19 Minimum			0			0	0	0.00
20 Dist. Miscellaneous			<u>(79)</u>			<u>(79)</u>	<u>0</u>	0.00
21 Delivery Subtotal	417,997		\$8,020	417,997		\$8,033	\$13	0.16
22 Unbilled Delivery			<u>89</u>			<u>89</u>	<u>0</u>	0.00
23 Delivery Subtotal w unbilled			\$8,109			\$8,122	\$13	0.16

RATE SCHEDULE HTS-HV
HIGH TENSION SERVICE-HIGH VOLTAGE
Energy Strong II
(Units & Revenue in Thousands)

		Annualized Weather Normalized			Proposed			Difference	
		Units	Rate	Revenue	Units	Rate	Revenue	Revenue	Percent
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=6-3)	(8=7/3)
Supply-BGS									
1	Generation Capacity Obl June-September	208	10.9569	\$2,279	208	10.9569	\$2,279	\$0	0.00
2	Generation Capacity Obl October-May	452	10.9569	4,953	452	10.9569	4,953	0	0.00
3	Transmission Capacity Obl	561	12.1331	6,807	561	12.1331	6,807	0	0.00
4	BGS kWhr June-September	148,652	0.030631	4,553	148,652	0.030631	4,553	0	0.00
5	Spare	0	0.030631	0	0	0.030631	0	0	0.00
6	BGS kWhr October-May	269,345	0.024032	6,473	269,345	0.024032	6,473	0	0.00
7	Spare	0	0.024032	0	0	0.024032	0	0	0.00
8	BGS Reconciliation-CIEP	417,997	0.000000	0	417,997	0.000000	0	0	0.00
9	BGS Miscellaneous			0			0	0	0.00
10	Supply Subtotal	417,997		\$25,065	417,997		\$25,065	\$0	0.00
11	Unbilled Supply			0			0	0	0.00
12	Supply Subtotal w unbilled			\$25,065			\$25,065	\$0	0.00
13									
14	Total Delivery + Supply	417,997		<u>\$33,174</u>	417,997		<u>\$33,187</u>	<u>\$13</u>	0.04

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE BPL
BODY POLITIC LIGHTING SERVICE
Energy Strong II
(Units & Revenue in Thousands)

	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 High Pressure Sodium	2,266.536	0	\$ 25,814	2,266.536	0	\$ 25,814	\$0	0.00
2 Metal Halide	281.316	0	6,365	281.316	0	6,365	0	0.00
3 Filament	153.684	0	577	153.684	0	577	0	0.00
4 Mercury Vapor	1,702.464	0	18,768	1,702.464	0	18,768	0	0.00
5 Fluorescent	0.204	0	3	0.204	0	3	0	0.00
6								
7 Distribution June-September	72,030	0.006735	\$485	72,030	0.006777	\$488	3	0.62
8 Distribution October-May	210,828	0.006735	1,420	210,828	0.006777	1,429	9	0.63
9 SBC	282,858	0.008154	2,306	282,858	0.008154	2,306	0	0.00
10 NGC	282,858	0.000124	35	282,858	0.000124	35	0	0.00
11 STC-TBC	282,858	0.000000	0	282,858	0.000000	0	0	0.00
12 STC-MTC-Tax	282,858	0.000000	0	282,858	0.000000	0	0	0.00
13 Zero Emission Certificate Recovery Charge	282,858	0.004000	1,131	282,858	0.004000	1,131	0	0.00
14 Solar Pilot Recovery Charge	282,858	0.000140	40	282,858	0.000140	40	0	0.00
15 Green Programs Recovery Charge	282,858	0.001783	504	282,858	0.001783	504	0	0.00
16 Tax Adjustment Credit	282,858	0.000000	0	282,858	0.000000	0	0	0.00
17 Green Enabling Mechanism	282,858	0.000000	0	282,858	0.000000	0	0	0.00
18								
19 Pole Charges	555.636		2,237	555.636		2,237	0	0.00
20 Minimum			0			0	0	0.00
21 Miscellaneous			352			352	0	0.00
22 Delivery Subtotal			\$60,037			\$60,049	\$12	0.02
23 Unbilled Delivery			0			0	0	0.00
24 Delivery Subtotal w unbilled			\$60,037			\$60,049	\$12	0.02
25								
Supply-BGS								
27 BGS June-September	72,030	0.043293	3,118	72,030	0.043293	3,118	0	0.00
28 BGS October-May	210,828	0.047907	10,100	210,828	0.047907	10,100	0	0.00
29 BGS Reconciliation-RSCP	282,858	0.000000	0	282,858	0.000000	0	0	0.00
30 Miscellaneous			(104)			(104)	0	0.00
31 Supply Subtotal			\$13,114			\$13,114	\$0	0.00
32 Unbilled Supply			0			0	0	0.00
33 Supply Subtotal w unbilled			\$13,114			\$13,114	\$0	0.00
34								
35 Total Delivery + Supply	282,858		\$73,151	282,858		\$73,163	\$12	0.02

