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January 24, 2020

In The Matter Of The Petition Of
Public Service Electric And Gas Company
To Modify Its Manufactured Gas Plant (MGP) Remediation Component
Within Its Electric Societal Benefits Charge (SBC)
And Its Gas SBC; During The Remediation
Adjustment Charge (RAC) 27 Period, August 1, 2018, to July 31, 2019

BPU Docket No. _____

VIA E-FILING & OVERNIGHT MAIL

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

Dear Secretary Camacho-Welch:

Enclosed for filing please find the original and two copies of Public Service Electric and Gas Company's Petition and attachments in the above-referenced RAC 27 matter.

Very truly yours,

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

C Attached Service List (via e-mail)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)	
PUBLIC SERVICE ELECTRIC AND GAS)	PETITION
COMPANY TO MODIFY ITS MANUFACTURED)	
GAS PLANT (MGP) REMEDIATION)	DOCKET NO. _____
COMPONENT WITHIN ITS ELECTRIC)	
SOCIETAL BENEFITS CHARGE (SBC) AND ITS)	
GAS SBC; DURING THE REMEDIATION)	
ADJUSTMENT CHARGE (RAC) 27)	
PERIOD, AUGUST 1, 2018 TO JULY 31, 2019)	

Public Service Electric and Gas Company (Public Service, the Company), a Corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully requests that the New Jersey Board of Public Utilities (Board), approve recovery of its Manufactured Gas Plant (MGP) Remediation Program Costs (Program Costs) incurred during the Remediation Adjustment Charge (RAC) period August 1, 2018 through July 31, 2019 (RAC 27), as described below:

1. Public Service is engaged in the transmission, distribution and sale of electric energy for residential, commercial and industrial purposes and is engaged in the purchase, transmission, distribution and sale of natural gas for residential, commercial and industrial purposes within the State of New Jersey.

2. On September 15, 1993, the Board issued an Order, BPU Docket No. ER91111698J, OAL Docket No. PUC-11058-91, pertaining to the recovery of Program Costs. This Order addressed the actual costs incurred after September 30, 1992 and established the RAC. The RAC as approved by the Board provides for an amortization over a rolling seven-year period of actual, reasonably incurred costs. The Board also approved a carrying cost, reflecting the interest rate at that time on medium-term bonds, at 6.25 percent on the unamortized balance, excluding deferred taxes. The

Board, in addition to approving the recovery mechanism, established an allocation method for recovery of these costs from customers, namely 60 percent to gas customers and 40 percent to electric customers.

3. The Company subsequently filed with the Board requests for the recovery of RAC Program Costs through the RAC 26 period. The recovery of RAC Program Costs and carrying costs on unamortized balances for the above-mentioned RAC periods have been approved by the Board through RAC 26 in previous Decisions and Orders.

4. In this filing, the Company seeks an Order by April 1, 2020 finding that its RAC activities conducted and Program Costs incurred during the RAC 27 period, August 1, 2018 through July 31, 2019, are reasonable and are appropriate for recovery. The Company further requests that such Order find that it is reasonable to decrease the existing gas Manufactured Gas Plant Remediation component of the Societal Benefits Charge and increase the electric Manufactured Gas Plant Remediation component of the Societal Benefits Charge, herein after referred to as the RAC rates. The gas RAC factor as shown on Attachment A-2, page 2 calculates a new rate of \$0.015934/therm (excluding New Jersey Sales and Use Tax, SUT), a decrease from the current RAC rate of \$0.016065/therm (excluding SUT), or by \$2.357 million. The electric RAC factor as shown on Attachment A-2, page 2 calculates a new rate of \$0.000675/kilowatt-hour (excluding line losses and SUT), an increase from the current RAC rate of \$0.000598/ kilowatt-hour (excluding line losses and SUT), or by \$2.934 million. Attachment A-2, page 2 also calculates the increase for the RAC factors inclusive of line losses for Secondary service as well as for LPL Primary, HTS Sub-transmission, and HTS High Voltage. Typical residential bill impacts resulting from this filing are attached to this Petition as Attachment E.

9. Appended to this Petition as Attachment A are the testimony and exhibits of Donna M. Powell, quantifying the Program Costs incurred by Public Service in the furtherance of its Remediation Program during the RAC 27 period at \$59,995,351. Ms. Powell credited insurance proceeds of \$6,000,000 against the RAC 27 annual program costs as well as other miscellaneous recoveries received of \$917,445. In accordance with the Board Order approving the Settlement Agreement for the Company's RAC 15 filing,¹ PSE&G will defer, for future recovery, \$16,683 of adjusted NRD-related interest costs incurred during the RAC 27 period. The Company will continue to defer the NRD-related MGP until the Board has addressed the rate recoverability of such costs through the RAC mechanism. Therefore, the net annual RAC 27 costs proposed for recovery in this filing, less the deferred NRD-related MGP costs, is \$53,094,590. (*See* Attachments A-3, page 1 of Ms. Powell's testimony).

10. Ms. Powell's testimony describes the method for quantifying the Program Costs (i.e., the Board-approved 1/7 methodology). In addition, Ms. Powell explains that the Company is requesting recovery of carrying costs on its unamortized remediation program balance, and the true-up and recovery of RAC 26 costs. As described in Ms. Powell's testimony, the above Program Costs were allocated to gas and electric customers on a 60/40 percent basis pursuant to the Board Order in Docket No. ER91111698J dated September 15, 1993, and, pursuant to that Order, are to be recovered over a rolling seven-year period.

11. Appended to this Petition as Attachment B is the testimony of Richard A. Blackman that provides a history of the clean-up for each MGP site and an on-going report on the status of the clean-up, remedial investigative work and any resolution before the New Jersey Department

¹ BPU RAC 15 Order, Docket Number ER07120970 (October 3, 2008).

of Environmental Protection (NJDEP). Mr. Blackman's testimony supports the reasonableness of the Company's clean-up activities in the furtherance of its RAC 27 period MGP Remediation Program.

12. It should also be noted that the Board of Public Utilities (BPU) approved the Intercompany title transfer of Block 74, Lot 2 of the East Rutherford MGP property totaling \$325,000 via an Ordinary Course of Business letter on December 21, 2018. The BPU also approved an Intercompany title transfer of Block 1083, Lot 30, known as 246-250 Passaic Street in the amount of \$559,701 on May 28, 2019. A total of \$884,791 was received and credited to the RAC, as a benefit to the RAC ratepayers, during the RAC 27 period.

13. Appended to this Petition as Attachment C is the testimony of Mr. Stephen Swetz. The purpose of this testimony is to discuss PSE&G's derivation of its proposed rates associated with the RAC 27.

