



March 30, 2018

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric and Gas Base Rate
Adjustments Pursuant to the Energy Strong Program
(March 2018 ES Electric and Gas Rates Filing)

BPU Docket Nos. _____

VIA ELECTRONIC MAIL & OVERNIGHT DELIVERY

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

Dear Secretary Camacho-Welch:

Public Service Electric and Gas Company (PSE&G) submits its enclosed Petition, Testimonies and Supporting Schedules in the above-referenced proceeding and on the Board of Public Utilities E-Filing system. In addition, PSE&G is providing copies of the electronic workpapers related to this filing via e-mail.

Very truly yours,

A handwritten signature in blue ink that reads "Matthew Weissman".

Attachment
C Attached Service List (E-Mail Only)

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC AND GAS BASE RATE ADJUSTMENTS PURSUANT TO THE ENERGY STRONG PROGRAM (March 2018 ES Electric and Gas Rates Filing)	PETITION BPU DOCKET NOS. ER _____ AND GR _____
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VERIFIED PETITION

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

INTRODUCTION AND OVERVIEW

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

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

3. PSE&G is filing this Petition seeking Board approval for electric and gas base rate changes to provide for cost recovery associated with the Company's Energy Strong Program. The Energy Strong Program was approved in a Board Order dated May 21, 2014 in BPU Docket Nos. EO13020155 and GO13020156 (Energy Strong Order). In that Order the Board adopted a Stipulation that explicitly authorizes this rate filing in March 2018 for rates to be effective September 1, 2018. Stipulation, paragraphs 41.g and 42.d.

BACKGROUND

4. On February 20, 2013, Public Service petitioned the Board in BPU Docket Nos. EO13020155 and GO13020156 for approval of a program (Energy Strong or the Program) for the recovery of costs 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 increase the resiliency of PSE&G's electric and gas delivery systems. PSE&G supplemented this filing on March 20, 2013. Public hearings were held on the petition and its associated rate impacts in both the afternoon and the evening in Newark on September 16, 2013; in New Brunswick on September 19, 2013; and in Cherry Hill on October 7, 2013. The rate impacts of the petition appeared in the public notice for these public hearings.

5. The Stipulation approved by the Energy Strong Order provided that the Energy Strong Program will include an investment level of up to \$1.0 billion recovered through the stipulated cost recovery mechanism described below. The Energy Strong Order also approved investment of up to an additional \$220 million in the projects identified in the Energy Strong Stipulation, recovery of which the Company was authorized to seek in the pending and subsequent base rate cases. The \$1.0 billion investment level includes the actual investment and

cost of removal expenditures but excludes Allowance for Funds Used During Construction (AFUDC), which will be recovered through the stipulated cost recovery mechanism as addressed below and in the testimony of Mr. Stephen Swetz, attached hereto as Attachment 2. Generally, the Energy Strong investments were anticipated to be made over a three year (36-month) period beginning on the effective date of the Board’s Order authorizing the Program, including up to \$600 million of electric infrastructure investment and up to \$400 million of gas infrastructure investment over that three-year time period. Additional time was provided for the Electric Station Flood Mitigation subprogram and the Gas M&R Station Flood Mitigation subprogram as specified below.

6. 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	\$400
• Contingency Reconfiguration Strategies	\$100
• Advanced Technologies	<u>\$100</u>
Electric ES Total	<u>\$600</u>
B. Gas Energy Strong Program	
• Utilization Pressure Cast Iron (UPCI)	\$350
• M&R Station Flood Mitigation	<u>\$ 50</u>
Gas ES Total	\$400
TOTAL ES Program	\$1,000

7. The approved Stipulation further provided that the time period for investment under the Electric Station Flood Mitigation subprogram and the Gas M&R Station Flood Mitigation subprogram shall be five years, and that the Gas Utilization Pressure Cast Iron subprogram may be accelerated and completed in two years.

8. The Energy Strong Order outlined the Minimum Filing Requirements (MFRs) for the Energy Strong cost recovery petitions and provided for the recovery of Energy Strong 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.

9. Pursuant to the provisions of paragraph 28 of the Stipulation approved by the Energy Strong Order, PSE&G provided notice:

- dated December 21, 2015 regarding a shift of \$13.532 million of subprogram dollars from the gas M&R Station Flood Mitigation subprogram to the gas Utilization Pressure Cast Iron (UPCI) subprogram;
- dated July 15, 2016 regarding an additional shift of \$6.468 million subprogram dollars from the gas M&R Station Flood Mitigation subprogram to the gas UPCI subprogram;
- dated September 7, 2016 regarding a shift of \$5.0 million of subprogram dollars from the Contingency Reconfiguration Strategies subprogram to the Advanced Technologies subprogram; and
- dated March 23, 2017 regarding an additional shift of \$2.0 million of subprogram dollars from the Contingency Reconfiguration subprogram to the electric Advanced Technology subprogram.

REQUEST FOR COST RECOVERY

10. Consistent with the Energy Strong Order, PSE&G is seeking BPU approval to recover the revenue requirements associated with certain capitalized investment costs of the Energy Strong Program through May 31, 2018. The annualized increase in electric revenue requirement associated with those investment costs is approximately \$594 thousand in revenue and is supported by Attachment 2, Schedule SS-ESAM8-2E attached hereto. The annualized

increase in gas revenue requirement associated with those investment costs is approximately \$120 thousand in revenue and is supported by Attachment 2, Schedule SS-ESAM8-2G attached hereto. The rate adjustments in this filing are for recovery of costs associated with gas plant that was not placed in rates on or before September 1, 2017 pursuant to the March 31, 2017 Energy Strong rate filing or any previous Energy Strong rate filing, and that is anticipated to be in service by May 31, 2018; and electric plant that was not placed in rates on or before March 1, 2018 pursuant to the September 2017 electric-only Energy Strong rate filing or any previous Energy Strong rate filing, and that is anticipated to be in service by May 31, 2018, up to the limits provided in the Energy Strong Order. The projected amounts of plant placed in service and expenditures from March 1, 2018 through May 31, 2018 will be updated for actual results by June 15, 2018.

11. As required by the Energy Strong Order and Stipulation, the proposed electric and gas rate adjustments are based on the rate design in the Energy Strong Order and utilize the 2012 calendar year weather normalized annualized billing determinants as filed by the Company on June 20, 2014 pursuant to paragraph 45 of the Stipulation. Also pursuant to the Stipulation, the electric weather normalization process is consistent with the methodology used to set rates in the 2009 Base Rate Case except it uses a 65 degree-day basis for winter weather to be consistent with the current gas methodology. The detailed calculation supporting the electric rate design is shown in Attachment 2, Schedule SS-ESAM8-5. Similarly, pursuant to the Stipulation, the weather normalization process for gas is consistent with the Company's weather normalization clause (WNC). The detailed calculation supporting the gas rate design is shown in Attachment 2, Schedule SS-ESAM8-6.

12. Attachment 1 is the testimony of Jorge L. Cardenas, PSE&G's Vice President – Asset Management and Centralized Services, addressing the progress of the Energy Strong Program and plant in-service at the end of May 31, 2018. Attachment 2 is the testimony of Steven Swetz supporting the revenue requirement and rate calculations.

13. The annual average bill impacts of the requested rate increase are set forth in Attachment 2, Schedule SS-ESAM8-7. The annual impact of the proposed rates to the typical residential electric customer that uses 750 kilowatt-hours in a summer month and 7,200 kilowatt-hours annually is an increase of \$0.16, or approximately 0.01%. The annual impact of the proposed rates to the typical residential gas heating customer using 165 therms in a winter month and 1,010 therms annually is \$0.06 or approximately 0.01%.

14. 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 and gas service territories upon scheduling of public hearing dates. Public hearings will be held in each geographic area within the Company's service territory, i.e., Northern, Central, and Southern. A Notice will be served on the County Executives and Clerks of all municipalities within the Company's electric and gas service territories upon scheduling of public hearing dates.

15. Notice of this filing and two copies of 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, P.O. Box 003, Trenton NJ 08625. Electronic copies of the Petition, testimony,

and schedules will also be sent to the persons identified on the service list provided with this filing.

16. Attachments 4 and 5 are the income statement and balance sheet required by the Minimum Filing Requirements in the Energy Strong Order.

17. PSE&G requests that the Board find the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule SS-ESAM8-5 and Schedule SS-ESAM8-6, are just and reasonable and PSE&G should be authorized to implement the proposed rates as set forth herein, effective September 1, 2018 upon issuance of a written BPU order.

18. 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

19. 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 incurred through May 31, 2018, 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-ESAM8-5 and Schedule SS-ESAM8-6 to this Petition, are just and reasonable and may be implemented for service rendered on and after September 1, 2018.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



DATED: March 30, 2018

By _____

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STATE OF NEW JERSEY)
)
COUNTY OF ESSEX)

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

1. I am the General Regulatory Counsel-Rates of PSEG Services Corporation and the attorney for Public Service Electric and Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, and the matters contained therein are true to the best of my knowledge and belief.

BY _____
MATTHEW M. WEISSMAN

Sworn to and Subscribed to
Before me this 30th day of
March 2018

MICHELE D. FALCAO
Notary Public, State of New Jersey
My Commission Expires
November 14, 2021

**PSE&G Energy Strong
Minimum Filing Requirement
(3/30/2018)**

MFR-3: The approved Energy Strong capital budget broken down by major categories, both budgeted and actual amounts.

MFR-3: Budget vs Actual Expenditures		
in Millions		
Sub-Programs	Budget	Actual February 28, 2018
Electric		
Flood Mitigation ¹	\$400.0	\$415.0
Contingency Reconfiguration	\$ 93.0	\$ 83.6
Advanced Technologies	\$107.0	\$106.2
Total Electric	\$600.0	\$604.8
Gas		
UPCI Replacement	\$370.0	\$370.0
M&R Flood Mitigation	\$ 30.0	\$ 25.3
Total Gas	\$400.0	\$395.3
Total E&G	\$1,000.0	\$1,000.1

MFR-4 For each Energy Strong Program subprogram:

- a. The original project summary for each ES subprogram;
- b. Expenditures incurred to date.
- c. Appropriate metric (e.g., miles of main replaced, relays installed, etc.)

Electric Energy Strong Program

- *Electric Station Flood Mitigation*

This subprogram will implement flood mitigation for 26 substations that had

¹ The Flood Mitigation expenditures above \$400 million are not included in the rate adjustment requested in this filing but are included in this schedule for reference only. The expenditures above \$400 million are part of the additional \$220 million addressed in paragraphs 18, 23 and 38 of the Energy Strong Settlement approved by the BPU to be recovered in the Company's pending or subsequent base rate case, which is within the total allowed Flood Mitigation budget of \$620 million.

water intrusion in Superstorm Sandy, Hurricane Irene, or other recent water intrusion events.² The stations will be remediated to sustain the higher of one foot above the FEMA flood elevation level or one foot above the highest observed flood levels and constructed in accordance with New Jersey Department of Environmental Protection (“NJDEP”) Flood Hazard rules (except for any station that is eliminated).

- A. Expenditures to date: \$415.0M³
- B. Reporting metric (*See Table MFR-4: Flood Mitigation In-Service for details*)
 - 21 substations were completed and fully in-service as of November 30, 2017. It is anticipated that a total of 26 substations will be completed and fully in-service as of May 31, 2018.
 - 4 substations were partially in-service as of November 30, 2017. It is anticipated that no substations will be partially in-service as of May 31, 2018 as all substations will be fully in-service.

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-Service as of 11/30/2017 (Actual)	In-Service as of 5/31/2018 (Forecast)
River Edge Substation	<i>Station complete and fully in-service</i>	X	
Somerville Substation	<i>Station complete and fully in-service</i>	X	
Sewaren Switching Station	<i>Station complete and fully in-service</i>	X	
Linden Switching Station	<i>Station complete and fully in-service</i>	X	
Bayway Switching Station	<i>Station complete and fully in-service</i>	X	
Little Ferry Unit Substation	<i>Station complete and fully in-service</i>	X	
Belmont Unit Substation	<i>Station complete and fully in-service</i>	X	
South Waterfront Switching Station	<i>Station complete and fully in-service</i>	X	
Rahway Substation	<i>Station complete and fully in-service</i>	X	
Garfield Place Substation	<i>Station complete and fully in-service</i>	X	
Bayway Substation	<i>Station complete and fully in-service</i>	X	
Hoboken Substation	<i>Station complete and fully in-service</i>	X	

² The Bayway 26 kV station is on the same property as the Bayway 4 kV station that was in the original filing. The Bayway 26 kV station did not flood during these recent storms but is in the flood zone and is attached to the 4 kV station that did flood.

³ The Flood Mitigation expenditures above \$400 million are not included in the rate adjustment requested in this filing but are included in this schedule for reference only. The expenditures above \$400 million are part of the additional \$220 million addressed in paragraphs 18, 23 and 38 of the Energy Strong Settlement approved by the BPU to be recovered in the Company’s pending or subsequent base rate case, which is within the total allowed Flood Mitigation budget of \$620 million.

Howell Street Substation	<i>Station complete and fully in-service</i>	X	
Hackensack Substation	<i>Station complete and fully in-service</i>	X	
Marion Switching Station	<i>Station complete and fully in-service</i>	X	
St. Pauls Unit Substation	<i>Station complete and fully in-service</i>	X	
Ewing Substation	<i>Station complete and fully in-service</i>	X	
Bayonne Switching Station	<i>Station complete and fully in-service</i>	X	
Jersey City Switching Station	<i>Station complete and fully in-service</i>	X	
Third street Substation	<i>Station complete and fully in-service</i>	X	
Hillsdale Substation	<i>Station complete and fully in-service</i>	X	
New Milford Substation	13kV Switchgear Unit 2	X	
	13kV Switchgear Unit1	X	
	<i>Station complete and fully in-service</i>		X
Cranford Substation	26kV Switchgear, Transformer Unit 1, Transformer Unit 2	X	
	<i>Station complete and fully in-service</i>		X
Essex Switching Station	26 KV Sheltered Aisles 1, 2, Reactor Bank 1,2,3	X	
	Reactor Bank 4,5,6,Segment "A"	X	
	<i>Station complete and fully in-service</i>		X*
Jackson Road Substation	Switchgear 1 and 2	X	
	<i>Station complete and fully in-service</i>		X*
Port Street Substation	Switchgear		X*
	<i>Station complete and fully in-service</i>		X*

**Forecasted to be in-service as of 5/31/2018 (no asterisk indicates in-service at the time of this filing)*

- *Electric Distribution Contingency Reconfiguration Strategies*

- A. PSE&G will increase the sections in its present loop designs, creating multiple sections, utilizing smart switches, smart fuses, and adding redundancy within its loop scheme. By having more sections in the loop schemes and/or more circuit ties, fewer customers should be interrupted when damage occurs in a specific section of the loop. The work will include the deployment of additional feeder reclosers to traditional 13-kV loops.
- B. Expenditures to date: \$83.6M
- C. Reporting metric: 465 reclosers have been placed in-service and portions of 223 circuits have been improved and placed in-service through May 31, 2017. This subprogram was completed in May 2017.

- *Advanced Technologies*

- A. The Advanced Technologies subprogram will equip certain stations with Microprocessor Relays and expanded SCADA and is intended to shorten storm restoration processes with respect to damage assessment and efficiency of storm restoration work preparation for PSE&G and mutual aid crews. Installation of Microprocessor Relays and expanded SCADA is also intended to enhance available information with respect to the operation of the electric distribution system.
- B. Expenditures to date: \$106.2M
- C. Reporting metric: 1,176 Relays and 51 Remote Terminal Units (RTU) were placed in service through May 31, 2017. Additionally, the Pi Historian, the data warehouse that will store historical information obtained from relays and RTUs, was placed in-service on November 15, 2015. Distribution Supervisory Control and Data Acquisition (DSCADA) was placed in-service on October 23, 2016. This subprogram was completed in May 2017.