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE BPL-POF
BODY POLITIC LIGHTING SERVICE-POF
Energy Strong II
(Units & Revenue in Thousands)

	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 High Pressure Sodium	125.460	0	\$ 181.000	125.460	0	\$ 181.000	\$0.000	0.00
2 Metal Halide	1.476	0	\$ 5.000	1.476	0	\$ 5.000	\$0.000	0.00
3 Filament	5.916	0	\$ 22.000	5.916	0	\$ 22.000	\$0.000	0.00
4 Mercury Vapor	4.236	0	\$ 4.000	4.236	0	\$ 4.000	\$0.000	0.00
5 Fluorescent	0.024	0	\$ -	0.024	0	\$ -	\$0.000	0.00
6								
7 Distribution June-September	4,259	0.006728	\$ 28.655	4,259	0.006766	\$ 28.816	\$0.161	0.56
8 Distribution October-May	10,191	0.006728	\$ 68.565	10,191	0.006766	\$ 68.952	\$0.387	0.56
9 SBC	14,450	0.008154	\$ 117.825	14,450	0.008154	\$ 117.825	\$0.000	0.00
10 NGC	14,450	0.000124	\$ 1.792	14,450	0.000124	\$ 1.792	\$0.000	0.00
11 STC-TBC	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
12 STC-MTC-Tax	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
13 Zero Emission Certificate Recovery Charge	14,450	0.004000	\$ 57.800	14,450	0.004000	\$ 57.800	\$0.000	0.00
14 Solar Pilot Recovery Charge	14,450	0.000140	\$ 2.023	14,450	0.000140	\$ 2.023	\$0.000	0.00
15 Green Programs Recovery Charge	14,450	0.001783	\$ 25.764	14,450	0.001783	\$ 25.764	\$0.000	0.00
16 Tax Adjustment Credit	14,450	-0.001455	\$ (21.025)	14,450	-0.001455	\$ (21.025)	\$0.000	0.00
17 Green Enabling Mechanism	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
18								
19 Pole Charges			\$ -			\$ -	\$0.000	0.00
20 Minimum			\$ -			\$ -	\$0.000	0.00
21 Miscellaneous			\$ 11.000			\$ 10.996	-\$0.004	(0.04)
22 Delivery Subtotal			\$ 504.399			\$ 504.943	\$0.544	0.11
23 Unbilled Delivery			\$ -			\$ -	\$0.000	0.00
24 Delivery Subtotal w unbilled			\$ 504.399			\$ 504.943	\$0.544	0.11
25								
Supply-BGS								
27 BGS June-September	4,259	0.043293	\$ 184.385	4,259	0.043293	\$ 184.385	\$0.000	0.00
28 BGS October-May	10,191	0.047907	\$ 488.220	10,191	0.047907	\$ 488.220	\$0.000	0.00
29 BGS Reconciliation-RSCP	14,450	0.000000	\$ -	14,450	0.000000	\$ -	\$0.000	0.00
30 Miscellaneous			\$ -			\$ -	\$0.000	0.00
31 Supply Subtotal			\$ 672.605			\$ 672.605	\$0.000	0.00
32 Unbilled Supply			\$ -			\$ -	\$0.000	0.00
33 Supply Subtotal w unbilled			\$ 672.605			\$ 672.605	\$0.000	0.00
34								
35 Total Delivery + Supply	14,450		\$ 1,177.004	14,450		\$ 1,177.548	\$0.544	0.05

Notes: All customers assumed to be on BGS.
WH, WHS & BPL-POF revenues shown to 3 decimals.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