14. Proposed tariff sheets are attached to this Petition as Attachment D.

15. Typical residential bill impacts resulting from this filing are attached to this Petition as Attachment E.

16. In addition, Public Service has appended hereto, as Attachment F, a form of Notice of Filing.

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

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WHEREFORE, Public Service respectfully requests an Order by April 1, 2020:

- a) Determining that its Program Activities completed during the RAC 27 period were prudent;
- b) Determining that the program costs incurred for the RAC 27 period are reasonable and appropriate for recovery; and
- c) Determining that it is reasonable for the Company to update its existing electric and gas RAC rates to \$0.000675/kilowatt-hour (excluding losses and SUT) and \$0.015934/therm (excluding SUT), respectively.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

A handwritten signature in blue ink, appearing to read "Danielle Lopez", is positioned above a horizontal line that serves as a signature line.

DATED: January 24, 2020

By _____
Danielle Lopez, Esq.
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STATE OF NEW JERSEY)
)
COUNTY OF ESSEX)

Steven Swetz, of full age, being duly sworn according to law, on his oath
deposes and says:

1. I am the Sr. Director – Corporate Rates and Revenue Requirements of PSEG
Services Corporation.

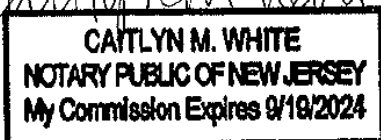
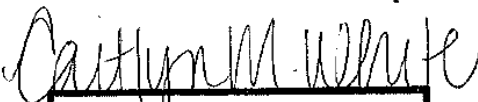
2. I have read the forgoing Petition, and the factual matters stated therein are true
and correct to the best of my knowledge and belief.

BY



STEPHEN SWETZ

Sworn to and Subscribed to
Before me this 24th day of
January, 2020



PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**DIRECT TESTIMONY
OF
DONNA M. POWELL**

My name is Donna M. Powell and I am employed by PSEG Services Corporation (PSEG Services), a subsidiary of Public Service Enterprise Group Incorporated (PSEG or Enterprise), as Assistant Controller, Public Service Electric and Gas Company (PSE&G or the Company). I am responsible for all accounting matters for PSE&G. My business address is 80 Park Plaza, Newark, New Jersey. My professional background and qualifications as a witness in this proceeding are included in Attachment A-1 of this testimony.

PURPOSE OF TESTIMONY

My testimony presents PSE&G's proposed changes to its Manufactured Gas Plant Remediation component of the Societal Benefits Charge (SBC), herein after referred to as the Remediation Adjustment Charge (RAC) for the RAC 27 period, including recording of the remediation program costs through the SBC, the calculation of carrying costs on the unamortized remediation program balance and the true-up and recovery of RAC 26 costs. The RAC is a separate component of the SBC, as created by the Electric Discount and Energy Competition Act (EDECA).

1 **OVERVIEW AND BACKGROUND OF PSE&G'S REMEDIATION**
2 **PROGRAM**

3 PSE&G has implemented a program to address environmental remediation
4 regarding the Company's former Manufactured Gas Plant (MGP) properties in
5 cooperation with and under the direction of the New Jersey Department of
6 Environmental Protection (NJDEP). To date, PSE&G has entered into 11
7 Administrative Consent Orders (ACO) plus 26 Memorandums of Agreement (MOA)
8 with the NJDEP covering 38 sites, as fully discussed in the testimony of Richard A.
9 Blackman (Attachment B to the Petition).

10 Effective August 1, 1999, the Company implemented its Electric SBC and on
11 August 1, 2000 implemented its Gas SBC, as created by EDECA. Section 12(a) (4) of
12 EDECA authorizes the recovery of MGP remediation costs. The Final Decision and
13 Order in the Company's electric restructuring case and its Gas Unbundling Order set
14 forth the components within the SBC and afforded deferred accounting treatment on
15 the over/under recovery of gas remediation costs, including an interest component.
16 The Stipulation in the electric restructuring case states with respect to the SBC costs
17 that "Actual costs incurred by the Company for each of these components will be
18 subject to deferred accounting." Actual remediation costs incurred are deferred,
19 subject to recovery in future SBC proceedings. The remediation costs, less the
20 recovery of insurance proceeds, are being recovered from ratepayers over a 7-year
21 period. All of the PSE&G remediation costs are net of miscellaneous recoveries and

1 insurance proceeds, and have been filed and recovered in that manner since the
2 implementation of the RAC.

3 Subsequently, the Board has approved the recovery of the Company's MGP costs
4 through its RAC rates in all RAC periods through RAC 26, including the most recent
5 Board Order on August 7, 2019. The term "RAC period" as used in testimony is the
6 twelve (12) month period from August 1 to July 31. The current gas and electric SBC
7 tariffs include a provision for the recovery of RAC costs through the SBC, equal to the
8 recovery of 1/7 of RAC 20 through RAC 26 costs for the period ending July 31, 2018.
9 PSE&G has summarized the RAC 27 remediation program costs for the twelve-month
10 period ended July 31, 2019 (Attachment A2, page 1) and included the detailed
11 remediation program costs and credits by month, for that same period in Attachment
12 A-3, page 1. The costs include those incurred by the Company that are associated
13 with the investigation and clean-up of former MGP facilities, in accordance with
14 clean-up and the associated work programs directed and approved by the NJDEP as
15 more fully described and addressed in the testimony of Richard A. Blackman, and
16 costs of investigations and related litigation regarding alleged contamination of
17 waterways adjacent to such former MGP facilities.

18 **THE PROPOSED REMEDIATION ADJUSTMENT CHARGE (RAC 27)**
19 **EXPENDITURES ARE FAIRLY STATED**

20 Attachment A-2, page 1 of 2 details the required RAC collection of \$73.878
21 million after applying the Board-approved seven-year amortization, carrying charges

1 and RAC 26 true-up. Attachment A-2, page 2 details the allocation of the required RAC
2 collection between gas and electric customers in the amounts of \$44.622 million and
3 \$29.257 million, respectively.