Gas Energy Strong Program

- *Utilization Pressure Cast Iron (UPCI) Replacement*
 - A. PSE&G will replace an estimated 250 miles of utilization pressure cast iron main and associated services over a three year period with a higher operating pressure system utilizing plastic or cathodically protected steel mains and services in the areas that were previously flooded or are in the FEMA flood zones or proximity thereto. This initiative is intended to eliminate water infiltration and thereby reduce associated outages.
 - B. Expenditures to date: \$370.0 million
 - C. Reporting metric: A total of 239.6 miles of UPCI main was installed and placed in-service through May 31, 2017.
- *M&R Station Flood Mitigation*
 - A. This subprogram will implement flood mitigation for the stations listed below that had water intrusion in Superstorm Sandy as well as provide an auxiliary generator at the Burlington Liquefied Natural Gas (LNG) Plant station. The stations will be raised to the higher of one foot above the FEMA flood elevation level or one foot above the highest observed flood levels and constructed in accordance with New Jersey Department of Environmental Protection (“NJDEP”) Flood Hazard rules.

Crown Central M&R Station and LPG Storage in
Linden

Piles Creek M&R Station in Linden
 Newark Airport M&R Station in Newark
 West End M&R Station in Jersey City
 Harrison M&R Stations (2) in Harrison
 Harrison LPG peak Shaving plant in
 Harrison

B. Expenditures to date: \$25.3M

C. Reporting metric:

- Stations completed and fully in-service (8): Harrison LPG, Piles Creek M&R Station, Crown Central M&R, Burlington LNG, Crown Central LPG, West End M&R, Newark Airport M&R and Harrison M&R were completed and placed in-service as of May 31, 2017.

MFR-5: Energy Strong subprogram timeline with updates and expected changes.

MFR-5: Timeline and Updates / Expected Changes				
E/G	Sub-Program	Timeline for Completion	Updates	Expected Changes
Electric	Flood Mitigation	May-18	Newark Airport Breaker Station Cancelled; Madison and Marshall projects will be completed as Base rather than Energy Strong	None
Electric	Contingency Reconfiguration	May-17	Filed notice of investment change among electric subprograms. Subprogram has been completed.	None

Electric	Advanced Technologies	May-17	Filed notice of investment change among electric subprograms. Subprogram has been completed.	None
Gas	UPCI Replacement	Jul-16	Filed notice of investment change among gas subprograms. Subprogram has been completed.	None
Gas	M&R Flood Mitigation	May-17	Filed notice of investment change among gas subprograms. Subprogram has been completed.	None

**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 and Gas Base Rate
Adjustments Pursuant to the Energy Strong Program
(March 2018 ES Electric and Gas Rates Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

JORGE L. CARDENAS

**VICE PRESIDENT – ASSET MANAGEMENT AND
CENTRALIZED SERVICES**

March 30, 2018

1 subsequent base rate cases. The \$1.0 billion investment level includes the actual investment
 2 and cost of removal expenditures but excludes Allowance for Funds Used During
 3 Construction (AFUDC), which will be recovered through the stipulated cost recovery
 4 mechanism. The Energy Strong investments were anticipated to be made over a three-year
 5 (36-month) period beginning on the effective date of the Energy Strong Order authorizing the
 6 Program, including up to \$600 million of electric infrastructure investment and up to \$400
 7 million of gas infrastructure investment, with the exception of additional time provided for
 8 the Electric Station Flood Mitigation subprogram and the Gas M&R Station Flood Mitigation
 9 subprogram. Under this exception, the time period for investment under the Electric Station
 10 Flood Mitigation subprogram and the Gas M&R Station Flood Mitigation subprogram is five
 11 years. The Energy Strong Order provided that the specific Energy Strong subprogram
 12 investment levels shall be up to the following amounts:

	<u>\$ million</u>
13	
14	A. Electric Energy Strong Program
15	• Electric Station Flood Mitigation
16	• Contingency Reconfiguration Strategies
17	• Advanced Technologies
18	Electric ES Total
19	
20	B. Gas Energy Strong Program
21	• Utilization Pressure Cast Iron (UPCI)
22	• M&R Station Flood Mitigation
23	Gas ES Total
24	TOTAL ES Program
25	

26 Pursuant to the provisions of paragraph 28 of the Stipulation approved by the
 27 Energy Strong Order, PSE&G provided notice dated December 21, 2015 regarding a
 28 shift of \$13.532 million of sub-program dollars from the gas M&R Station Flood

1 Mitigation subprogram to the gas Utilization Pressure Cast Iron (UPCI) program and
2 provided notice again on July 15, 2016 regarding a shift of \$6.468 million of sub-
3 program dollars from the gas M&R Station Flood Mitigation subprogram to the gas
4 UPCI program. PSE&G also provided notice on September 7, 2016 regarding a shift
5 of \$5.0 million of sub-program dollars from the electric Contingency Reconfiguration
6 subprogram to the electric Advanced Technology subprogram and provided notice
7 again on March 23, 2017 regarding a shift of \$2.0 million of subprogram dollars from
8 the Contingency Reconfiguration subprogram to the electric Advanced Technology
9 subprogram.

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

12 A. Yes. We have been implementing all aspects of the Program since 2014. At the time
13 of filing, four of the five sub-programs are complete and we anticipate that by May 31, 2018 all
14 five programs will be complete in that all projects in the Energy Strong Program will be fully
15 in-service. Some close out work and trailing charges may continue after May 31, 2018. The rate
16 adjustments in this filing are for recovery of costs associated with gas plant that was not placed
17 in rates on or before September 1, 2017 pursuant to the March 31, 2017 Energy Strong rate
18 filing or any previous Energy Strong rate filing, and that is anticipated to be in service by May
19 31, 2018; and for recovery of costs associated with electric plant that was not placed in rates on
20 or before March 1, 2018 pursuant to the September, 2017 electric-only Energy Strong rate filing
21 or any previous Energy Strong rate filing, and that is anticipated to be in service by May 31,
22 2018. A description of the work on investment proposed to be in rates performed for the

1 program through February 28, 2018, and to be performed through May 31, 2018, is provided in
2 Schedule JLC-ESAM8-2.

3 The expenditures for the electric subprograms are listed in Schedule JLC-ESAM8-3E
4 and include actual total expenditures not included in rates through February 28, 2018 and a
5 forecast of electric capital expenditures from March 1, 2018 through May 31, 2018 for plant that
6 was not placed in rates on or before March 1, 2018 pursuant to the September 2017 electric-only
7 Energy Strong rate filing or any previous Energy Strong rate filing, and that is anticipated to be
8 in service by May 31, 2018. The expenditures for the gas subprograms are listed in Schedule
9 JLC-ESAM8-3G and include actual expenditures through February 28, 2018 and a forecast of
10 gas capital expenditures from March 1, 2018 through May 31, 2018 associated with gas plant
11 that was not placed in rates on or before September 1, 2017 pursuant to the March 31, 2017
12 Energy Strong rate filing or any previous Energy Strong rate filing, and that is anticipated to be
13 in service by May 31, 2018.

14 Given this is the final Energy Strong rate adjustment, this forecast does not include a
15 forecasted contingency to address potentially higher plant in service amounts and/or higher
16 expenditures than currently anticipated for this rate filing. Such contingencies have been in
17 previous Energy Strong rate adjustment filings. PSE&G will update this filing for actual data
18 through May 31, 2018, and adjust the rate impacts accordingly, by June 15, 2018. PSE&G's
19 update of this filing for actual data through May 31, 2018 will assure that only plant in-service is
20 included in rates implemented as a result of this filing.

1 The Contingency Reconfiguration subprogram was completed in May, 2017. During
2 the program 465 reclosers were placed in-service and portions of 223 circuits were improved
3 and placed in-service.

4 The Advanced Technology subprogram was also completed in May 2017. Under this
5 program a total of 111 stations have advanced technology in-service. In addition, under this
6 subprogram a total of 1,176 relays were replaced and 51 remote terminal units (RTUs) were
7 placed in-service. DSCADA and the Pi Historian, the data warehouse that stores historical
8 information obtained from relays and RTUs, were placed in service as part of this subprogram.

9 The Station Flood Mitigation subprogram includes implementation of flood
10 mitigation measures at 29 substations. The Newark Airport Breaker Station project was
11 noticed to be canceled or eliminated on June 29, 2016. Additionally, PSE&G and Rate
12 Counsel agree that PSE&G will proceed with the raising and rebuilding of the Madison and
13 Marshall electric substations and recover the costs of that work through base rates rather than
14 the Energy Strong cost recovery mechanism per the November 29, 2016 “Agreement
15 Regarding Withdrawal of Objection.” This reduced the total electric substations in Energy
16 Strong to 26.

17 For purposes of this filing, the following table summarizes the stations and equipment
18 placed in-service through November 30, 2017 as well as those stations and equipment that
19 PSE&G anticipates will be placed in-service through May 31, 2018. As reflected in the
20 table, PSE&G anticipates that all stations in this program will be in service by that date,
21 which is approximately one year ahead of the date required by the Stipulation.

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-Service as of 11/30/2017 (Actual)	In-Service as of 5/31/2018 (Forecast)
River Edge Substation	<i>Station complete and fully in-service</i>	X	
Somerville Substation	<i>Station complete and fully in-service</i>	X	
Sewaren Switching Station	<i>Station complete and fully in-service</i>	X	
Linden Switching Station	<i>Station complete and fully in-service</i>	X	
Bayway Switching Station	<i>Station complete and fully in-service</i>	X	
Little Ferry Unit Substation	<i>Station complete and fully in-service</i>	X	
Belmont Unit Substation	<i>Station complete and fully in-service</i>	X	
South Waterfront Switching Station	<i>Station complete and fully in-service</i>	X	
Rahway Substation	<i>Station complete and fully in-service</i>	X	
Garfield Place Substation	<i>Station complete and fully in-service</i>	X	
Bayway Substation	<i>Station complete and fully in-service</i>	X	
Hoboken Substation	<i>Station complete and fully in-service</i>	X	
Howell Street Substation	<i>Station complete and fully in-service</i>	X	
Hackensack Substation	<i>Station complete and fully in-service</i>	X	
Marion Switching Station	<i>Station complete and fully in-service</i>	X	
St. Pauls Unit Substation	<i>Station complete and fully in-service</i>	X	
Ewing Substation	<i>Station complete and fully in-service</i>	X	
Bayonne Switching Station	<i>Station complete and fully in-service</i>	X	
Jersey City Switching Station	<i>Station complete and fully in-service</i>	X	
Third street Substation	<i>Station complete and fully in-service</i>	X	
Hillsdale Substation	<i>Station complete and fully in-service</i>	X	
New Milford Substation	13kV Switchgear Unit 2	X	
	13kV Switchgear Unit 1	X	
	<i>Station complete and fully in-service</i>		X
Cranford Substation	26kV Switchgear, Transformer Unit 1, Transformer Unit 2	X	
	<i>Station complete and fully in-service</i>		X
Essex Switching Station	26 KV Sheltered Aisles 1, 2, Reactor Bank 1,2,3	X	
	Reactor Bank 4,5,6,Segment "A"	X	

	<i>Station complete and fully in-service</i>		X*
Jackson Road Substation	Switchgear 1 and 2	X	
	<i>Station complete and fully in-service</i>		X*
Port Street Substation	Switchgear		X*
	<i>Station complete and fully in-service</i>		X*

**Forecasted to be in-service as of 5/31/2018 (no asterisk indicates in-service at the time of this filing)*

1 As of November 30, 2017, the flood mitigation measures at 21 substations were
 2 placed fully in-service (River Edge Substation, Somerville Substation, Sewaren Switching
 3 Station, Linden Switching Station, Bayway Switching Station, Little Ferry Unit Substation,
 4 Belmont Unit Substation, South Waterfront Switching Station, Rahway Substation, Garfield
 5 Place Substation, Bayway Substation, Hoboken Substation, Howell Street Substation,
 6 Hackensack Substation, Marion Switching Station, St. Pauls Unit Substation, Ewing
 7 Substation, Bayonne Switching Station, Jersey City Switching Station, Third Street
 8 Substation and Hillsdale Substation) and 4 substations were partially in-service (New
 9 Milford Substation, Cranford Substation, Essex Switching Station and Jackson Road
 10 Substation). The Flood Mitigation subprogram anticipates that by May 31, 2018, the
 11 remaining substations will be placed fully in-service (New Milford Substation, Cranford
 12 Substation, Essex Switching Station, Jackson Road Substation and Port Street Substation)
 13 bringing the total substations fully in-service (including substations eliminated) to 26.

14 With regard to the gas sub-programs, the UPCI Replacement program was completed
 15 in July 2016 and a total of 239.6 miles of main have been installed and placed in-service
 16 under this sub-program.

1 The gas Metering and Regulating (M&R) Station Flood Mitigation program is also
2 complete at this time in that all eight of the facilities proposed to be addressed are in service.

3 These facilities are:

- 4 ▪ Harrison LPG Peak Shaving Plant
- 5 ▪ Piles Creek M&R Station
- 6 ▪ Crown Central M&R Station
- 7 ▪ Crown Central LPG Storage Facility
- 8 ▪ Burlington LNG Plant Station
- 9 ▪ West End M&R Station
- 10 ▪ Harrison M&R Station
- 11 ▪ Newark Airport M&R Station

12 This filing reflects minimal costs, such as trailing charges and close out costs, for this
13 subprogram.

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

15 A. Yes, it does.

**QUALIFICATIONS
OF
JORGE L. CARDENAS
VICE PRESIDENT – ASSET MANAGEMENT AND
CENTRALIZED SERVICES**

1
2
3
4
5
6
7 I received a Bachelors Degree in Engineering from Stevens Institute of
8 Technology in 1977. I received a Masters Degree in Business Administration from Rutgers
9 University in 1995. I also participated in the Penn State Executive Development Program in
10 1992 and the Leadership New Jersey Program in 2000.

11 I was employed by PSE&G in June 1977. After a training program, I worked
12 as an Engineer in the Palisades Electric Transmission and Distribution Division, where I
13 provided engineering and managerial support for all phases of planning, design, construction
14 and maintenance of the electric distribution system.

15 In 1981, I was promoted to the position of lead engineer in the Electric
16 Standards and Performance department and assigned responsibility for the design and
17 specification of outside plant switchgear for Electric Distribution. In 1984 I was promoted to
18 the position of supervising engineer in the Metropolitan Electric Division and given the
19 responsibility for the New Business department covering Essex and Passaic counties in the
20 PSE&G franchised territory.

21 In 1986, I was promoted to the position of Line Engineer in the Elizabeth
22 Electric Division with responsibility for overhead and underground distribution, and
23 transmission operations, construction and maintenance of facilities in central New Jersey.

ATTACHMENT 1
SCHEDULE JLC-ESAM8-1
PAGE 2 OF 3

1 In 1987, I was promoted to Product Service Manager – Corporate Services
2 and was given the responsibility to re-engineer and downsize the Nuclear Operations at the
3 Hope Creek and Salem nuclear stations, the corporate Engineering and Construction
4 Departments, the Corporate Real Estate Department, and the Customer Services and
5 Marketing Departments of the Company.

6 I was promoted to Planning and Customer Operations Manager at Palisades
7 Electric Division in 1990 with responsibility for the overall electric distribution planning,
8 operations, and customer interactions in Bergen and Hudson Counties in northern New
9 Jersey. In 1992 I became the Manager of Regulatory and Customer Operations for the
10 Electric Transmission and Distribution department of PSE&G. In this position I had
11 responsibility for new business policy, regulatory liaison with the BPU, environmental
12 services, customer satisfaction, new products and services, and EMF issues management.

13 In 1995, I was promoted to the position of Division Manager – Metropolitan
14 Electric Division, where I had overall responsibility for the electric transmission and
15 distribution system operation, construction, and maintenance for Essex and Passaic counties,
16 serving over 500,000 industrial, commercial, and distribution customers.

17 In 1997, I was named Division Manager Northern Gas Division. I was given
18 responsibility for the gas distribution operations, maintenance, and construction for Hudson,
19 Bergen, Essex, and Passaic counties in northern New Jersey, serving 700,000 gas customers.