RATE SCHEDULE PSAL
PRIVATE STREET AND AREA LIGHTING SERVICE
Energy Strong II
(Units & Revenue in Thousands)

	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 High Pressure Sodium	818.700	0	\$ 15,407	818.700	0	\$ 15,407	\$0	0.00
2 Metal Halide	231.864	0	6,308	231.864	0	6,308	0	0.00
3 Filament	0.792	0	4	0.792	0	4	0	0.00
4 Mercury Vapor	102.132	0	1,509	102.132	0	1,509	0	0.00
5 Fluorescent	0.012	0	-	0.012	0	-	0	0.00
6								
7 Distribution June-September	41,200	0.007184	\$296	41,200	0.007230	\$298	2	0.68
8 Distribution October-May	110,532	0.007184	794	110,532	0.007230	799	5	0.63
9 SBC	151,732	0.008154	1,237	151,732	0.008154	1,237	0	0.00
10 NGC	151,732	0.000124	19	151,732	0.000124	19	0	0.00
11 STC-TBC	151,732	0.000000	0	151,732	0.000000	0	0	0.00
12 STC-MTC-Tax	151,732	0.000000	0	151,732	0.000000	0	0	0.00
13 Zero Emission Certificate Recovery Charge	151,732	0.004000	607	151,732	0.004000	607	0	0.00
14 Solar Pilot Recovery Charge	151,732	0.000140	21	151,732	0.000140	21	0	0.00
15 Green Programs Recovery Charge	151,732	0.001783	271	151,732	0.001783	271	0	0.00
16 Tax Adjustment Credit	151,732	0.000000	0	151,732	0.000000	0	0	0.00
17 Green Enabling Mechanism	151,732	0.000000	0	151,732	0.000000	0	0	0.00
18								
19 Pole Charges	427.500		3,510	427.500		3,510	0	0.00
20 Minimum			0			0	0	0.00
21 Miscellaneous			53			53	0	0.00
22 Delivery Subtotal			\$30,036			\$30,043	\$7	0.02
23 Unbilled Delivery			(94)			(94)	0	0.00
24 Delivery Subtotal w unbilled			\$29,942			\$29,949	\$7	0.02
25								
Supply-BGS								
27 BGS June-September	41,200	0.043293	1,784	41,200	0.043293	1,784	0	0.00
28 BGS October-May	110,532	0.047907	5,295	110,532	0.047907	5,295	0	0.00
29 BGS Reconciliation-RSCP	151,732	0.000000	0	151,732	0.000000	0	0	0.00
30 Miscellaneous			190			190	0	0.00
31 Supply Subtotal			\$7,269			\$7,269	\$0	0.00
32 Unbilled Supply			(62)			(62)	0	0.00
33 Supply Subtotal w unbilled			\$7,207			\$7,207	\$0	0.00
34								
35 Total Delivery + Supply	151,732		\$37,149	151,732		\$37,156	\$7	0.02