4 The Company is requesting recovery of the program costs for the RAC 27 period,
5 net of insurance and Natural Resource Damage (NRD)-related MGP costs, and
6 proposes to include 1/7 of these costs in the RAC consistent with current Board policy.
7 The RAC 27 filing also includes the request for recovery of carrying costs on its
8 unamortized remediation program balance and the true-up and recovery of RAC 26
9 costs. RAC 27 would continue to include the previously approved amortizations of
10 costs for the RAC 21 through RAC 26 periods (Attachment A-2, page 1). Attachment
11 A-2, page 2 details the allocation between gas and electric customers, including the
12 related customer classes. The gas RAC factor as shown on Attachment A-2, page 2
13 calculates a new rate of \$0.016990/therm including current New Jersey Sales and Use
14 Tax (SUT) of 6.625%, a decrease from the current rate of \$0.017129/therm including
15 SUT of 6.625%. The electric RAC factors as shown on Attachment A-2, page 2
16 calculates an increase for electric Secondary service customers from \$0.000677
17 /kilowatt-hour including line losses and SUT to \$0.000765/kilowatt-hour including line
18 losses and current SUT of 6.625%, as well an increase in the proposed RAC factors for
19 LPL Primary, HTS Sub-transmission, and HTS High Voltage. As detailed on
20 Attachment A-3, page 1, the RAC 27 gross program costs incurred during the twelve-

1 month period ending July 31, 2019, aggregated \$59,995,351. The gross program
2 costs incurred have been reduced by a total of \$6,934,128 representing insurance
3 proceeds (net) received of \$6,000,000, other miscellaneous recoveries received of
4 \$917,445 and deferred NRD (Interest only) of \$16,683.

5 **NRD RELATED MGP COSTS**

6 In accordance with the BPU-approved Settlement Agreement for the
7 Company's previous RAC 15 filing, PSE&G has deferred NRD costs identified in the
8 RAC 15 through 27 periods pending BPU review and approval of recoverability of
9 such costs through the RAC mechanism. A total of \$764,460 inclusive of applicable
10 interest has been deferred to date.

11 Therefore, the net annual RAC 27 costs proposed for recovery in this filing,
12 less miscellaneous recoveries, insurance recovery and the deferred NRD-related
13 interest, is \$53,094,590 (See Attachment A-3, page 1).

14 **THE TRUE UP OF UNRECOVERED RAC 26 COSTS**

15 The RAC 27 Petition includes a true-up and recovery of the RAC 26 costs in
16 the amount of \$7,455 million for gas and \$4,557 million for electric, based upon a
17 comparison of the approved RAC 26 costs with the actual recoveries during the
18 period from October 1, 2018 through September 30, 2019. The supporting detail for
19 the RAC 26 true-up is set forth in Attachment A-3, page 2.

1 **CARRYING COSTS ON UNRECOVERED REMEDIATION PROGRAM**
2 **BALANCE**

3 The carrying costs for the RAC 27 filing of \$3.516 million for gas and \$2.266
4 million for electric, for the period August 2019 through June 2021 are based on the
5 unamortized deferred ending balance for the RAC 27 period. The supporting detail
6 for the carrying costs is included in Attachment A-5, page 2 (Gas) and page 4
7 (Electric).

8 The interest rate for the RAC is based on seven-year constant maturity
9 treasuries, as shown in the Federal Reserve Statistical Release on or closest to August
10 1, of each year, plus 60 basis points. As of August 1, 2018, the rate was 2.96%, plus
11 60 basis points, which equates to a total interest rate of 3.56%. Effective August 1,
12 2019, the rate was 1.77%, plus 60 basis points, which equates to a total interest rate of
13 2.37%.

14 **OTHER - SALES OF PROPERTY**

15 PSE&G is required to notify the Board of any sale of remediation property 60
16 days prior to sale. Remediation property is defined as (a) property whose purchase
17 price was included in RAC expenditures in part or in full or (b) property whose RAC
18 expenditures were recovered in part or in full from PSE&G customers.

19 During the RAC 27 period, the BPU approved two intercompany property
20 transactions, both involving the transfer of remediated land parcels from NJ
21 Properties, Inc., a wholly owned subsidiary of PSE&G, to PSE&G for use in utility

1 operations. First, the BPU approved the intercompany title transfer of Block 74, Lot 2
2 of the MPG site in the borough of East Rutherford on December 21, 2018 (Docket
3 No. EM18070695). The title transfer for the East Rutherford property took place on
4 January 29, 2019 at the original/book cost amount of \$325,000. In addition, the BPU
5 approved the intercompany title transfer of Block 1083, Lot 30, for the MGP site on
6 Passaic Street in Passaic on May 28, 2019 (Docket No. EM19010033). The title
7 transfer for the Passaic Street property took place on June 18, 2019 at the
8 original/book cost amount of \$559,791. The total transfer value from both the East
9 Rutherford and Passaic sites received during the RAC 27 period was \$884,791 and is
10 shown as a miscellaneous RAC 27 recovery (See Attachment A-3, page 1).

11 **SUMMARY and CONCLUSION**

12 Based on the above detail, PSE&G is requesting rates that are anticipated to
13 provide for annual recovery of \$44.622 million through the gas SBC and \$29.257
14 million through the electric SBC. This testimony and the attached schedules fully
15 support the Company's request in this matter and comply with all Board Orders
16 pertaining to MGP cost recovery.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**PROFESSIONAL QUALIFICATIONS
OF
DONNA M. POWELL
ASSISTANT CONTROLLER**

I hold a B.S in Accounting from Villanova University and I am a Certified Public Accountant. I have been employed at PSEG Services since February 2012, serving as Assistant Controller-PSE&G. I have previously testified on behalf of PSE&G to the BPU. In my role as Assistant Controller – PSE&G, I am responsible for all regulatory accounting matters for PSE&G and I direct the utility accounting functions including regulatory compliance thereon.

Prior to joining PSEG, I had been employed by New Jersey American Water Company from 2007 to 2012 as Vice-President of Finance where I was responsible for all of the financial aspects of that Company, including business planning, regulatory strategy and rate support, and all financial, statutory and management reporting. From 1998 to 2007, I worked in various financial capacities at Pepco Holdings, Inc. (formerly Conectiv, Inc. and Atlantic City Electric Company), including testifying before the New Jersey Board of Public Utilities in 1998 in support of Atlantic City Electric Company's request for stranded cost recovery as a result of deregulation. I also worked for nine years

with Deloitte & Touche in various capacities from entry-level auditor through Senior Manager, where, in that role, I worked primarily in the utility sector and was designated a utility industry accounting and auditing expert.