20 In 2006, I was promoted to Vice President – Gas Delivery. My
21 responsibilities included the overall design, engineering, construction and maintenance of

ATTACHMENT 1
SCHEDULE JLC-ESAM8-1
PAGE 3 OF 3

1 PSE&G's gas distribution system serving more than 1.7 million gas customers. The position
2 also includes oversight of the Appliance Service Business, which provides utility (i.e., leak
3 response, meter connection, appliance diagnostics) and competitive, revenue generating (i.e.,
4 parts replacement, water heater replacement, HVAC installations) services.

5 In July 2012 I assumed my current position, which involves overall
6 responsibility for gas and electric asset strategy, asset reliability, electric delivery planning,
7 gas system operations, operation and maintenance of metering and regulating stations and
8 technical services, utility business performance and improvement, utility operations services,
9 utility financial support, basic generation services, basic gas supply services and energy
10 supplier services. In addition, in coordination with the Vice President – Electric Operations,
11 I also have responsibility for the performance and safe conduct of all aspects of the Electric
12 Delivery business and have governance of all Electric Delivery Core Functions. From
13 January 2016 to December 2017, I was the chairman of the Northeast Gas Association. Since
14 July of 2016, I have responsibility for the areas of Operational Technology, Asset Strategy,
15 Reliability and Business Improvement for PSEG Long Island.

16 I am a member of the Leadership Council of the American Gas Association. I
17 am also currently the Vice Chair of the Board of Directors of the Northeast Gas Association.

PSE&G ENERGY STRONG PROGRAM

Electric Cash Flow

		Roll-in 8 Dec-17	Roll-in 8 Jan-18	Roll-in 8 Feb-18	Roll-in 8 Mar-18	Roll-in 8 Apr-18	Roll-in 8 May-18	Roll-in 8 Total
40 Year Life								
Station Flood Mitigation	Direct Install	\$ 3,603,239	\$ 2,603,071	\$ 3,024,691	\$ 907,971	\$ 947,105	\$ 1,137,346	\$ 12,223,423
Station Flood Mitigation	CWIP Install	\$ 1,197,732	\$ 1,033,225	\$ 2,548,159	\$ 1,091,277	\$ 995,523	\$ -	\$ 6,865,915
Station Flood Mitigation	COR/Salvage	\$ 1,512,975	\$ 837,809	\$ (1,898,658)	\$ 426,956	\$ 1,525,050	\$ 1,351,241	\$ 3,755,374
Station Flood Mitigation	Total	\$ 6,350,640	\$ 4,514,731	\$ 3,718,678	\$ 2,426,204	\$ 3,467,678	\$ 2,488,587	\$ 22,966,518
Station Flood Mitigation	CWIP Transf to Serv	\$ -	\$ 960,804	\$ -	\$ -	\$ -	\$ 9,680,444	\$ 10,641,248
40 Year Life								
Contingency Reconfig	Direct Install	\$ -	\$ 1,574	\$ (1,570)	\$ -	\$ -	\$ -	\$ 4
Contingency Reconfig	CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Reconfig	COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Reconfig	Total	\$ 29	\$ 1,561	\$ (1,570)	\$ -	\$ -	\$ -	\$ 20
Contingency Reconfig	CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40 Year Assets								
Advanced Tech	Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Year Assets								
Advanced Tech	Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 Year Assets								
Advanced Tech	Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Year Assets								
Advanced Tech	Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	COR/Salvage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Tech	CWIP Transf to Serv	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total								
ES Roll-in	Direct Install	\$ 3,603,239	\$ 2,604,645	\$ 3,023,121	\$ 907,971	\$ 947,105	\$ 1,137,346	\$ 12,223,426
ES Roll-in	CWIP Install	\$ 1,197,732	\$ 1,033,225	\$ 2,548,159	\$ 1,091,277	\$ 995,523	\$ -	\$ 6,865,915
ES Roll-in	COR/Salvage	\$ 1,512,975	\$ 837,809	\$ (1,898,658)	\$ 426,956	\$ 1,525,050	\$ 1,351,241	\$ 3,755,374
ES Roll-in	Total	\$ 6,350,668	\$ 4,516,292	\$ 3,717,109	\$ 2,426,204	\$ 3,467,678	\$ 2,488,587	\$ 22,966,538
ES Roll-in	CWIP Transf to Serv	\$ -	\$ 960,804	\$ -	\$ -	\$ -	\$ 9,680,444	\$ 10,641,248

The Flood Mitigation expenditures above \$400 million are not included in the rate adjustment requested in this filing but are included in this schedule for reference only. The expenditures above \$400 million are part of the additional \$220 million addressed in paragraphs 18, 23 and 38 of the Energy Strong Settlement approved by the BPU to be recovered in the Company's pending or subsequent base rate case, which is within the total allowed Flood Mitigation budget of \$620 million

**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 and Gas Base Rate
Adjustments Pursuant to the Energy Strong Program**

BPU Docket Nos. _____

DIRECT TESTIMONY

OF

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

March 30, 2018

ATTACHMENT 2

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

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

7 A. My name is Stephen Swetz, and I am the Sr. Director – Corporate Rates and Revenue
8 Requirements for PSEG Services Corporation. My credentials are set forth in the attached
9 Schedule SS-ESAM8-1.

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

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

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

21 A. The purpose of my testimony is to support PSE&G's proposed change in base rates to
22 recover the revenue requirements associated with its Energy Strong Program through the
23 Energy Strong Adjustment Mechanisms (ESAMs) approved by the Board of Public Utilities
24 (Board, BPU) as described in paragraph 44 of the Stipulation of Settlement approved by the

1 Board in Docket Nos. EO13020155 and GO13020156 on May 21, 2014 (Energy Strong
2 Order). The Energy Strong Investment Costs that the revenue requirements of each ESAM
3 will be based upon are the actual costs of engineering, design and construction, cost of
4 removal (net of salvage) and property acquisition, including actual labor, materials,
5 overhead, and capitalized Allowance for Funds Used During Construction (AFUDC) on
6 Energy Strong projects. As specified in more detail below, the Board-approved revenue
7 requirement formula for the ESAMs allows the Company to recover a return of and on its
8 Energy Strong Investment Costs, less a tax adjustment for the flow-through treatment of pre-
9 1981 cost of removal expenditures for electric assets. This testimony provides an overview
10 of the cost recovery mechanism along with a description of the revenue requirement
11 calculations and rate design mechanisms.

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 requirements associated with the
15 Program consistent with the ESAMs approved in the Energy Strong Order. The revenue
16 requirements are based on expected plant in-service and cost of removal expenditures based
17 on actual results through February 28, 2018 and a forecast through May 31, 2018. The
18 forecast for March 1, 2018 through May 31, 2018 will be trued-up with actual results and
19 filed by June 15, 2018.

1 **Q. What are the forecasted annual electric and gas revenue requirements that are**
2 **being proposed for this ESAM roll-in filing?**

3 A. The Company is proposing a forecasted annual electric revenue requirement increase
4 of \$594 thousand and a forecasted annual gas revenue requirement increase of \$120
5 thousand, based upon the actual and forecasted expenditures discussed above and assuming
6 adjusted base rates go into effect September 1, 2018. The electric and gas revenue
7 requirement increases are calculated in Schedules SS-ESAM8-2E and SS-ESAM8-2G,
8 respectively.

9 **Q. Has an adjustment been made to the Company's investment program given**
10 **subprogram limits?**

11 A. Yes. For the electric Flood Mitigation subprogram, the electric revenue requirement
12 increase as calculated in Schedule SS-ESAM8-2E has been limited to incorporate \$5.5
13 million of plant in-service and cost of removal expenditures, which brings the total plant in
14 service and cost of removal (excluding AFUDC) to the \$400 million limit of the subprogram
15 recoverable through the ESAM. Any investment above that amount will be recognized in
16 our pending or a subsequent base rate proceeding.

17 **Q. How are the revenue requirements calculated?**

18 A. The revenue requirements for the ESAMs are calculated using the following formula
19 approved by the Board in the Energy Strong Order:

20 Revenue Requirements = ((Energy Strong Rate Base * After Tax WACC) +
21 Depreciation Expense (net of tax) + Tax Adjustments) * Revenue Factor

1 **Q. How is the Energy Strong Rate Base calculated?**

2 A. Per the Energy Strong Order, the Energy Strong Rate Base is calculated as the Energy
3 Strong Investment Costs less Accumulated Depreciation and less Accumulated Deferred
4 Income Taxes (ADIT). For electric, this is the eighth rate adjustment filing and the Energy
5 Strong Investment Costs consist of actual plant placed into service from December 1, 2017
6 through February 28, 2018 and a forecast of capital expenditures through May 31, 2018 for
7 projects expected to be in service by May 31, 2018. For details on the electric Energy Strong
8 Investment Costs, see Schedule JLC-ESAM8-3E. For gas, this is the fourth rate adjustment
9 and the Energy Strong Investment Costs consist of actual plant placed into service from June
10 1, 2017 through February 28, 2018 and a forecast of capital expenditures through May 31,
11 2018 for projects expected to be in service by May 31, 2018. For details on the gas Energy
12 Strong Investment Costs, see Schedule JLC-ESAM8-3G. Accumulated Depreciation is the
13 sum of the depreciation expense incurred from the date the Energy Strong projects are placed
14 into service and the effective date of the base rate change. The Energy Strong Order
15 anticipates this rate adjustment filing will result in rates effective September 1, 2018, so the
16 Accumulated Depreciation in the filing is through August 31, 2018. Consistent with the
17 calculation of Accumulated Depreciation, ADIT is calculated through August 31, 2018.

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

20 A. No. Per the Energy Strong Order, only Plant in-Service is included in Rate Base.

1 **Q. What is the Weighted Average Cost of Capital (WACC) utilized in the**
2 **calculation of the revenue requirement?**

3 A. Per the Energy Strong Order, the WACC for the ESAMs is 7.24%, or 6.61% on an
4 after-tax basis, which is based on a Return on Equity of 9.75%, a cost of debt of 4.60% and
5 current tax rates effective January 1, 2018. For the calculation of the WACC and after-tax
6 WACC, see Schedule SS-ESAM8-3.

7 **Q. Has an adjustment been made to the Company's calculation of AFUDC for the**
8 **Energy Strong Program?**

9 A. Yes. Per the Board Order approving the September 1, 2015 rate change:

10 The Company has agreed that it will revise its updated electric and
11 gas revenue requirements to reflect a cost of equity of 9.75% in its
12 Allowance for Funds Used During Construction (AFUDC)
13 calculation. In all future filings, the AFUDC rate will reflect the
14 cost of equity agreed upon by the parties as reflected in the
15 weighted average cost of capital for investment in the ES Program.

16 In compliance with the Board Order, the Company has changed the AFUDC
17 rate for the Energy Strong Program to reflect a cost of equity of 9.75%. In addition, the
18 Company has adjusted the AFUDC balance on all CWIP projects as if it was always
19 calculated with an AFUDC rate that incorporates a 9.75% ROE.

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

21 A. Depreciation expense is calculated as Gross Plant in-Service multiplied by the
22 applicable annual depreciation rate for the assets being placed into service. The Energy
23 Strong Order specified the depreciation rates applicable to the Energy Strong Program based
24 upon the asset class of the plant placed into service. Since the net revenue requirement for
25 the roll-in will be grossed up by the revenue factor as shown in the revenue requirement

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

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

12 A. The tax expense for electric cost of removal expenditures associated with pre-1981
13 assets are currently flowed back to ratepayers over a five year amortization period rather than
14 normalized over the life of the asset as is the tax treatment for post-1981 electric and all gas
15 related cost of removal expenditures. To be consistent with the treatment of base rate assets,
16 the tax flow-through methodology for pre-1981 electric cost of removal expenditures is
17 applied to Energy Strong cost of removal expenditures on pre-1981 assets.

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

19 A. The Tax Adjustment for the Energy Strong revenue requirement is calculated as the
20 Gross Plant in-Service multiplied by the percentage of electric pre-1981 asset retirements for
21 the year and divided by five for the five-year amortization period. The percentage of electric
22 assets with a vintage before 1981 is currently 14.32%.

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

2 A. The Revenue Factor adjusts the revenue requirement net of tax for federal and state
3 income taxes and the costs associated with the BPU and Division of Rate Counsel (RC)
4 Annual Assessments and Gas Revenue Uncollectibles. The BPU/RC Assessment Expenses
5 consist of payments, based upon a percentage of revenues collected (updated annually), to
6 the State based on the electric and gas intrastate operating revenues for the utility. The
7 Company has utilized the respective BPU/RC assessment rates based on the 2018 fiscal year
8 assessment, which are 0.19% and 0.05%, respectively, and the Gas Revenue Uncollectible
9 rate of 1.2514%, which was set in the Company's last base rate case. See Schedule SS-
10 ESAM8-4 for the calculation of the revenue factor.

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

13 A. Consistent with the Energy Strong Order, PSE&G has not included incremental
14 operation and maintenance expenses for recovery in this filing.

15 **Q. Have you provided the detailed calculations supporting the revenue**
16 **requirements?**

17 A. Yes. The detailed calculations supporting the revenue requirement calculation
18 described above are provided in electronic workpapers WP-SS-ESAM8-1E.xlsx for electric
19 and WP-SS-ESAM8-1G.xlsx for gas.

1 **RATE DESIGN**

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

4 A. The proposed electric and gas base rate adjustments use the rate design methodology
5 that was approved in the Energy Strong Order. The electric and gas billing determinants
6 have been updated to the 2012 annual period in accordance with Paragraph 45 of the
7 Stipulation approved by the Energy Strong Order, which states, “[w]ithin thirty days of the
8 approval of this Stipulation of Settlement by the Board, the Company will provide to Board
9 Staff and Rate Counsel PSE&G’s weather normalized 2012 electric and gas billing
10 determinants and supporting data, including the weather normalization methodology
11 followed by the Company.” In response to paragraph 45 of the Stipulation, the Company
12 filed its billing determinants and weather normalization methodology with the Board on June
13 20, 2014. In addition, the 2012 weather normalized electric billing determinants were
14 utilized and approved in the initial Energy Strong base rate change approved by the Board in
15 Docket No. ER14091074 on February 11, 2015.

16 The detailed calculations supporting the electric and gas rate designs are shown in
17 Schedule SS-ESAM8-5 and Schedule SS-ESAM8-6, respectively. These schedules contain
18 the proposed base rates as a result of the base rate adjustments for the electric and gas
19 ESAMs effective for September 1, 2018.

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

21 A. Based upon rates effective April 1, 2018, the annual average bill impacts of the rates
22 requested are set forth in Schedule SS-ESAM8-7.

1 The annual impact of the proposed rates to the typical residential electric customer
2 using 750 kWh in a summer month and 7,200 kWh annually would be an increase in the
3 annual bill from \$1,239.12 to 1,239.28 or \$0.16, or approximately 0.01% (based upon
4 Delivery Rates and BGS-RSCP charges in effect April 1, 2018 and assuming that the
5 customer receives BGS-RSCP service from PSE&G).

6 The annual impact of the proposed rates to the typical residential gas heating
7 customers using 165 therms in a winter month and 1,010 therms annually would be an
8 increase in the annual bill from \$879.16 to \$879.22, or \$0.06 or approximately 0.01% (based
9 upon Delivery Rates and BGSS-RSG charges in effect April 1, 2018, and assuming that the
10 customer receives BGSS service from PSE&G not including any BGSS-RSG Bill Credits).