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 11/1/2020

Electric Tariff Rates

		Current Total		Proposed Total		Base Distribution			
		Distribution Charges		Distribution Charges		Charges		ESII IIP Charges	
		Charge	Charge w/	Charge	Charge w/	Charge	Charge w/	Charge	Charge w/
		w/out SUT	SUT	w/out SUT	SUT	w/out SUT	SUT	w/out SUT	SUT
Rate Schedules									
RS	Service Charge	\$4.64	\$4.95	\$4.64	\$4.95	\$4.64	\$4.95	\$0.00	\$0.00
	Distribution 0-600 Sum	\$0.038220	\$0.040752	\$0.040081	\$0.042736	\$0.038220	\$0.040752	\$0.001861	\$0.001984
	Distribution 0-600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000
	Distribution over 600 Sum	\$0.042041	\$0.044826	\$0.043902	\$0.046811	\$0.042041	\$0.044826	\$0.001861	\$0.001985
	Distribution over 600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000	\$0.000000
RHS	Service Charge	\$4.64	\$4.95	\$4.64	\$4.95	\$4.64	\$4.95	\$0.00	\$0.00
	Distribution 0-600 Sum	\$0.048613	\$0.051834	\$0.049665	\$0.052955	\$0.048613	\$0.051834	\$0.001052	\$0.001121
	Distribution 0-600 Win	\$0.032784	\$0.034956	\$0.033274	\$0.035478	\$0.032784	\$0.034956	\$0.000490	\$0.000522
	Distribution over 600 Sum	\$0.053513	\$0.057058	\$0.054565	\$0.058180	\$0.053513	\$0.057058	\$0.001052	\$0.001122
	Distribution over 600 Win	\$0.015184	\$0.016190	\$0.015674	\$0.016712	\$0.015184	\$0.016190	\$0.000490	\$0.000522
	Common Use	\$0.053513	\$0.057058	\$0.054565	\$0.058180	\$0.053513	\$0.057058	\$0.001052	\$0.001122
RLM	Service Charge	\$13.07	\$13.94	\$13.07	\$13.94	\$13.07	\$13.94	\$0.00	\$0.00
	Distrib. kWhr Summer On	\$0.070546	\$0.075220	\$0.072002	\$0.076772	\$0.070546	\$0.075220	\$0.001456	\$0.001552
	Distrib. kWhr Summer Off	\$0.014727	\$0.015703	\$0.015025	\$0.016020	\$0.014727	\$0.015703	\$0.000298	\$0.000317
	Distrib. kWhr Winter On	\$0.014727	\$0.015703	\$0.015025	\$0.016020	\$0.014727	\$0.015703	\$0.000298	\$0.000317
	Distrib. kWhr Winter Off	\$0.014727	\$0.015703	\$0.015025	\$0.016020	\$0.014727	\$0.015703	\$0.000298	\$0.000317
WH	Distribution	\$0.047398	\$0.050538	\$0.047907	\$0.051081	\$0.047398	\$0.050538	\$0.000509	\$0.000543
WHS	Service Charge	\$0.59	\$0.63	\$0.60	\$0.64	\$0.59	\$0.63	\$0.01	\$0.01
	Distribution	\$0.001615	\$0.001722	\$0.001677	\$0.001788	\$0.001615	\$0.001722	\$0.000062	\$0.000066
HS	Service Charge	\$3.51	\$3.74	\$3.57	\$3.81	\$3.51	\$3.74	\$0.06	\$0.07
	Distribution June-September	\$0.096281	\$0.102660	\$0.096570	\$0.102968	\$0.096281	\$0.102660	\$0.000289	\$0.000308
	Distribution October-May	\$0.028795	\$0.030703	\$0.028952	\$0.030870	\$0.028795	\$0.030703	\$0.000157	\$0.000167
GLP	Service Charge	\$4.47	\$4.77	\$4.55	\$4.85	\$4.47	\$4.77	\$0.08	\$0.08
	Service Charge-unmetered	\$2.07	\$2.21	\$2.10	\$2.24	\$2.07	\$2.21	\$0.03	\$0.03
	Service Charge-Night Use	\$347.77	\$370.81	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00
	Distrib. KW Annual	\$3.6931	\$3.9378	\$3.7111	\$3.9570	\$3.6931	\$3.9378	\$0.0180	\$0.0192
	Distrib. KW Summer	\$9.2611	\$9.8746	\$9.3063	\$9.9228	\$9.2611	\$9.8746	\$0.0452	\$0.0482
	Distribution kWhr, June-September	\$0.003019	\$0.003219	\$0.003034	\$0.003235	\$0.003019	\$0.003219	\$0.000015	\$0.000016
	Distribution kWhr, October-May	\$0.007706	\$0.008217	\$0.007744	\$0.008257	\$0.007706	\$0.008217	\$0.000038	\$0.000040
	Distribution kWhr, Night use, June-September	\$0.007706	\$0.008217	\$0.007744	\$0.008257	\$0.007706	\$0.008217	\$0.000038	\$0.000040
	Distribution kWhr, Night use, October-May	\$0.007706	\$0.008217	\$0.007744	\$0.008257	\$0.007706	\$0.008217	\$0.000038	\$0.000040