RAC 27 SUMMARY SCHEDULE
FOR THE ANNUAL RAC PERIOD ENDED JULY 31, 2019
\$000

	<u>Workpaper Reference</u>	<u>TOTAL</u>	<u>RAC #27</u>	<u>RAC #26</u>	<u>RAC #25</u>	<u>RAC #24</u>	<u>RAC #23</u>	<u>RAC #22</u>	<u>RAC #21</u>
COSTS ELIGIBLE FOR AMORTIZATION & RECOVERY OVER 7 YEARS:									
Prior RAC Periods #21 - #26 - Actual Approved Expenditures , Net*	From Prior yr. Approved RAC filings (A)	\$339,494		\$35,890	\$57,695	\$40,903	\$54,113	\$84,998	\$65,896
RAC 27 Period - Actual Expenditures, Net*	From Attachment A-3, pg. 1 (B)	\$53,095	\$53,095						

ANNUAL RECOVERY SUMMARY:

Annual Amortization of Prior RAC Period Costs (seven years)	From Prior yr. Approved RAC filings = (A) / 7	\$48,499		\$5,127	\$8,242	\$5,843	\$7,730	\$12,143	\$9,414
Annual Amortization (seven years)	(B) / 7	\$7,585	\$7,585						
RAC 21 through 27 Expenditures for Allocation between Gas & Electric		\$56,084	To Attachment A-2 pg. 2						
True up of RAC 26 Expenditures with RAC Recoveries - GAS	From Attachment A-3, pg. 2	\$7,455							
True up of RAC 26 Expenditures with RAC Recoveries - ELEC	From Attachment A-3, pg. 2	\$4,557							
Cumulative Interest (Carrying Charges) on Gas Deferred Balances Aug-19 to Jun-21 per Dkt. No. ER02080604	From Attachment A-5, pg. 2	\$3,516							
Cumulative Interest (Carrying Charges) on Electric Deferred Balances Aug-19 to Jun-21 per DKT No. ER02080604	From Attachment A-5, pg. 4	\$2,266							
TOTAL - RAC 27 ANNUAL RECOVERY, PERIOD TO DATE		\$73,878							

* NET represents "Net of Insurance Recoveries, Miscellaneous Recoveries and NRD"
Numbers may not add due to rounding

REMEDATION PROGRAM COSTS - RAC 27
ELECTRIC AND GAS ALLOCATION DETAILS

\$000

I. OVERALL ALLOCATION BETWEEN GAS & ELECTRIC CUSTOMERS:

	<u>Workpaper Reference</u>	<u>Gas</u>	<u>Electric</u>	<u>Total</u>
RAC 21 through 27 Expenditures for Allocation between Gas & Electric	From Attachment A-2, pg 1			\$56,084 (A)
Allocation % between Gas & Electric Customers	See Note 1, below	60%	40%	100%
Allocation to Gas Customers	(A) X 60%	\$33,650		
Allocation to Electric Customers	(A) X 40%		\$22,434	
ADD:				
True up of RAC 26 Expenditures with RAC Recoveries - GAS	From Attachment A-3, pg 2	\$7,455		
True up of RAC 26 Expenditures with RAC Recoveries - ELEC	From Attachment A-3, pg 2		\$4,557	
Cumulative Interest (Carrying Charges) on Gas Deferred Balances Aug-19 to Jun-21 per Dkt. No. ER02080604	From Attachment A-5, pg 2 of 4	\$3,516		
Cumulative Interest (Carrying Charges) on Electric Deferred Balances Aug-19 to Jun-21 per DKT No. ER020080604	From Attachment A-5, pg 4 of 4		\$2,266	
Total Gas and Electric Revenue Requirement (\$000)		\$44,622	\$29,257	\$73,878
<i>Agrees to Attachment A-2, pg 1</i>				
Projected Gas Sales (000 therms) and Purchased Electric Energy (000 kWh)		2,800,469	43,338,878	
Gas Rate (\$/therm) and Electric Rate (\$/kWh)		0.015934	0.000675	

Note 1: Allocation of 60% of costs to Gas customers and 40% to Electric customers was determined per BPU Order dated November 4, 1994, Dkt. ER91111698J

II. ALLOCATION TO GAS CUSTOMER CLASSES:

		7/20-6/21		
		<u>\$/ Therm</u>		<u>\$000</u>
		<u>Therm Sales (000)</u>	<u>(Excl. SUT)</u>	<u>(Incl. SUT)</u>
Customer Classes:	RSG	1,518,039	0.015934	0.016990
	GSG	293,413	0.015934	0.016990
	LVG	712,176	0.015934	0.016990
	CIG	53,214	0.015934	0.016990
	TSG-F, NF	222,968	0.015934	0.016990
	SLG	660	0.015934	0.016990
		<u>2,800,469</u>		<u>\$24,188</u>
				\$4,675
				\$11,347
				\$848
				\$3,553
				\$11
				<u>\$44,622</u>

III. ALLOCATION TO ELECTRIC CUSTOMER CLASSES:

		Rate	\$/kWh	0.000675
		<u>\$/ kWh</u>		
		<u>Loss Factor</u>	<u>(Excl. SUT)</u>	<u>(Incl. SUT)</u>
Customer Classes:	Secondary Service	5.8327%	0.000717	0.000765
	LPL Primary	3.3153%	0.000698	0.000744
	HTS Subtransmission	2.0472%	0.000689	0.000735
	HTS High Voltage	0.8605%	0.000681	0.000726

Numbers may not add due to rounding

RAC 27 EXPENDITURES

						Net Expenditures allocated to Gas & Electric and included in Attachment A-4, pages 1 and 2	
	Gross Expenditures	Miscellaneous Recoveries*	Expenditures Eligible for Insurance	Insurance Recoveries & NRD Exp.**	Net Expenditures***	Gas allocation @ 60%	Electric Allocation @ 40%
Aug-18	\$3,320,431	\$2,329	\$3,318,102	\$0	\$3,318,102	\$1,990,861	\$1,327,241
Sep-18	\$4,984,320	\$3,929	\$4,980,391	\$0	\$4,980,391	\$2,988,234	\$1,992,156
Oct-18	\$4,891,550	\$2,329	\$4,889,221	\$0	\$4,889,221	\$2,933,533	\$1,955,688
Nov-18	\$7,590,769	\$2,779	\$7,587,990	\$0	\$7,587,990	\$4,552,794	\$3,035,196
Dec-18	\$8,734,413	\$3,272	\$8,731,141	\$0	\$8,731,141	\$5,238,685	\$3,492,456
Jan-19	\$4,417,633	\$327,522	\$4,090,111	\$6,000,000	(\$1,909,889)	(\$1,145,933)	(\$763,956)
Feb-19	\$4,268,145	\$3,849	\$4,264,296	\$0	\$4,264,296	\$2,558,578	\$1,705,718
Mar-19	\$4,089,290	\$2,329	\$4,086,961	\$0	\$4,086,961	\$2,452,177	\$1,634,785
Apr-19	\$4,184,751	\$2,329	\$4,182,422	\$0	\$4,182,422	\$2,509,453	\$1,672,969
May-19	\$3,244,810	\$2,329	\$3,242,481	\$0	\$3,242,481	\$1,945,489	\$1,296,992
Jun-19	\$4,186,168	\$562,120	\$3,624,048	\$0	\$3,624,048	\$2,174,429	\$1,449,619
Jul-19	\$6,083,072	\$2,329	\$6,080,743	\$0	\$6,080,743	\$3,648,446	\$2,432,297
Deferred NRD Expense				\$16,683	\$16,683	N/A	N/A
TOTAL	\$59,995,351	\$917,445	\$59,077,907	\$6,016,683	\$53,094,590	\$31,846,744	\$21,231,163
						Agrees to Attachment A-4, pg 1 "Total" column	Agrees to Attachment A-4, pg 2 "Total" column