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

12 A. Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

Schedule SS-ESAM8-1	Credentials
Schedule SS-ESAM8-2E	Electric Revenue Requirement Calculation
Schedule SS-ESAM8-2G	Gas Revenue Requirement Calculation
Schedule SS-ESAM8-3	Weighted Average Cost of Capital (WACC)
Schedule SS-ESAM8-4	Revenue Factor Calculation
Schedule SS-ESAM8-5	Electric Proof of Revenue
Schedule SS-ESAM8-6	Gas Proof of Revenue
Schedule SS-ESAM8-7	Electric and Gas Typical Residential Annual Bill Impacts

ELECTRONIC WORKPAPER INDEX

WP-SS-ESAM8-1E.xlsx

WP-SS-ESAM8-1G.xlsx

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

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

8 **EDUCATIONAL BACKGROUND**

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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Consideration of the Tax Cuts and Jobs Act of 2017
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-in
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
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	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-16	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (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 Program
Electric Roll-in Calculation
Roll-in Filing**

Plant In Service as of Date
in (\$000)

5/31/2018

RATE BASE CALCULATION

	Total
1 Gross Plant	\$5,064
2 Accumulated Depreciation	\$366
3 Net Plant	\$5,430
4 Accumulated Deferred Taxes	(\$318)
5 Rate Base	\$5,112
6 Rate of Return - After Tax (Schedule WACC)	6.61%
7 Return Requirement (After Tax)	\$338
8 Depreciation Exp, net	\$91
9 Tax Adjustment	(\$3)
10 Revenue Factor	1.39
11 Roll-in Revenue Requirement	\$594

**PSE&G Energy Strong Program
Gas Roll-in Calculation
Roll-in Filing**

Plant In Service as of Date
in (\$000)

**ATTACHMENT 2
Schedule SS-ESAM8-2G**

5/31/2018

RATE BASE CALCULATION

	Total
1 Gross Plant	\$1,011
2 Accumulated Depreciation	\$520
3 Net Plant	\$1,531
4 Accumulated Deferred Taxes	(\$386)
5 Rate Base	\$1,145
6 Rate of Return - After Tax (Schedule WACC)	6.61%
7 Return Requirement (After Tax)	\$76
8 Depreciation Exp, net	\$10
9 Revenue Factor	1.41
10 Roll-in Revenue Requirement	\$120

ATTACHMENT 2
Schedule SS-ESAM8-3

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

	<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	51.20%	9.75%	4.99%	6.94%	4.99%
Other Capital	<u>48.80%</u>	4.60%	<u>2.25%</u>	<u>2.25%</u>	<u>1.61%</u>
Total	100.00%		<u><u>7.24%</u></u>	<u><u>9.19%</u></u>	<u><u>6.61%</u></u>
Federal Income Tax	35.00%	21.00%			
State NJ Business Incm Tax	<u>9.00%</u>	<u>9.00%</u>			
Tax Rate	40.85%	28.11%			

PSE&G Energy Strong Program
Revenue Factor Calculation

ATTACHMENT 2
 Schedule SS-ESAM8-4

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		1.2514	From 2009 Rate Case
BPU Assessment Rate	0.1924	0.1924	2018 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0528</u>	<u>0.0528</u>	2018 RC Assessment
Income before State of NJ Bus. Tax	99.7548	98.5034	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9779</u>	<u>8.8653</u>	
Income Before Federal Income Taxes	90.7769	89.6381	
Federal Income Taxes @ 21%	<u>19.0631</u>	<u>18.8240</u>	
Return	<u>71.7137</u>	<u>70.8141</u>	
Revenue Factor	<u>1.3944</u>	<u>1.4121</u>	

Electric Rate Design (Proof of Revenue by Rate Class)

Explanation of Format

The summary and each rate schedule provide the details of Annualized Weather Normalized (all customers assumed to be on BGS) revenue based on current tariff rates and on the proposed rate design. The pages presented in Schedule SS-ESAM8-5 are the selected applicable columns of the relevant pages from the rate design workpapers from the Company's 2009 Electric and Gas Base Rate Case and have been appropriately modified per my testimony to reflect this Energy Strong roll-in.

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

In the detail rate designed 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, Securitization Transition Charges, Base Rate Distribution Kilowatt-hour Adjustment, System Control Charge, Solar Pilot Recovery Charge, CIEP Standby Fee (as applicable), Green Programs Recovery Charge, CIP 1 Capital Adjustment Charges (CAC), Miscellaneous items, and Unbilled Revenue.

Column (1) shows the 2012 annualized weather normalized billing units. Column (2) shows Delivery rates without Sales and Use Tax (SUT) effective April 1, 2018. The Supply-BGS rates in the Column (2) reflect the rates in effect as of April 1, 2018 and for CIEP energy, reflect the class average hourly rates from January 1, 2017 to December 31, 2017. 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 22 and 23 of this schedule.

**ELECTRIC PROOF OF REVENUE
SUMMARY
ELECTRIC RATE INCREASE
12 Months Ended December 31, 2012**
(kWhrs & Revenue in Thousands)

<u>Rate Schedule</u>			<u>Annualized Weather Normalized</u>		<u>Propose</u>		<u>Increase</u>	
			<u>kWhrs</u> (1)	<u>Revenue</u> (2)	<u>kWhrs</u> (3)	<u>Revenue</u> (4)	<u>Revenue</u> (5)	<u>Percent</u> (6)
1	Residential	RS	12,980,384	\$2,110,754	12,980,384	\$2,111,016	\$262	0.01
2	Residential Heating	RHS	165,683	21,623	165,683	\$21,626	3	0.01
3	Residential Load Management	RLM	247,183	39,134	247,183	\$39,138	4	0.01
4	Water Heating	WH	2,074	219.676	2,074	\$219.724	0.048	0.02
5	Water Heating Storage	WHS	39	2.605	39	\$2.605	0.000	0.00
6								
7	Building Heating	HS	20,485	2,963	20,485	\$2,963	0	0.00
8	General Lighting and Power	GLP	7,830,948	1,216,307	7,830,948	\$1,216,439	132	0.01
9	Large Power & Lighting-Sec	LPL-S	11,410,771	1,446,011	11,410,771	\$1,446,124	113	0.01
10	Large Power & Lighting-Pri	LPL-P	3,607,561	343,532	3,607,561	\$343,553	21	0.01
11	High Tension-Subtr.	HTS-S	4,466,791	366,701	4,466,791	\$366,716	15	0.00
12	High Tension-HV	HTS-HV	332,186	23,502	332,186	\$23,503	1	0.00
13								
14	Body Politic Lighting	BPL	286,486	70,366	286,486	\$70,394	28	0.04
15	Body Politic Lighting-POF	BPL-POF	14,312	1,151.051	14,312	\$1,151.213	0.162	0.01
16	Private Street & Area Lighting	PSAL	<u>168,875</u>	<u>39,170</u>	<u>168,875</u>	<u>\$39,185</u>	<u>15</u>	0.04
17								
18								
19	Totals		41,533,778	\$5,681,436	41,533,778	\$5,682,031	\$594	0.01

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 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	21,660,597	2.27	\$49,170	21,660,597	2.27	\$49,170	\$0	0.00
3 Distribution 0-600 June - September	3,225,106	0.034775	112,153	3,225,106	0.034823	112,308	155	0.14
4 Distribution 0-600 October - May	5,844,909	0.033344	194,893	5,844,909	0.033344	194,893	0	0.00
5 Distribution over 600 June - September	2,199,544	0.038596	84,894	2,199,544	0.038644	84,999	105	0.12
6 Distribution over 600 October - May	1,710,825	0.033344	57,046	1,710,825	0.033344	57,046	0	0.00
7 SBC	12,980,384	0.007385	95,860	12,980,384	0.007385	95,860	0	0.00
8 NGC	12,980,384	-0.000131	-1,700	12,980,384	-0.000131	-1,700	0	0.00
9 STC-TBC	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
10 STC-MTC-Tax	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
11 BRDKA	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
12 System Control Charge	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
13 Solar Pilot Recovery Charge	12,980,384	0.000068	883	12,980,384	0.000068	883	0	0.00
14								
15 Green Programs Recovery Charge	12,980,384	0.001006	13,058	12,980,384	0.001006	13,058	0	0.00
16 <u>Capital Adjustment Charge (CIP I)</u>								
17 Service Charge	21,660,597	0.00	0	21,660,597	0.00	0	0	0.00
18 Distribution 0-600, June-September	3,225,106	0.000000	0	3,225,106	0.000000	0	0	0.00
19 Distribution 0-600, October-May	5,844,909	0.000000	0	5,844,909	0.000000	0	0	0.00
20 Distribution over 600, June-September	2,199,544	0.000000	0	2,199,544	0.000000	0	0	0.00
21 Distribution over 600, October-May	1,710,825	0.000000	0	1,710,825	0.000000	0	0	0.00
22 BRDKA	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
23								
24 Facilities Chg.			0			0	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			<u>(48)</u>			<u>(47)</u>	<u>1</u>	<u>(2.08)</u>
27 Delivery Subtotal	12,980,384		\$606,209	12,980,384		\$606,470	\$261	0.04
28 Unbilled Delivery			<u>3,249</u>			<u>3,250</u>	<u>1</u>	<u>0.03</u>
29 Delivery Subtotal w unbilled			\$609,458			\$609,720	\$262	0.04
30								
31 Supply-BGS								
32 BGS 0-600 June - September	3,225,106	0.114315	\$368,678	3,225,106	0.114315	\$368,678	\$0	0.00
33 BGS 0-600 October - May	5,844,909	0.114261	667,845	5,844,909	0.114261	667,845	0	0.00
34 BGS over 600 June - September	2,199,544	0.123433	271,496	2,199,544	0.123433	271,496	0	0.00
35 BGS over 600 October - May	1,710,825	0.114261	195,481	1,710,825	0.114261	195,481	0	0.00
36 BGS Reconciliation-FP	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
37 Miscellaneous			0			0	0	0.00
38 Supply subtotal	12,980,384		\$1,503,500	12,980,384		\$1,503,500	\$0	0.00
39 Unbilled Supply			<u>-2,204</u>			<u>-2,204</u>	0	0.00
40 Supply Subtotal w unbilled			\$1,501,296			\$1,501,296	\$0	0.00
41								
42 Total Delivery + Supply	12,980,384		<u>\$2,110,754</u>	12,980,384		<u>\$2,111,016</u>	<u>\$262</u>	<u>0.01</u>

Notes: All customers assumed to be on BGS.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	146,592	2.27	\$333	146,592	2.27	\$333	\$0	0.00
3 Distribution 0-600 June - September	24,076	0.048045	1,157	24,076	0.048076	1,157	0	0.00
4 Distribution 0-600 October - May	60,927	0.030985	1,888	60,927	0.031005	1,889	1	0.05
5 Distribution over 600 June - September	14,760	0.053503	790	14,760	0.053538	790	0	0.00
6 Distribution over 600 October - May	65,920	0.011382	750	65,920	0.011389	751	1	0.13
7 SBC	165,683	0.007385	1,224	165,683	0.007385	1,224	0	0.00
8 NGC	165,683	-0.000131	-22	165,683	-0.000131	-22	0	0.00
9 STC-TBC	165,683	0.000000	0	165,683	0.000000	0	0	0.00
10 STC-MTC-Tax	165,683	0.000000	0	165,683	0.000000	0	0	0.00
11 BRDKA	165,683	0.000000	0	165,683	0.000000	0	0	0.00
12 System Control Charge	165,683	0.000000	0	165,683	0.000000	0	0	0.00
13 Solar Pilot Recovery Charge	165,683	0.000068	11	165,683	0.000068	11	0	0.00
14								
15 Green Programs Recovery Charge	165,683	0.001006	167	165,683	0.001006	167	0	0.00
16 <u>Capital Adjustment Charge (CIP I)</u>								
17 Service Charge	146,592	0.00	0	146,592	0.00	0	0	0.00
18 Distribution 0-600, June-September	24,076	0.000000	0	24,076	0.000000	0	0	0.00
19 Distribution 0-600, October-May	60,927	0.000000	0	60,927	0.000000	0	0	0.00
20 Distribution over 600, June-September	14,760	0.000000	0	14,760	0.000000	0	0	0.00
21 Distribution over 600, October-May	65,920	0.000000	0	65,920	0.000000	0	0	0.00
22 BRDKA	165,683	0.000000	0	165,683	0.000000	0	0	0.00
23								
24 Facilities Chg.			0			0	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			(1)			0	1	(100.00)
27 Delivery Subtotal	165,683		\$6,297	165,683		\$6,300	\$3	0.05
28 Unbilled Delivery			41			41	0	0.00
29 Delivery Subtotal w unbilled			\$6,338			\$6,341	\$3	0.05
30								
31 Supply-BGS								
32 BGS 0-600 June - September	24,076	0.087865	\$2,115	24,076	0.087865	\$2,115	\$0	0.00
33 BGS 0-600 October - May	60,927	0.092761	5,652	60,927	0.092761	5,652	0	0.00
34 BGS over 600 June - September	14,760	0.100057	1,477	14,760	0.100057	1,477	0	0.00
35 BGS over 600 October - May	65,920	0.092761	6,115	65,920	0.092761	6,115	0	0.00
36 BGS Reconciliation-FP	165,683	0.000000	0	165,683	0.000000	0	0	0.00
37 Miscellaneous			0			0	0	0.00
38 Supply subtotal	165,683		\$15,359	165,683		\$15,359	\$0	0.00
39 Unbilled Supply			(74)			(74)	0	0.00
40 Supply subtotal w unbilled			\$15,285			\$15,285	\$0	0.00
41								
42 Total Delivery + Supply	165,683		<u>\$21,623</u>	165,683		<u>\$21,626</u>	<u>\$3</u>	0.01

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	154,849	13.07	\$2,024	154,849	13.07	\$2,024	\$0	0.00
3 Distribution June - September On Peak	50,287	0.057593	2,896	50,287	0.057635	2,898	2	0.07
4 Distribution June - September Off Peak	55,840	0.013382	747	55,840	0.013392	748	1	0.13
5 Distribution October - May On Peak	60,829	0.013382	814	60,829	0.013392	815	1	0.12
6 Distribution October - May Off Peak	80,227	0.013382	1,074	80,227	0.013392	1,074	0	0.00
7 SBC	247,183	0.007385	1,825	247,183	0.007385	1,825	0	0.00
8 NGC	247,183	-0.000131	-32	247,183	-0.000131	-32	0	0.00
9 STC-TBC	247,183	0.000000	0	247,183	0.000000	0	0	0.00
10 STC-MTC-Tax	247,183	0.000000	0	247,183	0.000000	0	0	0.00
11 BRDKA	247,183	0.000000	0	247,183	0.000000	0	0	0.00
12 System Control Charge	247,183	0.000000	0	247,183	0.000000	0	0	0.00
13 Solar Pilot Recovery Charge	247,183	0.000068	17	247,183	0.000068	17	0	0.00
14								
15 Green Programs Recovery Charge	247,183	0.001006	249	247,183	0.001006	249	0	0.00
16 <u>Capital Adjustment Charge (CIP I)</u>								
17 Service Charge	154,849	0.00	0	154,849	0.00	0	0	0.00
18 Distribution June - September On Peak	50,287	0.000000	0	50,287	0.000000	0	0	0.00
19 Distribution June - September Off Peak	55,840	0.000000	0	55,840	0.000000	0	0	0.00
20 Distribution October - May On Peak	60,829	0.000000	0	60,829	0.000000	0	0	0.00
21 Distribution October - May Off Peak	80,227	0.000000	0	80,227	0.000000	0	0	0.00
22 BRDKA	247,183	0.000000	0	247,183	0.000000	0	0	0.00
23								
24 Facilities Chg.			0			0	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			-1			(1)	0	0.00
27 Delivery Subtotal	247,183		\$9,613	247,183		\$9,617	\$4	0.04
28 Unbilled Delivery			91			91	0	0.00
29 Delivery Subtotal w unbilled			\$9,704			\$9,708	\$4	0.04
30								
31 Supply-BGS								
32 BGS June - September On Peak	50,287	0.206587	\$10,389	50,287	0.206587	\$10,389	\$0	0.00
33 BGS June - September Off Peak	55,840	0.050369	2,813	55,840	0.050369	2,813	0	0.00
34 BGS October - May On Peak	60,829	0.195149	11,871	60,829	0.195149	11,871	0	0.00
35 BGS October - May Off Peak	80,227	0.054133	4,343	80,227	0.054133	4,343	0	0.00
36 BGS Reconciliation-FP	247,183	0.000000	0	247,183	0.000000	0	0	0.00
37 Miscellaneous			0			0	0	0.00
38 Supply subtotal	247,183		\$29,416	247,183		\$29,416	\$0	0.00
39 Unbilled Supply			14			14	0	0.00
40 Supply subtotal w unbilled			\$29,430			\$29,430	\$0	0.00
41								
42 Total Delivery + Supply	247,183		<u>\$39,134</u>	247,183		<u>\$39,138</u>	<u>\$4</u>	0.01

