

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

**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 & GR18010030

**REVISED SCHEDULES
HW-1 R-1, HW-2 R-1 and HW-27 R-1
OF
HAROLD WALKER
9+3 UPDATE**

**CONCERNING
LEAD-LAG STUDY
AND NET ASSETS AND LIABILITIES ANALYSIS
FOR DETERMINATION OF OTHER CASH WORKING
CAPITAL**

May 14, 2018

P-8 R-1

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016

(THOUSANDS)

Method (1)	Electric (2)	Gas (3)	Total (4)
1. Amount Required to Recover Cost of Service	\$338,826	\$203,245	\$542,071
2. Net Assets and Liabilities	66,164	46,568	112,732
3. Total Other Cash Working Capital	\$404,990	\$249,813	\$654,803

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**SUMMARY OF NET CASH WORKING CAPITAL
REQUIRED FOR COST OF SERVICE
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2016**

(THOUSANDS)

	Electric			Gas		
	Adjusted Test Year Amount	Lag Days	Weighted Amount	Adjusted Test Year Amount	Lag Days	Weighted Amount
Revenue Requirement	\$3,127,201	57.7	\$180,439,477	\$1,679,890	57.7	\$96,929,674
New Jersey Energy Sales Tax	242,595	57.7	13,997,748	\$112,000	57.7	6,462,413
Total Revenue Requirement	3,369,796	57.7	194,437,225	1,791,891	57.7	103,392,087
Requirements:						
Electric Supply Costs	\$1,739,610	35.3	61,408,244	\$0	0.0	\$0
Gas Supply Costs	0	0.0	0	772,957	34.7	26,821,597
Salary and Wages	119,794	14.1	1,689,090	181,501	14.1	2,559,168
Pension and Benefits:						
Pensions	(15,960)	14.3	(228,226)	(14,605)	14.3	(208,849)
OPEB	27,810	0.0	0	17,541	0.0	0
Medical Insurance	13,790	15.5	213,747	16,690	15.5	258,700
Dental Insurance	676	2.2	1,486	802	2.2	1,764
Group Life Insurance	339	10.5	3,562	397	10.5	4,167
Thrift & 401K Plans	4,465	8.6	38,395	5,059	8.6	43,505
Disability	141	35.7	5,019	164	35.7	5,846
Workers' Compensation	1,104	70.0	77,307	1,274	70.0	89,184
Total Pension and Benefits	32,364	3.4	111,290	27,322	7.1	194,317
Uncollectibles	0	0.0	0	0	0.0	0
Service Company Expense	99,343	38.1	3,784,975	92,503	38.1	3,524,352
Other O&M Expenses	377,483	34.2	12,909,916	63,071	34.2	2,157,014
Depreciation & Amortization	260,902	0.0	0	185,972	0.0	0
Subtotal Operating Expenses	2,629,496	30.4	79,903,515	1,323,325	26.6	35,256,448
Income Taxes:						
Current Federal Taxes	85,117	37.0	3,149,325	(29,390)	37.0	(1,087,417)
Current State (CBT)	(10,706)	(44.8)	479,087	(18,955)	(44.8)	848,222
Deferred Taxes	59,570	0.0	0	122,961	0.0	0
Subtotal Income Taxes	133,981	27.1	3,628,412	74,617	(3.2)	(239,195)
Taxes Other than Income Tax	24,294	13.6	330,401	18,789	13.6	255,535
New Jersey Energy Sales Tax	242,595	(54.0)	(13,100,145)	112,000	(54.0)	(6,048,012)
Operating Income	339,429	0.0	0	263,159	0.0	0
Total Cost of Service Requirement	3,369,796	21.0	70,762,183	1,791,891	16.3	29,224,776
Average Daily Cost of Service Requirement	9,232			4,909		
Net Lag Days		36.7			41.4	
Cash Working Capital Requirement			\$338,826			\$203,245

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**SUMMARY OF TEST YEAR ADJUSTMENTS
REQUIRED FOR COST OF SERVICE LEAD LAG STUDY
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2016**

(THOUSANDS)