* - Miscellaneous Recoveries

Property Tax Credits	\$0
Invoice Discount	\$0
Leases/Rents	\$27,948
Third Party Settlements	\$0
Misc. (e.g., scrap credit)	\$4,706
Trust Fund Release	\$0
Transfer of Property	\$884,791
Total Miscellaneous Recoveries	\$917,445 (A)

** - NRD Exp./Insurance

NRD from RAC Period (Interest Only)	\$16,683
Insurance Recovery	\$6,000,000
Total NRD Expense/Insurance	\$6,016,683 (B)

Total Reductions Applied to RAC Expenditures \$6,934,128 (A) + (B)

*** The total of this column is net expenditures less deferred RAC period NRD-related MGP costs
Numbers may not add due to rounding

TRUE-UP OF RAC 26
AUGUST 2017 THROUGH JULY 2018
\$ 000

			GAS	ELECTRIC
Expenditures Eligible for Recovery			\$46,979	\$26,323
Less:	Gas Recoveries*	Details below	\$39,523	
Less:	Electric Recoveries**	Details below		\$21,766
Total (Over)/under-recovered			\$7,455	\$4,557

To Attachment A-2, pg 1 & pg 2

RAC RECOVERIES

	GAS*	ELECTRIC**	TOTAL
Oct-18	\$1,652,186	\$1,631,020	\$3,283,205
Nov-18	\$4,433,594	\$1,570,090	\$6,003,684
Dec-18	\$5,685,359	\$1,788,608	\$7,473,966
Jan-19	\$6,782,405	\$1,849,960	\$8,632,365
Feb-19	\$6,129,833	\$1,622,474	\$7,752,307
Mar-19	\$5,497,621	\$1,708,874	\$7,206,495
Apr-19	\$2,611,642	\$1,432,567	\$4,044,209
May-19	\$1,604,178	\$1,621,492	\$3,225,670
Jun-19	\$1,242,102	\$1,826,776	\$3,068,878
Jul-19	\$1,389,823	\$2,393,991	\$3,783,814
Aug-19	\$1,176,106	\$2,164,048	\$3,340,154
Sep-19	\$1,318,359	\$2,155,991	\$3,474,350
TOTAL	\$39,523,207	\$21,765,891	\$61,289,098

GAS	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	TOTAL
BEGINNING BALANCE ¹	(\$111,004,943)	(\$112,077,817)	(\$114,198,385)	(\$115,479,732)	(\$115,598,932)	(\$115,152,258)	(\$107,223,920)	(\$103,652,664)	(\$100,607,220)	(\$100,505,031)	(\$100,846,342)	(\$101,778,668)	
REVENUE RECOVERIES	\$917,988	\$867,666	\$1,652,186	\$4,433,594	\$5,685,359	\$6,782,405	\$6,129,833	\$5,497,621	\$2,611,642	\$1,604,178	\$1,242,102	\$1,389,823	
PROGRAM COST EXPENDITURES	(\$1,990,861)	(\$2,988,234)	(\$2,933,533)	(\$4,552,794)	(\$5,238,685)	\$1,145,933	(\$2,558,578)	(\$2,452,177)	(\$2,509,453)	(\$1,945,489)	(\$2,174,429)	(\$3,648,446)	(\$31,846,744)
OVER/(UNDER) COLLECTED	(\$1,072,874)	(\$2,120,569)	(\$1,281,347)	(\$119,200)	\$446,674	\$7,928,338	\$3,571,255	\$3,045,444	\$102,189	(\$341,311)	(\$932,326)	(\$2,258,623)	Agrees to Attachment A- 3, pg 1
CUMULATIVE BALANCE	(\$112,077,817)	(\$114,198,385)	(\$115,479,732)	(\$115,598,932)	(\$115,152,258)	(\$107,223,920)	(\$103,652,664)	(\$100,607,220)	(\$100,505,031)	(\$100,846,342)	(\$101,778,668)	(\$104,037,291)	
INTEREST CALCULATION: PRIOR BALANCE	(\$111,004,943)	(\$112,077,817)	(\$114,198,385)	(\$115,479,732)	(\$115,598,932)	(\$115,152,258)	(\$107,223,920)	(\$103,652,664)	(\$100,607,220)	(\$100,505,031)	(\$100,846,342)	(\$101,778,668)	
CURRENT BALANCE	(\$112,077,817)	(\$114,198,385)	(\$115,479,732)	(\$115,598,932)	(\$115,152,258)	(\$107,223,920)	(\$103,652,664)	(\$100,607,220)	(\$100,505,031)	(\$100,846,342)	(\$101,778,668)	(\$104,037,291)	
(PRIOR BAL + CURRENT BAL)/2	(\$111,541,380)	(\$113,138,101)	(\$114,839,059)	(\$115,539,332)	(\$115,375,595)	(\$111,188,089)	(\$105,438,292)	(\$102,129,942)	(\$100,556,126)	(\$100,675,686)	(\$101,312,505)	(\$102,907,980)	
EXPENSE/(REVENUE) MONTHLY INTEREST INTEREST RATE	(\$237,888) 3.56%	(\$241,294) 3.56%	(\$244,921) 3.56%	(\$246,415) 3.56%	(\$246,066) 3.56%	(\$237,135) 3.56%	(\$224,872) 3.56%	(\$217,816) 3.56%	(\$214,460) 3.56%	(\$214,715) 3.56%	(\$216,073) 3.56%	(\$219,476) 3.56%	
CUMULATIVE INTEREST	(\$237,888)	\$ (479,182)	\$ (724,104)	\$ (970,519)	\$ (1,216,584)	\$ (1,453,719)	\$ (1,678,591)	\$ (1,896,408)	\$ (2,110,867)	\$ (2,325,582)	\$ (2,541,655)	\$ (2,761,131)	

¹ Adjusted Aug-18 to include RAC24 cumulative interest inadvertently excluded from the ending balance in prior year.