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Distribution Sum	580	0.044336	\$25.715	580	0.044359	\$25.728	\$0.013	0.05
3 Distribution Win	1,494	0.044336	\$66.238	1,494	0.044359	\$66.272	0.034	0.05
4 SBC	2,074	0.007385	\$15.316	2,074	0.007385	\$15.316	0.000	0.00
5 NGC	2,074	-0.000093	-\$0.193	2,074	-0.000093	-\$0.193	0.000	0.00
6 STC-TBC	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
7 STC-MTC-Tax	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
8 BRDKA	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
9 System Control Charge	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
10 Solar Pilot Recovery Charge	2,074	0.000068	\$0.141	2,074	0.000068	\$0.141	0.000	0.00
11								
12 Green Programs Recovery Charge	2,074	0.001006	2.086	2,074	0.001006	2.086	0.000	0.00
13 <u>Capital Adjustment Charge (CIP I)</u>								
14 Distribution Summer	580	0.000000	0.000	580	0.000000	0.000	0.000	0.00
15 Distribution Winter	1,494	0.000000	0.000	1,494	0.000000	0.000	0.000	0.00
16 BRDKA	2,074	0.000000	0.000	2,074	0.000000	0.000	0.000	0.00
17								
18 Facilities Chg.			0.000			0.000	0.000	0.00
19 Minimum			0.000			0.000	0.000	0.00
20 Miscellaneous			<u>0.000</u>			<u>0.001</u>	<u>0.001</u>	0.00
21 Delivery Subtotal	2,074		\$109	2,074		\$109	\$0	0.04
22 Unbilled Delivery			<u>0.000</u>			<u>0.000</u>	<u>0</u>	0.00
23 Delivery Subtotal w unbilled			109.303			109.351	\$0	0.04
24								
25 Supply-BGS								
26 BGS Summer	580	0.051835	\$30.064	580	0.051835	\$30.064	\$0.000	0.00
27 BGS Winter	1,494	0.054424	81.309	1,494	0.054424	\$81.309	0.000	0.00
28 BGS Reconciliation-FP	2,074	0.000000	0.000	2,074	0.000000	\$0.000	0.000	0.00
29 Miscellaneous			<u>0.000</u>			<u>0.000</u>	<u>0</u>	0.00
30 Supply subtotal	2,074		\$111.373	2,074		\$111.373	0	0.00
31 Unbilled Supply			<u>-\$1.000</u>			<u>-\$1.000</u>	<u>0</u>	0.00
32 Supply subtotal w unbilled			\$110.373			\$110.373	\$0	0.00
33								
34 Total Delivery + Supply	2,074		<u>\$219.676</u>	2,074		<u>\$219.724</u>	<u>\$0.048</u>	0.02

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 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	0.313	0.52	\$0.163	0.313	0.52	\$0.163	\$0.000	0.00
3 Distribution June - September	11	0.000054	0.001	11	0.000054	0.001	0.000	0.00
4 Distribution October - May	28	0.000054	0.002	28	0.000054	0.002	0.000	0.00
5 SBC	39	0.007385	0.287	39	0.007385	0.287	0.000	0.00
6 NGC	39	-0.000093	(0.004)	39	-0.000093	-0.004	0.000	0.00
7 STC-TBC	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
8 STC-MTC-Tax	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
9 BRDKA	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
10 System Control Charge	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
11 Solar Pilot Recovery Charge	39	0.000068	0.003	39	0.000068	0.003	0.000	0.00
12								
13 Green Programs Recovery Charge	39	0.001006	0.039	39	0.001006	0.039	0.000	0.00
14 <u>Capital Adjustment Charge (CIP I)</u>								
15 Service Charge	0.313	0.00	0.000	0.313	0.00	0.000	0.000	0.00
16 Distribution June - September	11	0.000000	0.000	11	0.000000	0.000	0.000	0.00
17 Distribution October - May	28	0.000000	0.000	28	0.000000	0.000	0.000	0.00
18 BRDKA	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
19								
20 Facilities Chg.			0.000			0.000	0.000	0.00
21 Minimum			0.000			0.000	0.000	0.00
22 Miscellaneous			<u>0.000</u>			<u>0.000</u>	<u>0.000</u>	0.00
23 Delivery Subtotal	39		\$0.491	39		\$0.491	\$0.000	0.00
24 Unbilled Delivery			<u>0.028</u>			<u>0.028</u>	<u>0.000</u>	0.00
25 Delivery Subtotal w unbilled			\$0.519			\$0.519	\$0.000	0.00
26								
27 Supply-BGS								
28 BGS- June - September	10.875	0.051426	\$0.559	11	0.051426	\$0.559	\$0.000	0.00
29 BGS- October - May	28	0.054891	1.539	28	0.054891	1.539	0.000	0.00
30 BGS Reconciliation-FP	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
31 Miscellaneous			<u>0.000</u>			<u>0.000</u>	<u>0.000</u>	0.00
32 Supply subtotal	39		\$2.098	39		\$2.098	\$0.000	0.00
33 Unbilled Supply			<u>(0.012)</u>			<u>(0.012)</u>	<u>0.000</u>	0.00
34 Supply subtotal w unbilled			\$2.086			\$2.086	\$0.000	0.00
35								
36 Total Delivery + Supply	39		<u>\$2.605</u>	39		<u>\$2.605</u>	<u>\$0.000</u>	0.00

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 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	19.26	3.11	\$60	19.260	3.11	\$60	\$0	0.00
3 Distribution June - September	4,362	0.082837	361	4,362	0.082837	361	0	0.00
4 Distribution October - May	16,123	0.030413	490	16,123	0.030413	490	0	0.00
5 SBC	20,485	0.007385	151	20,485	0.007385	151	0	0.00
6 NGC	20,485	-0.000093	-2	20,485	-0.000093	-2	0	0.00
7 STC-TBC	20,485	0.000000	0	20,485	0.000000	0	0	0.00
8 STC-MTC-Tax	20,485	0.000000	0	20,485	0.000000	0	0	0.00
9 BRDKA	20,485	0.000000	0	20,485	0.000000	0	0	0.00
10 System Control Charge	20,485	0.000000	0	20,485	0.000000	0	0	0.00
11 Solar Pilot Recovery Charge	20,485	0.000068	1	20,485	0.000068	1	0	0.00
12								
13 Green Programs Recovery Charge	20,485	0.001006	21	20,485	0.001006	21	0	0.00
14 <u>Capital Adjustment Charge (CIP I)</u>								
15 Service Charge	19.260	0.00	0	19.260	0.00	0	0	0.00
16 Distribution June - September	4,362	0.000000	0	4,362	0.000000	0	0	0.00
17 Distribution October - May	16,123	0.000000	0	16,123	0.000000	0	0	0.00
18 BRDKA	20,485	0.000000	0	20,485	0.000000	0	0	0.00
19								
20 Facilities Chg.			0			0	0	0.00
21 Minimum			0			0	0	0.00
22 Miscellaneous			(1)			(1)	0	0.00
23 Delivery Subtotal	20,485		\$1,081	20,485		\$1,081	\$0	0.00
24 Unbilled Delivery			0			0	0	0.00
25 Delivery Subtotal w unbilled			\$1,081			\$1,081	\$0	0.00
26								
27 Supply-BGS								
28 BGS- June - September	4,362	0.093231	\$407	4,362	0.093231	\$407	\$0	0.00
29 BGS- October - May	16,123	0.092352	1,489	16,123	0.092352	1,489	0	0.00
30 BGS Reconciliation-FP	20,485	0.000000	0	20,485	0.000000	0	0	0.00
31 Miscellaneous			0			0	0	0.00
32 Supply subtotal	20,485		\$1,896	20,485		\$1,896	\$0	0.00
33 Unbilled Supply			(14)			(14)	0	0.00
34 Supply subtotal w unbilled			\$1,882			\$1,882	\$0	0.00
35								
36 Total Delivery + Supply	20,485		<u>\$2,963</u>	20,485		<u>\$2,963</u>	<u>\$0</u>	0.00

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	3,068.595	3.96	\$12,152	3,068.595	3.96	\$12,152	\$0	0.00
3 Service Charge-unmetered	75.200	1.83	138	75.200	1.83	138	0	0.00
4 Service Charge-Night Use	0.989	347.77	344	0.989	347.77	344	0	0.00
5 Distrib. KW Annual	29,559	4.0591	119,983	29,559	4.0613	120,048	65	0.05
6 Distrib. KW Summer	10,443	7.5335	78,672	10,443	7.5376	78,715	43	0.05
7 Distribution kWhr, June-September	2,832,575	0.009532	27,000	2,832,575	0.009537	27,014	14	0.05
8 Distribution kWhr, October-May	4,968,239	0.003349	16,639	4,968,239	0.003351	16,649	10	0.06
9 Distribution kWhr, Night use, June-September	11,184	0.003349	37	11,184	0.003351	37	0	0.00
10 Distribution kWhr, Night use, October-May	18,950	0.003349	63	18,950	0.003351	64	1	1.59
11 SBC	7,830,948	0.007385	57,832	7,830,948	0.007385	57,832	0	0.00
12 NGC	7,830,948	-0.000093	-728	7,830,948	-0.000093	-728	0	0.00
13 STC-TBC	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
14 STC-MTC-Tax	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
15 BRDKA	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
16 System Control Charge	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
17 Solar Pilot Recovery Charge	7,830,948	0.000068	533	7,830,948	0.000068	533	0	0.00
18								
19 Green Programs Recovery Charge	7,830,948	0.001006	7,878	7,830,948	0.001006	7,878	0	0.00
20 <u>Capital Adjustment Charge (CIP I)</u>								
21 Service Charge	3,068.595	0.00	0	3,068.595	0.00	0	0	0.00
22 Service Charge-Unmetered	75.200	0.00	0	75.200	0.00	0	0	0.00
23 Service Charge-Night Use	0.989	0.00	0	0.989	0.00	0	0	0.00
24 Annual Demand	29,559	0.0000	0	29,559	0.0000	0	0	0.00
25 Summer Demand, June-September	10,443	0.0000	0	10,443	0.0000	0	0	0.00
26 Distribution kWhr, June-September	2,832,575	0.000000	0	2,832,575	0.000000	0	0	0.00
27 Distribution kWhr, October-May	4,968,239	0.000000	0	4,968,239	0.000000	0	0	0.00
28 Distribution kWhr, Night use, June-September	11,184	0.000000	0	11,184	0.000000	0	0	0.00
29 Distribution kWhr, Night use, October-May	18,950	0.000000	0	18,950	0.000000	0	0	0.00
30 BRDKA	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
31								
32 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	6		\$2.22/\$3.20	6	0	0.00
33 Facilities Chg.		1.45%	70		1.45%	70	0	0.00
34 Minimum			41			41	0	0.00
35 Distrib. Miscellaneous			(1,998)			(1,999)	(1)	0.05
36 Delivery subtotal	7,830,948		\$318,662	7,830,948		\$318,794	\$132	0.04
37 Unbilled Delivery			(170)			(170)	0	0.00
38 Delivery subtotal w unbilled			\$318,492			\$318,624	\$132	0.04

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Supply-BGS								
2 Generation Capacity Obl June-September	10,069	5.7899	\$58,299	10,069	5.7899	\$58,299	\$0	0.00
3 Generation Capacity Obl October-May	21,037	5.7899	121,802	21,037	5.7899	121,802	0	0.00
4 Transmission Capacity Obl	27,909	8.8088	245,845	27,909	8.8088	245,845	0	0.00
5 BGS kWhr June - September not night use	2,832,575	0.059182	167,637	2,832,575	0.059182	167,637	0	0.00
6 BGS kWhr October - May not night use	4,968,239	0.060826	302,198	4,968,239	0.060826	302,198	0	0.00
7 BGS kWhr June - September night use	11,184	0.044488	498	11,184	0.044488	498	0	0.00
8 BGS kWhr October - May night use	18,950	0.048158	913	18,950	0.048158	913	0	0.00
9 BGS Reconciliation-FP	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
10 BGS Miscellaneous			(200)			(200)	0	0.00
11 Supply subtotal	7,830,948		\$896,992	7,830,948		\$896,992	\$0	0.00
12 Unbilled Supply			823			823	0	0.00
13 Supply Subtotal w Unbilled			\$897,815			\$897,815	\$0	0.00
14								
15 Total Delivery + Supply	7,830,948		<u>\$1,216,307</u>	7,830,948		<u>\$1,216,439</u>	<u>\$132</u>	0.01

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	105,315	347.77	\$36,625	105,315	347.77	\$36,625	\$0	0.00
3 Distrib. KW Annual	29,101	3.3530	97,576	29,101	3.3551	97,637	61	0.06
4 Distrib. KW June - September	10,418	7.9769	83,103	10,418	7.9819	83,155	52	0.06
5 Distribution kWhr On Peak June-September	2,117,080	0.000000	0	2,117,080	0.000000	0	0	0.00
6 Distribution kWhr Off Peak June-September	2,065,647	0.000000	0	2,065,647	0.000000	0	0	0.00
7 Distribution kWhr On Peak October-May	3,561,184	0.000000	0	3,561,184	0.000000	0	0	0.00
8 Distribution kWhr Off Peak October-May	3,666,860	0.000000	0	3,666,860	0.000000	0	0	0.00
9 SBC	11,410,771	0.007385	84,269	11,410,771	0.007385	84,269	0	0.00
10 NGC	11,410,771	-0.000093	-1,061	11,410,771	-0.000093	-1,061	0	0.00
11 STC-TBC	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
12 STC-MTC-Tax	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
13 BRDKA	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
14 System Control Charge	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
15 Solar Pilot Recovery Charge	11,410,771	0.000068	776	11,410,771	0.000068	776	0	0.00
16 CIEP Standby Fee	5,795,363	0.000150	869	5,795,363	0.000150	869	0	0.00
17								
18 Green Programs Recovery Charge	11,410,771	0.001006	11,479	11,410,771	0.001006	11,479	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Service Charge	105,315	0.00	0	105,315	0.00	0	0	0.00
21 Annual Demand	29,101	0.0000	0	29,101	0.0000	0	0	0.00
22 Summer Demand, June-September	10,418	0.0000	0	10,418	0.0000	0	0	0.00
23 Distribution	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
24 BRDKA	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
25								
26 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	127		\$2.22/\$3.20	127	0	0.00
27 Facilities Chg.		1.45%	247		1.45%	247	0	0.00
28 Minimum			0			0	0	0.00
29 Dist. Miscellaneous			<u>(2,188)</u>			<u>(2,188)</u>	0	0.00
30 Delivery subtotal	11,410,771		\$311,822	11,410,771		\$311,935	\$113	0.04
31 Unbilled Delivery			<u>262</u>			<u>262</u>	0	0.00
32 Delivery subtotal w unbilled			\$312,084			\$312,197	\$113	0.04

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Supply-BGS								
2 0-499								
3 Generation Capacity Obl - June-September	9,088	5.7899	\$52,619	9,088	5.7899	\$52,619	\$0	0.00
4 Generation Capacity Obl - October-May	18,215	5.7899	105,463	18,215	5.7899	105,463	0	0.00
5 Transmission Capacity Obl	24,836	8.8088	218,775	24,836	8.8088	218,775	0	0.00
6 BGS kWhr June-September On Peak	1,661,425	0.070182	116,602	1,661,425	0.070182	116,602	0	0.00
7 BGS kWhr June-September Off Peak	1,621,062	0.044488	72,118	1,621,062	0.044488	72,118	0	0.00
8 BGS kWhr October-May On Peak	2,794,717	0.070426	196,821	2,794,717	0.070426	196,821	0	0.00
9 BGS kWhr October-May Off Peak	2,877,649	0.048158	138,582	2,877,649	0.048158	138,582	0	0.00
10 500+								
11 Generation Capacity Obl - June-September	2,422	8.4260	20,408	2,422	8.4260	20,408	0	0.00
12 Generation Capacity Obl - October-May	5,066	8.4260	42,686	5,066	8.4260	42,686	0	0.00
13 Transmission Capacity Obl	6,826	8.8088	60,129	6,826	8.8088	60,129	0	0.00
14 BGS kWhr June-September	900,240	0.036662	33,005	900,240	0.036662	33,005	0	0.00
15 Spare	-	0.036662	-	-	0.036662	-	0	0.00
16 BGS kWhr October-May	1,555,678	0.040859	63,563	1,555,678	0.040859	63,563	0	0.00
17 Spare	-	0.040859	-	-	0.040859	-	0	0.00
18								
19 BGS Reconciliation-FP	8,954,853	0.000000	0	8,954,853	0.000000	0	0	0.00
20 BGS Reconciliation-CIEP	2,455,918	0.000000	0	2,455,918	0.000000	0	0	0.00
21 BGS Miscellaneous			(117)			(117)	0	0.00
22 Supply subtotal	11,410,771		\$1,120,654	11,410,771		\$1,120,654	\$0	0.00
23 Unbilled Supply			13,273			13,273	0	0.00
24 Supply w Unbilled			\$1,133,927			\$1,133,927	\$0	0.00
25								
26 Total Delivery + Supply	11,410,771		<u>\$1,446,011</u>	11,410,771		<u>\$1,446,124</u>	<u>\$113</u>	0.01