Electric Tariff Rates

		Current Total		Proposed Total		Base Distribution		ESII IIP Charges	
		Distribution Charges		Distribution Charges		Charges			
		<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>	<u>Charge</u>	<u>Charge w/</u>
<u>Rate Schedules</u>		<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>	<u>w/out SUT</u>	<u>SUT</u>
LPL-Secondary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00
	Distrib. KW Annual	\$3.5280	\$3.7617	\$3.5515	\$3.7868	\$3.5280	\$3.7617	\$0.0235	\$0.0251
	Distrib. KW Summer	\$8.3934	\$8.9495	\$8.4493	\$9.0091	\$8.3934	\$8.9495	\$0.0559	\$0.0596
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
LPL-Primary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00	\$0.00
	Service Charge-Alternate	\$20.20	\$21.54	\$20.54	\$21.90	\$20.20	\$21.54	\$0.34	\$0.36
	Distrib. KW Annual	\$1.6442	\$1.7531	\$1.6544	\$1.7640	\$1.6442	\$1.7531	\$0.0102	\$0.0109
	Distrib. KW Summer	\$9.1274	\$9.7321	\$9.1840	\$9.7924	\$9.1274	\$9.7321	\$0.0566	\$0.0603
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-Subtransmission	Service Charge	\$1,911.39	\$2,038.02	\$1,911.39	\$2,038.02	\$1,911.39	\$2,038.02	\$0.00	\$0.00
	Distrib. KW Annual	\$1.0722	\$1.1432	\$1.0872	\$1.1592	\$1.0722	\$1.1432	\$0.0150	\$0.0160
	Distrib. KW Summer	\$3.8758	\$4.1326	\$3.9301	\$4.1905	\$3.8758	\$4.1326	\$0.0543	\$0.0579
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-HV	Service Charge	\$1,720.25	\$1,834.22	\$1,720.25	\$1,834.22	\$1,720.25	\$1,834.22	\$0.00	\$0.00
	Distrib. KW Annual	\$0.6166	\$0.6574	\$0.6206	\$0.6617	\$0.6166	\$0.6574	\$0.0040	\$0.0043
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
BPL	Distribution Sum	\$0.006735	\$0.007181	\$0.006777	\$0.007226	\$0.006735	\$0.007181	\$0.000042	\$0.000045
	Distribution Winter	\$0.006735	\$0.007181	\$0.006777	\$0.007226	\$0.006735	\$0.007181	\$0.000042	\$0.000045
BPL-POF	Distribution Sum	\$0.006728	\$0.007174	\$0.006766	\$0.007214	\$0.006728	\$0.007174	\$0.000038	\$0.000040
	Distribution Winter	\$0.006728	\$0.007174	\$0.006766	\$0.007214	\$0.006728	\$0.007174	\$0.000038	\$0.000040
PSAL	Distribution Sum	\$0.007184	\$0.007660	\$0.007230	\$0.007709	\$0.007184	\$0.007660	\$0.000046	\$0.000049
	Distribution Winter	\$0.007184	\$0.007660	\$0.007230	\$0.007709	\$0.007184	\$0.007660	\$0.000046	\$0.000049

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change relating to the Energy Strong II Base Rate Adjustment on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
185	1,732	\$371.68	\$373.16	\$1.48	0.40%
370	3,464	683.96	686.88	2.92	0.43
740	6,920	1,314.40	1,320.24	5.84	0.44
803	7,800	1,476.07	1,482.45	6.38	0.43
1,337	12,500	2,352.80	2,363.40	10.60	0.45

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect November 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes change relating to the Energy Strong II Base Rate Adjustment

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$38.64	\$39.01	\$0.37	0.96%
3,464	370	72.35	73.08	0.73	1.01
6,920	740	141.62	143.08	1.46	1.03
7,800	803	153.95	155.54	1.59	1.03
12,500	1,337	258.48	261.13	2.65	1.03

(3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect November 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service

(4) Same as (3) except includes change relating to the Energy Strong II Base Rate Adjustment.