(\$106,798,422) Cumulative balance plus cumulative interest

MANUFACTURED GAS PLANT REMEDIATION (RAC 27)

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	TOTAL
ELECTRIC													
BEGINNING BALANCE	(\$67,343,546)	(\$66,415,964)	(\$66,632,179)	(\$66,956,848)	(\$68,421,954)	(\$70,125,803)	(\$67,511,887)	(\$67,595,131)	(\$67,521,042)	(\$67,761,444)	(\$67,436,944)	(\$67,059,787)	
REVENUE RECOVERIES	\$2,254,823	\$1,775,941	\$1,631,020	\$1,570,090	\$1,788,608	\$1,849,960	\$1,622,474	\$1,708,874	\$1,432,567	\$1,621,492	\$1,826,776	\$2,393,991	
PROGRAM COST EXPENDITURES	(\$1,327,241)	(\$1,992,156)	(\$1,955,688)	(\$3,035,196)	(\$3,492,456)	\$763,956	(\$1,705,718)	(\$1,634,785)	(\$1,672,969)	(\$1,296,993)	(\$1,449,619)	(\$2,432,297)	\$ (21,231,163)
													Agrees to Attachment A-3, pg 1
OVER/(UNDER) COLLECTED	\$927,582	(\$216,215)	(\$324,669)	(\$1,465,106)	(\$1,703,849)	\$2,613,915	(\$83,244)	\$74,089	(\$240,401)	\$324,499	\$377,157	(\$38,306)	
CUMULATIVE BALANCE	(\$66,415,964)	(\$66,632,179)	(\$66,956,848)	(\$68,421,954)	(\$70,125,803)	(\$67,511,887)	(\$67,595,131)	(\$67,521,042)	(\$67,761,444)	(\$67,436,944)	(\$67,059,787)	(\$67,098,093)	
INTEREST CALCULATION:													
PRIOR BALANCE	(\$67,343,546)	(\$66,415,964)	(\$66,632,179)	(\$66,956,848)	(\$68,421,954)	(\$70,125,803)	(\$67,511,887)	(\$67,595,131)	(\$67,521,042)	(\$67,761,444)	(\$67,436,944)	(\$67,059,787)	
CURRENT BALANCE	(\$66,415,964)	(\$66,632,179)	(\$66,956,848)	(\$68,421,954)	(\$70,125,803)	(\$67,511,887)	(\$67,595,131)	(\$67,521,042)	(\$67,761,444)	(\$67,436,944)	(\$67,059,787)	(\$67,098,093)	
(PRIOR BAL + CURRENT BAL)/2	(\$66,879,755)	(\$66,524,072)	(\$66,794,514)	(\$67,689,401)	(\$69,273,878)	(\$68,818,845)	(\$67,553,509)	(\$67,558,087)	(\$67,641,243)	(\$67,599,194)	(\$67,248,366)	(\$67,078,940)	
EXPENSE/(REVENUE)													
MONTHLY INTEREST	(\$142,637)	(\$141,878)	(\$142,455)	(\$144,364)	(\$147,743)	(\$146,772)	(\$144,074)	(\$144,084)	(\$144,261)	(\$144,171)	(\$143,423)	(\$143,062)	
INTEREST RATE	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	3.56%	
CUMULATIVE INTEREST	(\$142,637)	(\$284,515)	(\$426,970)	(\$571,334)	(\$719,077)	(\$865,849)	(\$1,009,923)	(\$1,154,007)	(\$1,298,268)	(\$1,442,439)	(\$1,585,862)	(\$1,728,924)	
													(\$68,827,017) Cumulative balance plus cumulative interest

MANUFACTURED GAS PLANT REMEDIATION (RAC 27) CARRYING CHARGES

GAS RAC INTEREST CALCULATION	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
BEGINNING BALANCE	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)
REVENUE RECOVERIES												
PROGRAM COST EXPENDITURES												
OVER/(UNDER) COLLECTED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE BALANCE	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)
INTEREST CALCULATION:												
PRIOR BALANCE	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)
CURRENT BALANCE	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)
(PRIOR BAL + CURRENT BAL)/2	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)	(\$106,798,422)
EXPENSE/(REVENUE)												
MONTHLY INTEREST	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)	(\$151,635)
INTEREST RATE	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%
CUMULATIVE INTEREST	(\$151,635)	(\$303,271)	(\$454,906)	(\$606,541)	(\$758,177)	(\$909,812)	(\$1,061,447)	(\$1,213,083)	(\$1,364,718)	(\$1,516,353)	(\$1,667,989)	(\$1,819,624)

MANUFACTURED GAS PLANT REMEDIATION (RAC 27) CARRYING CHARGES

GAS RAC INTEREST CALCULATION	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	TOTAL
BEGINNING BALANCE	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	
REVENUE RECOVERIES												
PROGRAM COST EXPENDITURES												
OVER/(UNDER) COLLECTED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUMULATIVE BALANCE	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	
INTEREST CALCULATION:												
PRIOR BALANCE	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	
CURRENT BALANCE	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	
(PRIOR BAL + CURRENT BAL)/2	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	(\$108,618,046)	
EXPENSE/(REVENUE)												
MONTHLY INTEREST	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$154,219)	(\$3,516,032)
INTEREST RATE	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	Agrees to Attachment A- 2, pg 1
CUMULATIVE INTEREST	(\$154,219)	(\$308,438)	(\$462,657)	(\$616,876)	(\$771,094)	(\$925,313)	(\$1,079,532)	(\$1,233,751)	(\$1,387,970)	(\$1,542,189)	(\$1,696,408)	

MANUFACTURED GAS PLANT REMEDIATION (RAC 27) CARRYING CHARGES

ELECTRIC RAC INTEREST CALCULATION	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
BEGINNING BALANCE	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)
REVENUE RECOVERIES												
PROGRAM COST EXPENDITURES												
OVER/(UNDER) COLLECTED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE BALANCE	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)
INTEREST CALCULATION:												
PRIOR BALANCE	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)
CURRENT BALANCE	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)
(PRIOR BAL + CURRENT BAL)/2	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)	(\$68,827,017)
EXPENSE/(REVENUE)												
MONTHLY INTEREST	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)	(\$97,722)
INTEREST RATE	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%
CUMULATIVE INTEREST	(\$97,722)	(\$195,445)	(\$293,167)	(\$390,890)	(\$488,612)	(\$586,335)	(\$684,057)	(\$781,780)	(\$879,502)	(\$977,225)	(\$1,074,947)	(\$1,172,670)