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	9,241	347.77	\$3,214	9,241	347.77	\$3,214	\$0	0.00
3 Service Charge-Alternate	0,475	17.88	8	0,475	17.88	8	0	0.00
4 Distrib. KW Annual	7,855	1.5684	12,320	7,855	1.5693	12,327	7	0.06
5 Distrib. KW June - September	2,769	8.7064	24,108	2,769	8.7114	24,122	14	0.06
6 Distribution kWhr On Peak June-September	612,105	0.000000	0	612,105	0.000000	0	0	0.00
7 Distribution kWhr Off Peak June-September	700,645	0.000000	0	700,645	0.000000	0	0	0.00
8 Distribution kWhr On Peak October-May	1,056,389	0.000000	0	1,056,389	0.000000	0	0	0.00
9 Distribution kWhr Off Peak October-May	1,238,422	0.000000	0	1,238,422	0.000000	0	0	0.00
10 SBC	3,607,561	0.007251	26,158	3,607,561	0.007251	26,158	0	0.00
11 NGC	3,607,561	-0.000091	-328	3,607,561	-0.000091	-328	0	0.00
12 STC-TBC	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
13 STC-MTC-Tax	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
14 BRDKA	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
15 System Control Charge	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
16 Solar Pilot Recovery Charge	3,607,561	0.000068	245	3,607,561	0.000068	245	0	0.00
17 CIEP Standby Fee	3,607,561	0.000150	541	3,607,561	0.000150	541	0	0.00
18								
19 Green Programs Recovery Charge	3,607,561	0.001006	3,629	3,607,561	0.001006	3,629	0	0.00
20 <u>Capital Adjustment Charge (CIP I)</u>								
21 Service Charge	9,241	0.00	0	9,241	0.00	0	0	0.00
22 Service Charge-Primary Alternate	0,475	0.00	0	0,475	0.00	0	0	0.00
23 Annual Demand	7,855	0.0000	0	7,855	0.0000	0	0	0.00
24 Summer Demand, June-September	2,769	0.0000	0	2,769	0.0000	0	0	0.00
25 Distribution	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
26 BRDKA	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
27								
28 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	647		\$2.22/\$3.20	647	0	0.00
29 Facilities Chg.		1.45%	471		1.45%	471	0	0.00
30 Minimum			3			3	0	0.00
31 Dist. Miscellaneous			(655)			(655)	0	0.00
32 Delivery subtotal	3,607,561		\$70,361	3,607,561		\$70,382	\$21	0.03
33 Unbilled Delivery			96			96	0	0.00
34 Delivery subtotal w unbilled			\$70,457			\$70,478	\$21	0.03

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Supply-BGS								
2 Generation Capacity Obl June-September	2,767	8.4260	23,315	2,767	8.4260	\$23,315	\$0	0.00
3 Generation Capacity Obl October-May	5,546	8.4260	46,731	5,546	8.4260	46,731	0	0.00
4 Transmission Capacity Obl	7,584	8.8088	66,806	7,584	8.8088	66,806	0	0.00
5 BGS kWhr June-September On Peak	612,105	0.034744	21,267	612,105	0.034744	21,267	0	0.00
6 BGS kWhr June-September Off Peak	700,645	0.034744	24,343	700,645	0.034744	24,343	0	0.00
7 BGS kWhr October-May On Peak	1,056,389	0.039220	41,432	1,056,389	0.039220	41,432	0	0.00
8 BGS kWhr October-May Off Peak	1,238,422	0.039220	48,571	1,238,422	0.039220	48,571	0	0.00
9 BGS Reconciliation-CIEP	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
10 BGS Miscellaneous			0			0	0	0.00
11 Supply subtotal	3,607,561		\$272,465	3,607,561		\$272,465	\$0	0.00
12 Unbilled Supply			610			610	0	0.00
13 Supply w Unbilled			\$273,075			\$273,075	\$0	0.00
14								
15 Total Delivery + Supply	3,607,561		<u>\$343,532</u>	3,607,561		<u>\$343,553</u>	<u>\$21</u>	0.01

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	2,260	1,911.39	\$4,320	2,260	1,911.39	\$4,320	\$0	0.00
3 Distrib. KW Annual	13,072	0.9701	12,681	13,072	0.9707	12,689	8	0.06
4 Distrib. KW June - September	3,073	3.5067	10,776	3,073	3.5089	10,783	7	0.06
5 Distribution kWhr On Peak	1,613,843	0.000000	0	1,613,843	0.000000	0	0	0.00
6 Spare	0	0.000000	0	0	0.000000	0	0	0.00
7 Distribution kWhr On Peak	2,852,948	0.000000	0	2,852,948	0.000000	0	0	0.00
8 Spare	0	0.000000	0	0	0.000000	0	0	0.00
9 SBC	4,466,791	0.007136	31,875	4,466,791	0.007136	31,875	0	0.00
10 NGC	4,466,791	-0.000089	-398	4,466,791	-0.000089	-398	0	0.00
11 STC-TBC	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
12 STC-MTC-Tax	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
13 BRDKA	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
14 System Control Charge	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
15 Solar Pilot Recovery Charge	4,466,791	0.000068	304	4,466,791	0.000068	304	0	0.00
16 CIEP Standby Fee	4,466,791	0.000150	670	4,466,791	0.000150	670	0	0.00
17								
18 Green Programs Recovery Charge	4,466,791	0.001006	4,494	4,466,791	0.001006	4,494	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Service Charge	2,260	0.00	0	2,260	0.00	0	0	0.00
21 Annual Demand	13,072	0.0000	0	13,072	0.0000	0	0	0.00
22 Summer Demand, June-September	3,073	0.0000	0	3,073	0.0000	0	0	0.00
23 Distribution	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
24 BRDKA	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
25								
26 Duplicate Svc (Same Sub/Different Sub)		\$1.83/\$2.20	4		\$1.83/\$2.20	4	0	0.00
27 Facilities Chg.		1.45%	393		1.45%	393	0	0.00
28 Minimum			0			0	0	0.00
29 Dist. Miscellaneous			(289)			(289)	0	0.00
30 Delivery subtotal	4,466,791		\$64,830	4,466,791		\$64,845	\$15	0.02
31 Unbilled Delivery			6			6	0	0.00
32 Delivery subtotal w unbilled			\$64,836			\$64,851	\$15	0.02

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Supply-BGS								
2 Generation Capacity Obl June-September	2,820	8.4260	\$23,761	2820	8.4260	\$23,761	\$0	0.00
3 Generation Capacity Obl October-May	5,825	8.4260	49,081	5825	8.4260	49,081	0	0.00
4 Transmission Capacity Obl	7,904	8.8088	69,625	7904	8.8088	69,625	0	0.00
5 BGS kWhr June-September	1,613,843	0.033860	54,645	1,613,843	0.033860	54,645	0	0.00
6 Spare	0	0.033860	0	0	0.033860	0	0	0.00
7 BGS kWhr October-May	2,852,948	0.038054	108,566	2,852,948	0.038054	108,566	0	0.00
8 Spare	0	0.038054	0	0	0.038054	0	0	0.00
9 BGS Reconciliation-CIEP	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
10 BGS Miscellaneous			-14			-14	0	0.00
11 Supply subtotal	4,466,791		\$305,664	4,466,791		\$305,664	\$0	0.00
12 Unbilled Supply			(3,799)			(3,799)	0	0.00
13 Supply w Unbilled			\$301,865			\$301,865	\$0	0.00
14								
15 Total Delivery + Supply	4,466,791		<u>\$366,701</u>	4,466,791		<u>\$366,716</u>	<u>\$15</u>	0.00

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 Service Charge	0.097	1,720.25	\$167	0.097	1,720.25	\$167	\$0	0.00
3 Distrib. KW Annual	2,424	0.5876	1,424	2,424	0.5880	1,425	1	0.07
4 Distrib. KW June - September	0	0.000000	0	0	0.0000	0	0	0.00
5 Distribution kWhr June - September	85,014	0.000000	0	85,014	0.000000	0	0	0.00
6 Spare	0	0.000000	0	0	0.000000	0	0	0.00
7 Distribution kWhr October - May	247,172	0.000000	0	247,172	0.000000	0	0	0.00
8 Spare	0	0.000000	0	0	0.000000	0	0	0.00
9 SBC	332,186	0.007060	2,345	332,186	0.007060	2,345	0	0.00
10 NGC	332,186	-0.000087	-29	332,186	-0.000087	-29	0	0.00
11 STC-TBC	332,186	0.000000	0	332,186	0.000000	0	0	0.00
12 STC-MTC-Tax	332,186	0.000000	0	332,186	0.000000	0	0	0.00
13 BRDKA	332,186	0.000000	0	332,186	0.000000	0	0	0.00
14 System Control Charge	332,186	0.000000	0	332,186	0.000000	0	0	0.00
15 Solar Pilot Recovery Charge	332,186	0.000068	23	332,186	0.000068	23	0	0.00
16 CIEP Standby Fee	332,186	0.000150	50	332,186	0.000150	50	0	0.00
17								
18 Green Programs Recovery Charge	332,186	0.001006	334	332,186	0.001006	334	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Service Charge	0.097	0.00	0	0.097	0.00	0	0	0.00
21 Annual Demand	2,424	0.0000	0	2,424	0.0000	0	0	0.00
22 Distribution	332,186	0.000000	0	332,186	0.000000	0	0	0.00
23 BRDKA	332,186	0.000000	0	332,186	0.000000	0	0	0.00
24								
25 Facilities Chg.			34			34	0	0.00
26 Minimum			0			0	0	0.00
27 Dist. Miscellaneous			11			11	0	0.00
28 Delivery subtotal	332,186		\$4,359	332,186		\$4,360	\$1	0.02
29 Unbilled Delivery			(140)			(140)	0	0.00
30 Delivery subtotal w unbilled			\$4,219			\$4,220	\$1	0.02

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Supply-BGS								
2 Generation Capacity Obl June-September	139	8.4260	\$1,171	139	8.4260	\$1,171	\$0	0.00
3 Generation Capacity Obl October-May	280	8.4260	2,359	280	8.4260	2,359	0	0.00
4 Transmission Capacity Obl	380	8.8088	3,347	380	8.8088	3,347	0	0.00
5 BGS kWhr June-September	85,014	0.032041	2,724	85,014	0.032041	2,724	0	0.00
6 Spare	0	0.032041	0	0	0.032041	0	0	0.00
7 BGS kWhr October-May	247,172	0.039170	9,682	247,172	0.039170	9,682	0	0.00
8 Spare	0	0.039170	0	0	0.039170	0	0	0.00
9 BGS Reconciliation-CIEP	332,186	0.000000	0	332,186	0.000000	0	0	0.00
10 BGS Miscellaneous			0			0	0	0.00
11 Supply subtotal	332,186		\$19,283	332,186		\$19,283	\$0	0.00
12 Unbilled Supply			0			0	0	0.00
13 Supply w Unbilled			\$19,283			\$19,283	\$0	0.00
14								
15 Total Delivery + Supply	332,186		<u>\$23,502</u>	332,186		<u>\$23,503</u>	<u>\$1</u>	0.00

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 High Pressure Sodium	2,310.120	0	\$26,297	2,310.120	0	\$26,297	\$0	0.00
3 Metal Halide	246.612	0	5,549	246.612	0	\$5,549	0	0.00
4 Filament	173.868	0	678	173.868	0	\$678	0	0.00
5 Mercury Vapor	1,671.252	0	14,445	1,671.252	0	\$14,445	0	0.00
6 Fluorescent	0.216	0	3	0.216	0	\$3	0	0.00
7								
8 Distribution June-September	80,289	0.015837	1,272	80,289	0.015938	\$1,280	8	0.63
9 Distribution October-May	206,197	0.015837	3,266	206,197	0.015938	\$3,286	20	0.61
10 SBC	286,486	0.007385	2,116	286,486	0.007385	\$2,116	0	0.00
11 NGC	286,486	-0.000093	-27	286,486	-0.000093	-\$27	0	0.00
12 STC-TBC	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
13 STC-MTC-Tax	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
14 BRDKA	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
15 System Control Charge	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
16 Solar Pilot Recovery Charge	286,486	0.000068	19	286,486	0.000068	\$19	0	0.00
17								
18 Green Programs Recovery Charge	286,486	0.001006	288	286,486	0.001006	\$288	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Distribution June-September	80,289	0.000000	0	80,289	0.000000	\$0	0	0.00
21 Distribution October-May	206,197	0.000000	0	206,197	0.000000	\$0	0	0.00
22 BRDKA	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
23								
24 Pole Charges	418.856		1,604	418.856		1,604	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			291			291	0	0.00
27 Delivery Subtotal			\$55,801			\$55,829	\$28	0.05
28 Unbilled Delivery			31			31	0	0.00
29 Delivery Subtotal w unbilled			\$55,832			\$55,860	\$28	0.05
30								
31 Supply-BGS								
32 BGS June-September	80,289	0.046936	3,768	80,289	0.046936	3,768	0	0.00
33 BGS October-May	206,197	0.051712	10,663	206,197	0.051712	10,663	0	0.00
34 BGS Reconciliation-FP	286,486	0.000000	0	286,486	0.000000	0	0	0.00
35 Miscellaneous			147			147	0	0.00
36 Supply subtotal			\$14,578			\$14,578	\$0	0.00
37 Unbilled Supply			-44			-44	0	0.00
38 Supply subtotal w unbilled			\$14,534			\$14,534	\$0	0.00
39								
40 Total Delivery + Supply	286,486		<u>\$70,366</u>	286,486		<u>\$70,394</u>	<u>\$28</u>	0.04

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 High Pressure Sodium	126.756	0	\$183.000	126.756	0	\$183.000	\$0.000	0.00
3 Metal Halide	1.476	0	\$5.000	1.476	0	\$5.000	\$0.000	0.00
4 Filament	5.952	0	\$23.000	5.952	0	\$23.000	\$0.000	0.00
5 Mercury Vapor	4.260	0	\$4.000	4.260	0	\$4.000	\$0.000	0.00
6 Fluorescent	0.024	0	\$0.000	0.024	0	\$0.000	\$0.000	0.00
7								
8 Distribution June-September	4,011	0.006524	\$26.168	4,011	0.006535	26.212	\$0.044	0.17
9 Distribution October-May	10,301	0.006524	\$67.204	10,301	0.006535	67.317	\$0.113	0.17
10 SBC	14,312	0.007385	\$105.694	14,312	0.007385	105.694	\$0.000	0.00
11 NGC	14,312	-0.000093	-\$1.331	14,312	-0.000093	-1.331	\$0.000	0.00
12 STC-TBC	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
13 STC-MTC-Tax	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
14 BRDKA	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
15 System Control Charge	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
16 Solar Pilot Recovery Charge	14,312	0.000068	\$0.973	14,312	0.000068	0.973	\$0.000	0.00
17								
18 Green Programs Recovery Charge	14,312	0.001006	\$14.398	14,312	0.001006	14.398	\$0.000	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Distribution June-September	4,011	0.000000	\$0.000	4,011	0.000000	0.000	\$0.000	0.00
21 Distribution October-May	10,301	0.000000	\$0.000	10,301	0.000000	0.000	\$0.000	0.00
22 BRDKA	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
23								
24 Pole Charges			\$0.000			0.000	\$0.000	0.00
25 Minimum			\$0.000			0.000	\$0.000	0.00
26 Miscellaneous			\$1.000			1.005	\$0.005	0.50
27 Delivery Subtotal			\$429.106			429.268	\$0.162	0.04
28 Unbilled Delivery			\$0.000			0.000	\$0.000	0.00
29 Delivery Subtotal w unbilled			\$429.106			429.268	\$0.162	0.04
30								
31 Supply-BGS								
32 BGS June-September	4,011	0.046936	\$188.260	4,011	0.046936	188.260	\$0.000	0.00
33 BGS October-May	10,301	0.051712	\$532.685	10,301	0.051712	532.685	\$0.000	0.00
34 BGS Reconciliation-FP	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
35 Miscellaneous			\$1.000			1.000	\$0.000	0.00
36 Supply subtotal			\$721.945			721.945	\$0.000	0.00
37 Unbilled Supply			\$0.000			0.000	\$0.000	0.00
38 Supply subtotal w unbilled			\$721.945			721.945	\$0.000	0.00
39								
40 Total Delivery + Supply	14,312		\$1,151.051	14,312		1,151.213	\$0.162	0.01