PSE&G ESII Earnings Test
in \$000

Schedule SS-ES II-7
Page 1 of 4

1	Equity Base for Earnings Test	3,382,499	See page 2
2	Allowed ROE	9.6%	2018 Base Rate Case
3	ROE Limit buffer	0.5%	From IIP
4	Maximum ROE	10.1%	= ln 2 + ln 3
5	Actual Net Income	271,688	See page 4
6	ROE for Earnings Test	8.03%	= ln 5 / ln 1
7	Earnings Test Pass / Fail	Pass	= IF ln 4 > 6, Pass else Fail

PSE&G ESII Earnings Test

in \$000

Schedule SS-ES II-7

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Common Equity Calculation

	Sep-19	Sep-20	Average
1 Common Equity	11,907,299	12,774,764	12,341,031
2 Electric Allocation	28%	27%	
3 Electric Equity Balance	3,311,585	3,453,413.33	3,382,499

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

Electric Allocation Calculation

		Gross Plant	Accumulated Depreciation	Net Investment
		Sep-19		
4	Electric Distribution	9,706,619	(2,635,293)	7,071,326
5	Other	22,074,186	(3,719,502)	18,354,684
6	Total	31,780,805	(6,354,795)	25,426,010
		Sep-20		
7	Electric Distribution	10,009,670	(2,767,095)	7,242,576
8	Other	24,090,005	(4,541,061)	19,548,944
9	Total	34,099,675	(7,308,156)	26,791,519

%

28% See page 3

72% = ln 6 - ln 4

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

27% See page 3

73% = ln 9 - ln 7

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

PSE&G ESII Earnings Test

in \$000

Schedule SS-ES II-7

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Electric Net Plant

	Electric Distribution Plant In-Service	Electric Plant Held for Future Use	Electric Plant in Service for Earnings Test*	Electric Accumulated Depreciation	
Oct-19	9,707,114	495	9,706,619	(2,635,293)	<i>Actual</i>
Nov-19	9,709,307	495	9,708,812	(2,634,596)	<i>Actual</i>
Dec-19	9,729,575	495	9,729,079	(2,646,188)	<i>Actual</i>
Jan-20	9,748,411	495	9,747,916	(2,660,900)	<i>Actual</i>
Feb-20	9,764,872	495	9,764,377	(2,675,711)	<i>Actual</i>
Mar-20	9,799,573	495	9,799,078	(2,690,740)	<i>Actual</i>
Apr-20	9,832,437	495	9,831,942	(2,705,696)	<i>Actual</i>
May-20	9,856,035	495	9,855,540	(2,719,980)	<i>Actual</i>
Jun-20	9,906,523	495	9,906,028	(2,730,675)	<i>Actual</i>
Jul-20	9,933,480	495	9,932,985	(2,743,023)	<i>Actual</i>
Aug-20	9,978,930	495	9,978,435	(2,748,732)	<i>Actual</i>
Sep-20	10,010,165	495	10,009,670	(2,767,095)	<i>Frcst</i>

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

PSE&G ESII Earnings Test

in \$000

Schedule SS-ES II-7

Page 4 of 4

	Net Utility Operating Income*	Less Net Interest Charges*	Regulatory Net Income for Earnings Test	
Oct-19	18,609	(9,528)	9,081	<i>Actual</i>
Nov-19	17,004	(9,477)	7,526	<i>Actual</i>
Dec-19	13,924	(10,738)	3,187	<i>Actual</i>
Jan-20	19,410	(9,730)	9,680	<i>Actual</i>
Feb-20	17,457	(10,234)	7,223	<i>Actual</i>
Mar-20	19,223	(9,834)	9,388	<i>Actual</i>
Apr-20	9,548	(9,490)	58	<i>Actual</i>
May-20	28,574	(9,589)	18,985	<i>Actual</i>
Jun-20	69,919	(10,069)	59,849	<i>Actual</i>
Jul-20	81,254	(9,623)	71,631	<i>Actual</i>
Aug-20	74,753	(10,320)	64,433	<i>Actual</i>
Sep-20	20,797	(10,151)	10,646	<i>Forecast</i>
Total	390,472	(118,784)	271,688	

* Excludes GPRC

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

In The Matter of the Petition of Public Service Electric and Gas Company for Approval of Electric Infrastructure Investment Recovery Charges Pursuant to the Second Energy Strong Program (Energy Strong II) Notice of Filing and Notice of Public Hearings

Docket No. XXXXXXXX

PLEASE TAKE NOTICE that, on December 1, 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 electric base rate changes to provide for cost recovery associated with the extension of the Company's Energy Strong Program ("ES II" or "Program").