MANUFACTURED GAS PLANT REMEDIATION (RAC 27) CARRYING CHARGES

ELECTRIC RAC INTEREST CALCULATION	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	
BEGINNING BALANCE	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	
REVENUE RECOVERIES												
PROGRAM COST EXPENDITURES												
OVER/(UNDER) COLLECTED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUMULATIVE BALANCE	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	
INTEREST CALCULATION:												
PRIOR BALANCE	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	
CURRENT BALANCE	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	
(PRIOR BAL + CURRENT BAL)/2	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	(\$69,999,687)	
EXPENSE/(REVENUE)												
MONTHLY INTEREST	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$99,387)	(\$2,265,932)
INTEREST RATE	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	2.37%	Agrees to Attachment A-2, pg 1
CUMULATIVE INTEREST	(\$99,387)	(\$198,775)	(\$298,162)	(\$397,550)	(\$496,937)	(\$596,325)	(\$695,712)	(\$795,100)	(\$894,487)	(\$993,875)	(\$1,093,262)	

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**DIRECT TESTIMONY
OF
Richard A. Blackman**

My name is Richard A. Blackman, Director – Environmental Projects, in the Delivery Projects and Construction Department of Public Service Electric and Gas Company (PSE&G or Public Service). My professional credentials are attached as Attachment B-1. The purpose of my testimony in this proceeding is to provide relevant facts and support the reasonableness of the PSE&G Manufactured Gas Plant (MGP) Remediation Program.

NJDEP CLAIM

Compliance Program

Public Service is currently implementing a program to address potential environmental concerns regarding the Company's former MGP properties under the direction and oversight of the New Jersey Department of Environmental Protection (NJDEP). To date, Public Service has entered into 11 Administrative Consent Orders (ACO) with the NJDEP covering the former Bordentown, Gloucester, Hackensack, Hobart Avenue (Bayonne), Mount Holly, Morristown (Parcels 3 and 4), Paterson, Ridgewood, Riverton, South Amboy and Woodbury sites. Additionally, PSE&G has entered into 26 Memoranda of Agreement (MOA) with the NJDEP covering the former Harrison Gas Plant, Brunswick Avenue Gas Plant (Trenton), Front Street Gas Works (Newark), Medford Gas Works, Central Gas Plant (Edison), Market Street Gas Works (Newark), West End Gas Plant (Jersey City), East Newark Gas Works, Morristown Gas Works (Parcel 1 and 2), Camden Gas Plant, Burlington Gas Works, Plainfield Gas Works, Princeton Gas Works, Hoboken Gas Works, East Rutherford Gas Works, Bloomfield Gas Works, Chauncey Street Gas Works (Trenton), Englewood Gas Works, Fulton Street Gas Works (Paterson), Paulsboro Gas Works, Somerville Gas Works, New

1 Brunswick Gas Works and South Warren Street Gas Works (Trenton), Jersey Street Gas Works
2 (Paterson), Passaic Gas Works, and Halladay Street Gas Works (Jersey City).

3 In addition, the Company is engaged in third-party claims with respect to the former
4 Hackensack Gas Works, Provost Street Gas Works, and the Lower Passaic Study Area (within which
5 are located the former Market Street Gas Works, East Newark Gas Works, Front Street Gas Works
6 and Harrison Gas Works).

7 In accordance with the New Jersey Site Remediation Reform Act that became effective on
8 May 7, 2009, PSE&G has retained Licensed Site Remediation Professionals (LSRP) for each of the
9 aforementioned sites. After a discussion of Natural Resources Damages, the status of each site is
10 described below.

11 **Natural Resource Damages from MGP Sites**

12 The Company has been notified by the NJDEP and United States Environmental Protection
13 Agency (USEPA) that coal tar contamination at certain of its MGP sites may have resulted in
14 Natural Resource Damages (NRD). As Public Service has explained in discovery responses in
15 prior Remediation Adjustment Charge (RAC) proceedings before the New Jersey Board of Public
16 Utilities (Board or BPU), and in prior Petitions to the BPU, the restoration of damaged resources
17 is an integral part of the remediation of a contaminated MGP site and these costs and any amounts
18 assessed by NJDEP or USEPA are part of the overall cost of site remediation for former MGP
19 sites. During the RAC 27 period, Public Service did not incur any costs for NRD claims or
20 assessments, other than interest on past NRD assessments, in conjunction with its MGP
21 remediation program.

22 The following sections describe the activities that are either ongoing or were completed during
23 the period August 1, 2018 through July 31, 2019 (the RAC 27 period).

SITE UPDATES

Bloomfield Gas Works

The Bloomfield Gas Works site is composed of two parcels referred to as the “Former Substation” property that is owned by PSE&G (through New Jersey Properties) and the “50 West Street” property that is owned by Hartz Mountain. A third parcel located adjacent to the Bloomfield Gas Works site that was impacted by the former gas works operations is located at 55/57 West Street. A Remedial Action Work Plan (RAWP) for the three parcels was submitted to NJDEP during March 2008 and was approved by letter dated July 31, 2008.

The remediation of soil on the Former Substation property was completed in 2010. The Remedial Action Report (RAR) for this work was submitted in September 2010 and approved by NJDEP on January 13, 2011. The NJDEP issued a Soil Remedial Action Permit (RAP) and the LSRP issued a Response Action Outcome (RAO) for the Former Substation property in June 2012.

An agreement for access and a Deed Notice for the 50 West Street property was executed between Hartz Mountain and PSE&G in June 2014. During August and September 2016 groundwater and soil sampling was conducted in the 50 West Street parcel. A site-wide final Remedial Investigation Report (RIR) was submitted to the NJDEP on May 4, 2017. A RAWP was submitted to the NJDEP on November 8, 2018 for the 50 West Street and 55/57 West Street properties. The Classification Exception Area/Well Restriction Area for groundwater was approved by the NJDEP on August 16, 2019.

Bordentown Gas Works

The remediation of soils at the Bordentown Gas Works site has been completed and a No Further Action (NFA) letter for soils was issued by the NJDEP on December 24, 2002. A Groundwater Classification Exception Area (CEA) was approved on August 20, 2004. The NRD Settlement effective January 24, 2006 required transfer of property ownership from PSE&G and New Jersey

Properties to the City of Bordentown which accepted ownership on August 1, 2007. The NJDEP removed the CEA in June 2013. The NJDEP issued Soil RAPs in February 2014.