	Electric			Gas		
	Test Year Amount	Adjustments	Adjusted Test Year Amount	Test Year Amount	Adjustments	Adjusted Test Year Amount
Revenue Requirement	\$3,177,239	(\$50,038)	\$3,127,201	\$1,707,504	(\$27,614)	\$1,679,890
New Jersey Energy Sales Tax	0	242,595	242,595	\$0	\$112,000	\$112,000
Total Revenue Requirement	<u>3,177,239</u>	<u>192,557</u>	<u>3,369,796</u>	<u>1,707,504</u>	<u>84,386</u>	<u>1,791,891</u>
Requirements:						
Electric Supply Costs	\$1,739,610	\$0	\$1,739,610	\$0	\$0	\$0
Gas Supply Costs	0	0	0	772,957	0	772,957
Salary and Wages	119,794	0	119,794	181,501	0	181,501
Pension and Benefits:						
Pensions	(15,960)	0	(15,960)	(14,605)	0	(14,605)
OPEB	27,810	0	27,810	17,541	0	17,541
Medical Insurance	13,790	0	13,790	16,690	0	16,690
Dental Insurance	676	0	676	802	0	802
Group Life Insurance	339	0	339	397	0	397
Thrift & 401K Plans	4,465	0	4,465	5,059	0	5,059
Disability	141	0	141	164	0	164
Workers' Compensation	1,104	0	1,104	1,274	0	1,274
Total Pension and Benefits	<u>32,364</u>	<u>0</u>	<u>32,364</u>	<u>27,322</u>	<u>0</u>	<u>27,322</u>
Uncollectibles	50,038	(50,038)	0	27,614	(27,614)	0
Service Company Expense	99,343	0	99,343	92,503	0	92,503
Other O&M Expenses	377,483	0	377,483	63,071	0	63,071
Depreciation & Amortization	260,902	0	260,902	185,972	0	185,972
Subtotal Operating Expenses	<u>2,679,535</u>	<u>(50,038)</u>	<u>2,629,496</u>	<u>1,350,939</u>	<u>(27,614)</u>	<u>1,323,325</u>
Income Taxes:						
Current Federal Taxes	85,117	0	85,117	(29,390)	0	(29,390)
Current State (CBT)	(10,706)	0	(10,706)	(18,955)	0	(18,955)
Deferred Taxes	59,570	0	59,570	122,961	0	122,961
Subtotal Income Taxes	<u>133,981</u>	<u>0</u>	<u>133,981</u>	<u>74,617</u>	<u>0</u>	<u>74,617</u>
Taxes Other than Income Tax	24,294	0	24,294	18,789	0	18,789
New Jersey Energy Sales Tax	0	242,595	242,595	0	112,000	112,000
Operating Income	<u>339,429</u>	<u>0</u>	<u>339,429</u>	<u>263,159</u>	<u>0</u>	<u>263,159</u>
Total Cost of Service Requirement	<u>3,177,239</u>	<u>192,557</u>	<u>3,369,796</u>	<u>1,707,504</u>	<u>84,386</u>	<u>1,791,891</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
SUMMARY OF NET ASSETS AND LIABILITIES
REQUIRED FOR COST OF SERVICE
BASED ON THIRTEEN MONTH AVERAGE FOR THE PERIOD ENDING MARCH 31, 2018

(THOUSANDS)

	<u>Electric</u>	<u>Gas</u>
	(1)	(2)
<u>Assets</u>		
Other Accounts Receivable	\$19,313	\$5,301
Other Post Retirement Benefits	763,280	632,368
Prepayments	328	271
Special Deposits	25,063	20,764
Miscellaneous Deferred Debits	<u>19,610</u>	<u>11,743</u>
Total Assets	<u><u>827,594</u></u>	<u><u>670,447</u></u>
<u>Liabilities</u>		
Other Post Retirement Benefits	682,571	565,502
Current & Accrued Liabilities	55,709	46,154
Accounts Payable	(8)	(7)
Miscellaneous Current and Accrued Liabilities	18,613	12,080
Other Deferred Credits	<u>4,545</u>	<u>150</u>
Total Liabilities	<u><u>761,430</u></u>	<u><u>623,879</u></u>
Net Asset / Liability	<u><u>\$66,164</u></u>	<u><u>\$46,568</u></u>