On September 11, 2019, the Board issued an Order approving ES II in Docket Nos. EO18060629 and GO18060630. The Order provided approval to invest up to \$842 million, recovered through future base rate adjustments, to harden its electric and gas infrastructure to make them less susceptible to damage from wind, flying debris and water damage in anticipation of future major storm events and to strengthen the resiliency of PSE&G's delivery system. These investments were anticipated to be made over a four-year period beginning on the effective date of the Board's Order, with certain investments anticipated to be made over a five-year period.

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase of approximately \$13.5 million from the Company's electric customers associated with \$118.4 million of capitalized actual ES II investment costs incurred through October 31, 2020 and forecasted capitalized costs investment costs through February 28, 2021.

For illustrative purposes, the estimated base rates effective May 1, 2021, including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RS, are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to the ES 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 electric customer using 740 kilowatt-hours per month during the summer months, and 6,920 kilowatt-hours on an annual basis, would see an increase in the annual bill from \$1,314.40 to \$1,320.24, or \$5.84, or approximately 0.44%. The approximate effect of the proposed increase on typical electric residential

monthly bills, if approved by the Board, is illustrated in Table #3 below.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as 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, 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 RS Customers
Rates if Effective May 1, 2021

			Base Rates	
			Charges in Effect November 1, 2020 Including SUT	Estimated Charges Including SUT
	Service Charge	per month	\$4.95	\$4.95
	Distribution 0-600, June-September	\$/kWh	0.040752	0.042736
	Distribution 0-600, October-May	\$/kWh	0.035553	0.035553
	Distribution Over 600, June-September	\$/kWh	0.044826	0.046811
	Distribution Over 600, October-May	\$/kWh	0.035553	0.035553

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

	Rate Class	Percent Change
Residential Service	RS	0.44
Residential Heating	RHS	0.46
Residential Load Management	RLM	0.30
Water Heating	WH	0.47
Water Heating Storage	WHS	0.26
Building Heating	HS	0.14
General Lighting & Power	GLP	0.12
Large Power & Lighting- Sec.	LPL-S	0.09
Large Power & Lighting- Pri.	LPL-P	0.07
High Tension-Subtr.	HTS-S	0.08
High Tension-HV	HTS-HV	0.04
Body Politic Lighting	BPL	0.02
Body Politic Lighting-POF	BPL-POF	0.05
Private Street & Area Lighting	PSAL	0.02
Overall		0.23

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

Table #3
Residential Electric Service For Rates if Effective May 1, 2021

If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Summer Percent Increase Would Be:
1,732	185	\$38.64	\$39.01	\$0.37	0.96%
3,464	370	72.35	73.08	0.73	1.01
6,920	740	141.62	143.08	1.46	1.03
7,800	803	153.95	155.54	1.59	1.03
12,500	1,337	258.48	261.13	2.65	1.03

(1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect November 1, 2020 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.

(2) Same as (1) except includes the proposed change for the Energy Strong II Program.

Danielle Lopez, Esq.
Associate Counsel—Regulatory

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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>
Net Utility Operating Income	<u>\$ 800,797</u>

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

Jun 30, 2020

Assets and Other Debits

Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$ 21,660,370
103	Electric Experimental Plant Unclassified	-
105	Electric Utility Plant Held for Future Use	20,766
106	Electric Completed Construction not classified- Electric	2,279,099
107	Electric Construction Work in Progress	1,629,844
	Total Electric Utility Plant	<u>25,590,078</u>

Gas Utility Plant

101	Gas Utility Plant in Service	\$ 8,951,469
103	Gas Experimental Plant Unclassified	-
105	Gas Utility Plant Held for Future Use	96
106	Gas Completed Construction not classified	36,381
107	Gas Construction Work in Progress	12,266
	Total Gas Utility Plant	<u>9,000,212</u>

Common Utility Plant

101	Common Utility Plant in Service	\$ 457,738
106	Common Completed Construction not classified	152
107	Common Construction Work in Progress	22,008
	Total Common Utility Plant	<u>479,897</u>

Total Utility Plant 35,070,188

Accumulated Provisions for Depreciation and Amortization of

Electric Utility Plant

108 & 111	Electric Utility Plant in Service	(4,149,729)
108.5	Electric Utility Plant Held for Future Use	-
	Total Electric Utility Plant	<u>(4,149,729)</u>

Gas Utility Plant

108 & 111	Gas Utility Plant in Service	(2,362,537)
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Common Utility Plant