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 4/1/2018

	Annualized Weather Normalized			Proposed with ESAM Rollin			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)
1 Delivery								
2 High Pressure Sodium	864,576	0	\$16,257	864,576	0	\$16,257	\$0	0.00
3 Metal Halide	234,132	0	6,259	234,132	0	6,259	0	0.00
4 Filament	1,104	0	6	1,104	0	6	0	0.00
5 Mercury Vapor	104,196	0	1,249	104,196	0	1,249	0	0.00
6 Fluorescent	0,012	0	0	0,012	0	0	0	0.00
7								
8 Distribution June-September	47,328	0.015201	719	47,328	0.015289	724	5	0.70
9 Distribution October-May	121,547	0.015201	1,848	121,547	0.015289	1,858	10	0.54
10 SBC	168,875	0.007385	1,247	168,875	0.007385	1,247	0	0.00
11 NGC	168,875	-0.000093	-16	168,875	-0.000093	-16	0	0.00
12 STC-TBC	168,875	0.000000	0	168,875	0.000000	0	0	0.00
13 STC-MTC-Tax	168,875	0.000000	0	168,875	0.000000	0	0	0.00
14 BRDKA	168,875	0.000000	0	168,875	0.000000	0	0	0.00
15 System Control Charge	168,875	0.000000	0	168,875	0.000000	0	0	0.00
16 Solar Pilot Recovery Charge	168,875	0.000068	11	168,875	0.000068	11	0	0.00
17								
18 Green Programs Recovery Charge	168,875	0.001006	170	168,875	0.001006	170	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Distribution Summer	47,328	0.000000	0	47,328	0.000000	0	0	0.00
21 Distribution Winter	121,547	0.000000	0	121,547	0.000000	0	0	0.00
22 BRDKA	168,875	0.000000	0	168,875	0.000000	0	0	0.00
23								
24 Pole Charges	443,616		3,883	443,616		3,883	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			(944)			(944)	0	0.00
27 Delivery Subtotal			\$30,689			\$30,704	\$15	0.05
28 Unbilled Delivery			72			72	0	0.00
29 Delivery Subtotal w unbilled			\$30,761			\$30,776	\$15	0.05
30								
31 Supply-BGS								
32 BGS June-September	47,328	0.046936	2,221	47,328	0.046936	2,221	0	0.00
33 BGS October-May	121,547	0.051712	6,285	121,547	0.051712	6,285	0	0.00
34 BGS Reconciliation-FP	168,875	0.000000	0	168,875	0.000000	0	0	0.00
35 Miscellaneous			(55)			(55)	0	0.00
36 Supply subtotal			\$8,451			\$8,451	\$0	0.00
37 Unbilled Supply			(42)			(42)	0	0.00
38 Supply subtotal w unbilled			\$8,409			\$8,409	\$0	0.00
39								
40 Total Delivery + Supply	168,875		\$39,170	168,875		\$39,185	\$15	0.04

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018

		<u>Present</u>		<u>Proposed</u>		<u>Difference</u> <u>w/out SUT</u>
		<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>including</u> <u>SUT</u>	<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>including</u> <u>SUT</u>	
<u>Rate Schedules</u>						
RS	Service Charge	\$2.27	\$2.42	\$2.27	\$2.42	\$0.00
	Distribution 0-600 Sum	\$0.034775	\$0.037079	\$0.034823	\$0.037130	\$0.000048
	Distribution 0-600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000
	Distribution over 600 Sum	\$0.038596	\$0.041153	\$0.038644	\$0.041204	\$0.000048
	Distribution over 600 Win	\$0.033344	\$0.035553	\$0.033344	\$0.035553	\$0.000000
RHS	Service Charge	\$2.27	\$2.42	\$2.27	\$2.42	\$0.00
	Distribution 0-600 Sum	\$0.048045	\$0.051228	\$0.048076	\$0.051261	\$0.000031
	Distribution 0-600 Win	\$0.030985	\$0.033038	\$0.031005	\$0.033059	\$0.000020
	Distribution over 600 Sum	\$0.053503	\$0.057048	\$0.053538	\$0.057085	\$0.000035
	Distribution over 600 Win	\$0.011382	\$0.012136	\$0.011389	\$0.012144	\$0.000007
	Common Use	\$0.053503	\$0.057048	\$0.053538	\$0.057085	\$0.000035
RLM	Service Charge	\$13.07	\$13.94	\$13.07	\$13.94	\$0.00
	Distrib. kWhr Summer On	\$0.057593	\$0.061409	\$0.057635	\$0.061453	\$0.000042
	Distrib. kWhr Summer Off	\$0.013382	\$0.014269	\$0.013392	\$0.014279	\$0.000010
	Distrib. kWhr Winter On	\$0.013382	\$0.014269	\$0.013392	\$0.014279	\$0.000010
	Distrib. kWhr Winter Off	\$0.013382	\$0.014269	\$0.013392	\$0.014279	\$0.000010
WH	Distribution	\$0.044336	\$0.047273	\$0.044359	\$0.047298	\$0.000023
WHS	Service Charge	\$0.52	\$0.55	\$0.52	\$0.55	\$0.00
	Distribution	\$0.000054	\$0.000058	\$0.000054	\$0.000058	\$0.000000
HS	Service Charge	\$3.11	\$3.32	\$3.11	\$3.32	\$0.00
	Distribution June-September	\$0.082837	\$0.088325	\$0.082837	\$0.088325	\$0.000000
	Distribution October-May	\$0.030413	\$0.032428	\$0.030413	\$0.032428	\$0.000000
GLP	Service Charge	\$3.96	\$4.22	\$3.96	\$4.22	\$0.00
	Service Charge-unmetered	\$1.83	\$1.95	\$1.83	\$1.95	\$0.00
	Service Charge-Night Use	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00
	Distrib. KW Annual	\$4.0591	\$4.3280	\$4.0613	\$4.3304	\$0.0022
	Distrib. KW Summer	\$7.5335	\$8.0326	\$7.5376	\$8.0370	\$0.0041
	Distribution kWhr, June-September	\$0.009532	\$0.010163	\$0.009537	\$0.010169	\$0.000005
	Distribution kWhr, October-May	\$0.003349	\$0.003571	\$0.003351	\$0.003573	\$0.000002
	Distribution kWhr, Night use, June-September	\$0.003349	\$0.003571	\$0.003351	\$0.003573	\$0.000002
	Distribution kWhr, Night use, October-May	\$0.003349	\$0.003571	\$0.003351	\$0.003573	\$0.000002

		<u>Present</u>		<u>Proposed</u>		<u>Difference</u> <u>w/out SUT</u>
		<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>including</u> <u>SUT</u>	<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>including</u> <u>SUT</u>	
Rate Schedules						
LPL-Secondary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00
	Distrib. KW Annual	\$3.3530	\$3.5751	\$3.3551	\$3.5774	\$0.0021
	Distrib. KW Summer	\$7.9769	\$8.5054	\$7.9819	\$8.5107	\$0.0050
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
LPL-Primary	Service Charge	\$347.77	\$370.81	\$347.77	\$370.81	\$0.00
	Service Charge-Alternate	\$17.88	\$19.06	\$17.88	\$19.06	\$0.00
	Distrib. KW Annual	\$1.5684	\$1.6723	\$1.5693	\$1.6733	\$0.0009
	Distrib. KW Summer	\$8.7064	\$9.2832	\$8.7114	\$9.2885	\$0.0050
	Distribution kWhr	\$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	\$0.00
	Distrib. KW Annual	\$0.9701	\$1.0344	\$0.9707	\$1.0350	\$0.0006
	Distrib. KW Summer	\$3.5067	\$3.7390	\$3.5089	\$3.7414	\$0.0022
	Distribution kWhr	\$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	\$0.00
	Distrib. KW Annual	\$0.5876	\$0.6265	\$0.5880	\$0.6270	\$0.0004
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
BPL	Distribution Sum	\$0.015837	\$0.016886	\$0.015938	\$0.016994	\$0.000101
	Distribution Winter	\$0.015837	\$0.016886	\$0.015938	\$0.016994	\$0.000101
BPL-POF	Distribution Sum	\$0.006524	\$0.006956	\$0.006535	\$0.006968	\$0.000011
	Distribution Winter	\$0.006524	\$0.006956	\$0.006535	\$0.006968	\$0.000011
PSAL	Distribution Sum	\$0.015201	\$0.016208	\$0.015289	\$0.016302	\$0.000088
	Distribution Winter	\$0.015201	\$0.016208	\$0.015289	\$0.016302	\$0.000088

Gas Rate Design (Proof of Revenue by Rate Class)

Explanation of Format

The summary provides by rate schedule the Annualized Weather Normalized (all customers assumed to be on BGSS) revenue based on current tariff rates and the proposed initial rate change. The detailed rate design by rate schedule follows the summary page. The pages presented in Schedule SS-ESAM8-6 are the 11 relevant pages from the complete rate change workpapers from the Company's 2009 Gas Base Rate Case and have been appropriately modified per my testimony to reflect this Energy Strong roll-in.

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

In the detailed rate design pages, all the components are separated into Delivery and Supply. In addition to the Distribution components of Delivery, also included in the schedule are lines for Balancing, Societal Benefits Charge, Realignment Adjustment Charge, Margin Adjustment Charge, Weather Normalization Charge, Green Programs Recovery Charge, CIP 1 Capital Adjustment Charges (CAC), 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 April 1, 2018. The commodity rates in the Column (2) reflect the 2012 class-weighted averages (BGSS-RSG uses the rate as of 4/1/2018 not including any BGSS-RSG Bill Credits). Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGSS provision. Column (4) repeats the billing units of Column (1). Column (5) shows the proposed rates without SUT that result in the proposed revenues shown in Column (6). Columns (7) and (8) show the proposed base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on pages 10 and 11 of this schedule.

**GAS PROOF OF REVENUE
SUMMARY
GAS RATE INCREASE
12 Months Ended December 31, 2012**
(Therms & Revenue - Thousands, Rate - \$/Therm)

Annualized

	Rate Schedule	Weather Normalized		Proposed with GSMP Roll-in		Increase	
		Therms (1)	Revenue (2)	Therms (3)	Revenue (4)	Revenue (5)	Percent (6)
1	RSG	1,381,959	\$1,149,091	1,381,959	\$1,149,178	\$87	0.01
2	GSG	263,897	244,187	263,897	244,200	\$13	0.01
3	LVG	641,990	488,079	641,990	488,099	\$20	0.00
6	SLG	<u>682,345</u>	<u>673,714</u>	<u>682,345</u>	<u>673,775</u>	<u>\$0.061</u>	0.01
7	Subtotal	2,288,528	1,882,031	2,288,528	1,882,151	\$120	0.01
8							
9	TSG-F	28,062	15,946.287	28,062	15,947.287	\$1.000	0.01
10	TSG-NF	864,596	152,681	864,596	152,684	\$3	0.00
11	CIG	<u>58,147</u>	<u>25,407</u>	<u>58,147</u>	<u>25,408</u>	<u>\$1</u>	0.00
12	Subtotal	950,805	194,034	950,805	194,039	\$5	0.00
13							
14	Totals	<u>3,239,333</u>	<u>\$2,076,065</u>	<u>3,239,333</u>	<u>\$2,076,190</u>	<u>\$125</u>	0.01

Less change in MAC included above \$5
 Gas Revenue Requirement \$120 proposed roll-in

	<u>Increase Before Mac Adjustment</u>	<u>Increase Above</u>	<u>MAC Adjustment</u>
RSG	\$86	\$87	\$1
GSG	13	13	0
LVG	19	20	1
SLG	<u>0.061</u>	<u>0.061</u>	<u>0.000</u>
Subtotal	\$118	\$120	\$2
TSG-F	\$0.973	\$1.000	\$0.027
TSG-NF	3	3	0
CIG	<u>1</u>	<u>1</u>	<u>0</u>
Subtotal	\$5	\$5	\$0
Totals	<u>\$123</u>	<u>\$125</u>	<u>\$2</u>

Notes: All customers assumed to be on BGSS.
 SLG units and revenues shown to 3 decimals.
 TSG-F revenues shown to 3 decimals.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 4/1/2018 plus applicable BGSS charges.

<u>Rate Schedule</u>	<u>Present</u>		<u>Proposed</u>	
	<u>Charge without/SUT</u>	<u>Charge Including SUT</u>	<u>Charge without/SUT</u>	<u>Charge Including SUT</u>
RSG				
Service Charge	\$5.46	\$5.82	\$5.46	\$5.82
Distribution Charges	\$0.300343	\$0.320241	\$0.300406	\$0.320308
Balancing Charge	\$0.084457	\$0.090052	\$0.084457	\$0.090052
Off-Peak Use	\$0.150172	\$0.160120	\$0.150203	\$0.160154
GSG				
Service Charge	\$11.28	\$12.03	\$11.28	\$12.03
Distribution Charge - Pre July 14, 1997	\$0.247071	\$0.263439	\$0.247120	\$0.263492
Distribution Charge - All Others	\$0.247071	\$0.263439	\$0.247120	\$0.263492
Balancing Charge	\$0.084457	\$0.090052	\$0.084457	\$0.090052
Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.123536	\$0.131720	\$0.123560	\$0.131746
Off-Peak Use Dist Charge - All Others	\$0.123536	\$0.131720	\$0.123560	\$0.131746
LVG				
Service Charge	\$100.12	\$106.75	\$100.12	\$106.75
Demand Charge	\$3.7352	\$3.9827	\$3.7361	\$3.9836
Distribution Charge 0-1,000 pre July 14, 1997	\$0.041215	\$0.043945	\$0.041247	\$0.043980
Distribution Charge over 1,000 pre July 14, 1997	\$0.039335	\$0.041941	\$0.039333	\$0.041939
Distribution Charge 0-1,000 post July 14, 1997	\$0.041215	\$0.043945	\$0.041247	\$0.043980
Distribution Charge over 1,000 post July 14, 1997	\$0.039335	\$0.041941	\$0.039333	\$0.041939
Balancing Charge	\$0.084457	0.090052	\$0.084457	\$0.090052
SLG				
Single-Mantle Lamp	\$9.6316	\$10.2697	\$9.6316	\$10.2697
Double-Mantle Lamp, inverted	\$9.4856	\$10.1140	\$9.4856	\$10.1140
Double Mantle Lamp, upright	\$8.3906	\$8.9465	\$8.3906	\$8.9465
Triple-Mantle Lamp, prior to January 1, 1993	\$9.4856	\$10.1140	\$9.4856	\$10.1140
Triple-Mantle Lamp, on and after January 1, 1993	\$61.9958	\$66.1030	\$61.9958	\$66.1030
Distribution Therm Charge	\$0.083452	\$0.088981	\$0.083544	\$0.089079

Gas Tariff Rates

Schedule SS-ESAM8-6
Page 11 of 11

	<u>Present</u>	<u>Charge Including SUT</u>	<u>Proposed</u>	<u>Charge Including SUT</u>
TSG-F				
Service Charge	\$536.08	\$571.60	\$536.21	\$571.73
Demand Charge	\$1.8550	\$1.9779	\$1.8556	\$1.9785
Distribution Charges	\$0.070907	\$0.075605	\$0.070929	\$0.075628
TSG-NF				
Service Charge	\$536.08	\$571.60	\$536.21	\$571.73
Distribution Charge 0-50,000	\$0.070731	\$0.075417	\$0.070744	\$0.075431
Distribution Charge over 50,000	\$0.070731	\$0.075417	\$0.070744	\$0.075431
Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02
CIG				
Service Charge	\$139.85	\$149.12	\$139.87	\$149.14
Distribution Charge 0-600,000	\$0.063389	\$0.067589	\$0.063406	\$0.067607
Distribution Charge over 600,000	\$0.052013	\$0.055459	0.052027	\$0.055474
Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02
BGSS RSG				
Commodity Charge including Losses	\$0.346015	\$0.368938	\$0.346014	\$0.368937
CSG				
Service Charge	\$536.08	\$571.60	\$536.21	\$571.73

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

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

Residential Electric Service					
If Your Monthly Summer kWh Use Is:	And Your Annual kWh Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
200	1,920	\$349.52	\$349.56	\$0.04	0.01%
450	4,320	750.20	750.28	0.08	0.01
750	7,200	1,239.12	1,239.28	0.16	0.01
803	7,800	1,342.16	1,342.33	0.17	0.01
1,360	13,160	2,267.68	2,267.96	0.28	0.01

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

(2) Same as (1) except includes change for Energy Strong Base Rate Adjustments.