108 & 111	Common Utility Plant in Service	(216,587)
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Total Accumulated Provisions for
Depreciation and Amortization
of Utility Plant (6,728,853)

Net Utility Plant Excluding Nuclear Fuel 28,341,335

Property under capital leases

110	Electric & Gas Property under capital leases	99,977
		<u>99,977</u>

Nuclear Fuel

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

Accumulated Provisions for Amortization

120.5	120.5 Nuclear Fuel	-
	Net Nuclear Fuel	-
	Net Utility Plant	<u>28,441,311</u>

Other Property and Investments

121	Nonutility Property	3,249
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(912)
123 & 123.1	Investments in Associated & Subsidiary Companies	45,204
124	Other Investments	236,229
125-8	Special Funds	50,201
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	<u>333,971</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET
\$ (In Thousands)

Jun 30, 2020

Current and Accrued Assets		
131	Cash	\$ 78,336
132-4	Special Deposits	35,966
135	Working Funds	-
136	Temporary Cash Investments	180,000
141-3	Notes and Accounts Receivable	983,392
144	Accumulated Provision for Uncollectible Accounts - Credit	(116,805)
145-6	Receivables from Associated Companies	16,610
151-5	Materials and Supplies (incl. 163)	212,317
158	Allowances	-
164	Gas Stored Underground - Current	-
165	Prepayments	189,604
171	Interest and Dividends Receivable	-
172	Rents Receivable	5,386
173	Accrued Utility Revenues	191,492
174	Miscellaneous Current and Accrued	8,607
175	Current Portion of Derivative Instrument Assets	-
	Total Current and Accrued Assets	1,784,906
Deferred Debits		
181	Unamortized Debt Expense	61,338
182	Unrec'd Plt and Reg Costs and Other Reg Assets	4,060,489
183	Preliminary Survey and Investigation Charges	24,720
184	Clearing Accounts	-
185	Temporary Facilities	-
186	Miscellaneous Deferred Debits	34,720
188	Research and Development Expenditures	-
189	Unamortized Loss on Reacquired Debt	39,172
190	Accumulated Deferred Income Taxes	868,456
	Total Deferred Debits	5,088,895
	Total Assets and Other Debits	\$ 35,649,084
		(0)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET
\$ (In Thousands)

Jun 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 Reacquired Capital Stock	-
211	Miscellaneous Paid-In Capital	-
215	Appropriated Retained Earnings	-
216	Unappropriated Retained Earnings	9,496,352
216.1	Unappropriated Undistributed Subsidiary Earnings	122
219	Other Comprehensive Income	2,932
	Total Proprietary Capital	<u>12,472,569</u>
Long-Term Debt		
221	221 Bonds	10,883,381
223	223 Advances from Assoc. Co.	-
225	225 Unamortized Premium on Long-Term Debt	-
226	226 Unamortized Discount on Long-Term Debt	(26,921)
	Total Long-Term Debt	<u>10,856,460</u>
Other Non-Current Liabilities		
227-9	Other Non-current Liabilities	1,075,865
244	Long-Term Portion of Derivative Instrument Liabilities	-
230	Asset Retirement Obligation	307,507
	Total Other Non-Current Liabilities	<u>1,383,373</u>
Current and Accrued Liabilities		
231	Notes Payable	-
232	Accounts Payable	623,605
233-4	Payables to Associated Companies	397,673
235	Customer Deposits	77,937
236	Taxes Accrued	2,233
237	Interest Accrued	107,415
238	Dividends Declared	-
239	Matured Long-Term Debt	-
241	Tax Collections Payable	22,946
242	Miscellaneous Current and Accrued Liabilities	660,814
243	Obligations Under Capital leases	13,182
244	Current Portion of Derivative Instrument Liabilities	-
	Total Current and Accrued Liabilities	<u>1,905,805</u>
Deferred Credits		
252	Customer Advances for Construction	60,065
253	Other Deferred Credits	393,075
254	Other Regulatory Liabilities	3,269,596
255	Accumulated Deferred Investment Tax Credits	131,862
281-3	Accumulated Deferred Income Taxes	5,176,279
	Total Deferred Credits	<u>9,030,877</u>
	Total Liabilities and Other Credits	<u>\$ 35,649,084</u>

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