Residential Electric Service					
If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,920	200	\$35.98	\$35.99	\$0.01	0.03%
4,320	450	77.95	77.97	0.02	0.03
7,200	750	130.36	130.40	0.04	0.03
7,800	803	140.00	140.04	0.04	0.03
13,160	1,360	241.18	241.25	0.07	0.03

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

(4) Same as (3) except includes change for Energy Strong Base Rate Adjustments.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

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

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	180	\$210.34	\$210.34	\$0.00	0.00%
50	360	350.73	350.77	0.04	0.01
100	610	558.56	558.68	0.12	0.02
159	1,000	870.44	870.49	0.05	0.01
165	1,010	879.16	879.22	0.06	0.01
200	1,224	1,050.55	1,050.59	0.04	0.00
300	1,836	1,540.92	1,541.08	0.16	0.01

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect April 1, 2018 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits.
- (2) Same as (1) except includes change for Energy Strong Base Rate Adjustments.

Residential Gas Service					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
180	25	\$26.06	\$26.06	\$0.00	0.00%
360	50	46.30	46.31	0.01	0.02
610	100	88.48	88.49	0.01	0.01
1,010	165	142.23	142.24	0.01	0.01
1,224	200	171.18	171.19	0.01	0.01
1,836	300	253.84	253.86	0.02	0.01

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect April 1, 2018 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits.
- (4) Same as (3) except includes change for Energy Strong Base Rate Adjustments.

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC AND GAS BASE RATE ADJUSTMENTS PURSUANT TO THE ENERGY STRONG PROGRAM

Notice of a Filing And Notice of Public Hearings Docket Nos. XXXXXXXXXX and XXXXXXXXXX

TAKE NOTICE that, on March 30, 2018 Public Service Electric and Gas Company (Public Service, PSE&G, the Company) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (Board, BPU) seeking Board approval for electric and gas base rate changes to provide for cost recovery associated with the Company's Energy Strong Program (Energy Strong).

On May 21, 2014, the Board issued an Order approving Energy Strong in Docket Nos. EO13020155 and GO13020156. The Order provided approval to invest up to \$1.0 billion, 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 three-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 associated with the capitalized investment costs of Energy Strong incurred through May 31, 2018 of approximately \$594 thousand from the Company's electric customers and \$120 thousand from the Company's gas customers.

For illustrative purposes the estimated Base Rates effective September 1, 2018 including New Jersey Sales and Use Tax (SUT) for Residential Rate Schedules RS and RSG are shown in Table #1 below.

Tables #2 and #3 below provide customers with the approximate impact of the proposed increase in rates relating to Energy Strong, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage.

Under the Company's proposal, a typical residential electric customer using 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,239.12 to \$1,239.28, or \$0.16 or approximately 0.01%. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #4 below.

Under the Company's proposal, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see an increase in the annual bill from \$558.56 to \$558.68, or \$0.12 or approximately 0.02%. Also, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see an increase in the annual bill from \$879.16 to \$879.22, or \$0.06 or approximately 0.01%. The approximate effect of the proposed gas base rate change on typical gas residential monthly bills, if approved by the Board, is illustrated in Table #5 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.

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

The following dates, times and locations for public hearings have been scheduled on the Company's filing so that members of the public may present their views. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date 1, 2018	Date 2, 2018	Date 3, 2018
Time 1	Time 2	Time 3
Location 1	Location 2	Location 3
Room 1	Room 2	Room 3
Address 1	Address 2	Address 3
City 1, N.J. Zip Code 1	City 2, N.J. Zip Code 2	City 3, N.J. Zip Code 3

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

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

**Table #1
ELECTRIC BASE RATES
For Residential RS & RSG Customers
Rates if Effective September 1, 2018**

		Base Rates		
Rate Schedule			Charges in Effect April 1, 2018 Including SUT	Proposed Charges in Effect September 1, 2018 Including SUT
RS	Service Charge	per month	\$2.42	\$2.42
	Distribution 0-600, June-September	\$/kWh	0.037079	0.037130
	Distribution 0-600, October-May	\$/kWh	0.035553	0.035553
	Distribution over 600, June-September	\$/kWh	0.041153	0.041204
	Distribution over 600, October-May	\$/kWh	0.035553	0.035553
			Charges in Effect April 1, 2018 Including SUT	Proposed Charges in Effect September 1, 2018 Including SUT
Gas				
RSG	Service Charge	per month	\$5.82	\$5.82
	Distribution Charge	\$/Therm	0.320241	0.320308
	Off-Peak Use	\$/Therm	0.160120	0.160154
	Basic Gas Supply Service-RSG (BGSS-RSG) (Rate shown excludes bill credit for April 2018 usage)	\$/Therm	0.368938	0.368937

Table #2
Proposed Percentage Change
By Customer Class for Electric Service
For Rates if Effective September 1, 2018

Electric		
	Rate Class	Percent Change
Residential	RS	0.01%
Residential Heating	RHS	0.01
Residential Load Management	RLM	0.01
Water Heating	WH	0.02
Water Heating Storage	WHS	0.00
Building Heating	HS	0.00
General Lighting & Power	GLP	0.01
Large Power & Lighting- Sec.	LPL-S	0.01
Large Power & Lighting- Pri.	LPL-P	0.01
High Tension-Subtr.	HTS-S	0.00
High Tension-HV	HTS-HV	0.00
Body Politic Lighting	BPL	0.04
Body Politic Lighting-POF	BPL-POF	0.01
Private Street & Area Lighting	PSAL	0.04
Overall		0.01

The percent increases noted above are based upon April 1, 2018 Delivery Rates, the applicable Basic Generation Service (BGS) charges, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

Table #3
Proposed Percentage Change
By Customer Class for Gas Service
For Rates if Effective September 1, 2018

GAS		
	Rate Class	Percent Change
Residential Service	RSG	0.01%
General Service	GSG	0.01
Large Volume Service	LVG	0.00
Street Lighting Service	SLG	0.01
Firm Transportation Gas Service	TSG-F	0.01
Non-Firm Transportation Gas Service	TSG-NF	0.00
Cogeneration Interruptible Service	CIG	0.00
Overall		0.01

The percent increases noted above are based upon April 1, 2018 Delivery Rates, the applicable Basic Gas Supply Service (BGSS) charges, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

Table #4
Residential Electric Service For Rates if Effective September 1, 2018

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 Change Would Be:	And Your Monthly Summer Percent Change Would Be:
1,920	200	\$35.98	\$35.99	\$0.01	0.03%
4,320	450	77.95	77.97	0.02	0.03
7,200	750	130.36	130.40	0.04	0.03
7,800	803	140.00	140.04	0.04	0.03
13,160	1,360	241.18	241.25	0.07	0.03

- (1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect April 1, 2018 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the change for the Energy Strong Program.

Table #5
Residential Gas Service For Rates if Effective September 1, 2018

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Monthly Winter Percent Change Would Be:
180	25	\$26.06	\$26.06	\$0.00	0.00%
360	50	46.30	46.31	0.01	0.02
610	100	88.48	88.49	0.01	0.01
1,010	165	142.23	142.24	0.01	0.01
1,224	200	171.18	171.19	0.01	0.01
1,836	300	253.84	253.86	0.02	0.01

- (1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect April 1, 2018 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits.
- (2) Same as (1) except includes change for the Energy Strong Program.

Matthew M. Weissman, Esq.
General Regulatory Counsel - Rates

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

INCOME ACCOUNT

	<u>YTD 2016 *</u> '(\$000)
400 Electric Operating Revenues	3,372,834
Electric Operating Expenses:	
401 Operation Expense	2,429,564
402 Maintenance Expense	123,045
403 Depreciation Expense	240,246
404 Amortization of Limited Term Plant	7,498
407 Amortization of Property Losses	4,146
408.1 Taxes Other Than Income Taxes	23,462
409.1 Income Taxes - Federal	75,769
410.1 Provision for Deferred Income Taxes	312,579
411.1 Provision for Deferred Income Taxes - Credit	(256,626)
411.103 Accretion Expense-Electric	41
411.4 Investment Tax Credit Adjustments (Net)	<u>1,203</u>
Total Electric Utility Operating Expenses	<u>2,960,926</u>
Electric Utility Operating Income	<u>\$ 411,908</u>
* Electric Distribution only	
	<u>YTD 2016</u>
400 Gas Operating Revenues	1,637,774
Gas Operating Expenses:	
401 Operation Expense	1,101,538
402 Maintenance Expense	39,605
403 Depreciation Expense	123,362
404 Amortization of Limited Term Plant	6,330
407 Amortization of Property Losses	25,751
407.4 Amortization of Excess cost of removal	(13,200)
408.1 Taxes Other Than Income Taxes	18,556
409.1 Income Taxes - Federal	(78,656)
410.1 Provision for Deferred Income Taxes	270,731
411.1 Provision for Deferred Income Taxes - Cr	(78,156)
411.4 Investment Tax Credit Adjustments (Net)	(1,268)
Total Gas Utility Operating Expenses	<u>1,414,592</u>
Gas Utility Operating Income	<u>\$ 223,181</u>
Net Utility Operating Income	<u>\$ 635,089</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET
\$ (In Thousands)

Dec 31, 2016

Assets and Other Debits

Utility Plant

Electric Utility Plant

101	Electric Utility Plant in Service	\$	15,540,571
103	Electric Experimental Plant Unclassified		-
105	Electric Utility Plant Held for Future Use		19,257
106	Electric Completed Construction not classified- Electric		2,455,615
107	Electric Construction Work in Progress		1,423,604
	Total Electric Utility Plant		<u>19,439,047</u>

Gas Utility Plant

101	Gas Utility Plant in Service		6,624,762
103	Gas Experimental Plant Unclassified		-
105	Gas Utility Plant Held for Future Use		96
106	Gas Completed Construction not classified		9,974
107	Gas Construction Work in Progress		17,013
	Total Gas Utility Plant		<u>6,651,845</u>

Common Utility Plant

101	Common Utility Plant in Service		298,049
106	Common Completed Construction not classified		8,310
107	Common Construction Work in Progress		48,637
	Total Common Utility Plant		<u>354,996</u>

Total Utility Plant 26,445,887

Accumulated Provisions for Depreciation and Amortization of
Electric Utility Plant

108 & 111	Electric Utility Plant in Service		(3,315,603)
108.5	Electric Utility Plant Held for Future Use		-
	Total Electric Utility Plant		<u>(3,315,603)</u>

Gas Utility Plant		
108 & 111	Gas Utility Plant in Service	(2,227,924)
Common Utility Plant		
108 & 111	Common Utility Plant in Service	(119,612)
	Total Accumulated Provisions for Depreciation and Amortization of Utility Plant	<u>(5,663,139)</u>
	Net Utility Plant Excluding Nuclear Fuel	20,782,748
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	<u>-</u>
	Net Utility Plant	20,782,748
Other Property and Investments		
121	Nonutility Property	3,079
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(600)
123 & 123.1	Investments in Associated & Subsidiary Companies	66,709
124	Other Investments	298,556
125-8	Special Funds	42,956
175	Long-Term Portion of Derivative Assets	<u>-</u>
	Total Other Property and Investments	410,700

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

Dec 31, 2016

Current and Accrued Assets		
131	Cash	\$ 19,831
132-4	Special Deposits	2,742
135	Working Funds	-
136	Temporary Cash Investments	365,000
141-3	Notes and Accounts Receivable	872,482
144	Accumulated Provision for Uncollectible Accounts - Credit	(67,619)
145-6	Receivables from Associated Companies	175,259
151-5	Materials and Supplies (incl. 163)	179,674
158	Allowances	-
164	Gas Stored Underground - Current	-
165	Prepayments	8,281
171	Interest and Dividends Receivable	-
172	Rents Receivable	7,803
173	Accrued Utility Revenues	260,355
174	Miscellaneous Current and Accrued	3,386
175	Current Portion of Derivative Instrument Assets	-
	Total Current and Accrued Assets	1,827,193
Deferred Debits		
181	Unamortized Debt Expense	44,819
182	Unrec'd Plt and Reg Costs and Other Reg Assets	3,530,993
183	Preliminary Survey and Investigation Charges	12,785
184	Clearing Accounts	421
185	Temporary Facilities	-
186	Miscellaneous Deferred Debits	41,909
188	Research and Development Expenditures	-
189	Unamortized Loss on Reacquired Debt	61,094
190	Accumulated Deferred Income Taxes	218,740
	Total Deferred Debits	<u>3,910,761</u>
	Total Assets and Other Debits	<u>\$ 26,931,402</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

Dec 31, 2016

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	1,930,903
210	Gain on Resale or Cancellation of Reaquired Capital Stock	-
211	Miscellaneous Paid-In Capital	-
215	Appropriated Retained Earnings	-
216	Unappropriated Retained Earnings	5,947,221
216.1	Unappropriated Undistributed Subsidiary Earnings	3,188
219	Other Comprehensive Income	816
	Total Proprietary Capital	<u>8,774,389</u>
Long-Term Debt		
221	221 Bonds	7,883,381
223	223 Advances from Assoc. Co.	-
225	225 Unamortized Premium on Long-Term Debt	-
226	226 Unamortized Discount on Long-Term Debt	(20,683)
	Total Long-Term Debt	<u>7,862,697</u>
Other Non-Current Liabilities		
227-9	Other Non-current Liabilities	1,292,025
244	Long-Term Portion of Derivative Instrument Liabilities	-
230	Asset Retirement Obligation	212,713
	Total Other Non-Current Liabilities	<u>1,504,739</u>
Current and Accrued Liabilities		
231	Notes Payable	-
232	Accounts Payable	718,132
233-4	Payables to Associated Companies	354,816
235	Customer Deposits	93,992
236	Taxes Accrued	3,226
237	Interest Accrued	96,183
238	Dividends Declared	-
239	Matured Long-Term Debt	-
241	Tax Collections Payable	500
242	Miscellaneous Current and Accrued Liabilities	439,717
243	Obligations Under Capital leases	-
244	Current Portion of Derivative Instrument Liabilities	5,447
	Total Current and Accrued Liabilities	<u>1,712,013</u>
Deferred Credits		
252	Customer Advances for Construction	48,815
253	Other Deferred Credits	416,089
254	Other Regulatory Liabilities	328,646
255	Accumulated Deferred Investment Tax Credits	151,618
281-3	Accumulated Deferred Income Taxes	6,132,397
	Total Deferred Credits	<u>7,077,565</u>
	Total Liabilities and Other Credits	<u>\$ 26,931,402</u>