Brunswick Avenue Gas Works

The remediation of soils at the Brunswick Avenue Gas Works site was completed in 2004 and an NFA letter for soil was issued by the NJDEP on February 13, 2004. A Soil RAP was issued by the NJDEP in February 2015. A Groundwater CEA was issued by the NJDEP on December 4, 2001. A Groundwater RIR was approved by the LSRP in December 2013. A revised Groundwater CEA application was submitted to the NJDEP in October 2014. A Groundwater CEA with an indeterminate duration was issued by the NJDEP in July 2016. A Groundwater RAR and RAP application was submitted to the NJDEP on April 20, 2018. The ground water RAP was issued on August 15, 2018. A Groundwater RAO was issued by the LSRP on January 7, 2019.

Burlington Gas Works

The remediation of soil at the Burlington Gas Works site was completed in 2005 and an NFA letter for soil was issued by the NJDEP on July 13, 2006. On June 19, 2009 the NJDEP issued a second, “site-wide” NFA letter that includes the NJDOT portion of the site (i.e., Route 130) and groundwater. The NJDEP issued RAPs for soils in August 2014 and October 2017.

Camden Coke

The Camden Coke site is composed of a land portion and sediment portion. Remediation of the land portion has been conducted in four phases (i.e., Phase I through IV). The Phase I remediation was conducted between February and September 2001 and reported to the NJDEP in an Interim Remedial Measures Report (IRMR) dated December 2001. The Phase II remediation was conducted between January and October 2004 and reported to the NJDEP in an IRMR dated December 2004. Phase III and IV remediation was conducted in two mobilizations. The first

1 mobilization was between June 2013 and April 2014. The second mobilization was in March 2015
2 and was completed in September 2015.

3 With regard to the sediment portion of the site, the NJDEP approved the Tier I Ecological
4 Assessment Work Plan (EAWP) in May 2009 and a Tier II EAWP in November 2010. A Tier II
5 Ecological Assessment Report was submitted to the NJDEP in September 2011. A RAWP for the
6 excavation of contaminated sediment was submitted to the NJDEP in June 2014.

7 Charter Contracting Company, LLC (“Charter”) mobilized in June 2016 for the remediation of
8 sediments in the Delaware River adjacent to the site. As of December 2017 the sediment dredging
9 has been completed. A portion of the fill used to replace the dredged sediment has migrated outside
10 of the dredged area. As a result, PSE&G terminated its contract with Charter and withheld certain
11 payments pending resolution of a dispute over who is responsible for the migrated fill condition.
12 In turn, Charter Contracting filed a complaint on May 18, 2018 in U.S. District Court - New Jersey
13 Division demanding final payment among other claims. This complaint was resolved in December
14 2018 through mediation. The removal of the misplaced fill in the South Jersey Port Corporation
15 (SJPC) berth was completed in February 2019.

16 A RAO was issued by the LSRP for the sediment remediation project on April 16, 2018.

17 **Camden Gas**

18 The former Camden Gas Works was located on five properties identified as Parcel 1 through Parcel
19 5. The remediation of Parcel 2 was conducted between August 2011 and March 2012. The LSRP-
20 approved RAR for Parcel 2 was submitted to the NJDEP in May 2012 and a Soil RAO was issued
21 in February 2013.

1 Remediation of Parcel 5 consisted of only engineering and institutional controls. The LSRP-
2 approved RAR for Parcel 5 was submitted to the NJDEP in December 2013 and a RAP for Soils
3 was issued in March 2015. A Soils RAO was issued for Parcel 5 in October 2015.

4 An LSRP-approved RIR for the entire site was submitted to the NJDEP in February 2015. The
5 NJDEP established a CEA for groundwater in September 2015.

6 Remediation of a portion of Parcels 1 and 4 was completed in May 2016. A Deed Notice for Parcel
7 4 in October 2016 and a portion of Parcel 1 referred to as 1B, was recorded in November 2016.

8 Soil RAP applications for Parcels 4 and 1B were submitted to the NJDEP on December 23, 2016
9 and were approved on May 25, 2017. The LSRP issued RAOs for Parcels 4 and 1B in July, 2017.

10 Addenda to the Parcel 4 and 1B RAOs were issued by the LSRP in February 2019 to address
11 administrative matters. The RAWP for Parcel 1A – North was submitted to the NJDEP by the
12 LSRP in January 2019.

13 **Central Gas Works**

14 The Central Gas Works site is divided into six zones (Zones 1 thru 6) for the purpose of phasing
15 remedial activities. The remedial investigation of all 6 Zones is complete and a RIR was submitted
16 to the NJDEP in July 2004. A RAWP for all 6 Zones was submitted to the NJDEP in July 2008
17 and was approved in March 2010.

18 The remediation of Zone 5 was completed in 2006. A RAR for Zone 5 soil was issued to the
19 NJDEP in May 2006. A portion of Zone 3 was remediated during 2012. A RAR for that portion
20 of Zone 3 was submitted to the NJDEP in May 2014 and a RAO for soil in that portion of Zone 3
21 was issued by the LSRP.

22 During 2015 remediation of Zones 1, 2, the remaining portions of Zones 3 and 4 was initiated.
23 This work was completed during October 2016. A site-wide Deed Notice was recorded on

December 14, 2017. The RAR for Zone 1, 2, the remaining portions of Zones 3 and 4 was submitted to NJDEP in March 2018. A RAP for Zones 1, 2, and the remaining portions of Zones 3 and 4 was issued by NJDEP on January 15, 2019. The Soil RAO was issued in April 2019.

PSE&G completed installing groundwater monitoring wells to support the evaluation of groundwater in March 2017. PSE&G completed eight rounds of quarterly groundwater gauging and sampling in May 2019.

The remediation of sediments in Zone 6, which is Silver Lake, was conducted between March and August 2018. A RAR and RAO for Zone 6 were submitted to NJDEP in December 2018.

Chauncey Street

The remediation of the site was completed in September 2012. A RAR was submitted to the NJDEP in December 2012. The NJDEP issued a Soil RAP in December 2014. The LSRP issued a RAO for soils on December 23, 2014. A Groundwater CEA application was submitted to the NJDEP in January 2015 and NJDEP issued two CEAs. One CEA was issued on November 16, 2015 for MGP contaminants and the other was issued on December 10, 2015 for Historic Fill contaminants. A Groundwater RAR was submitted to the NJDEP in April 2017 along with a Groundwater RAP Application. A Groundwater RAP was issued by the NJDEP on November 1, 2017 and the LSRP issued a RAO for groundwater on January 15, 2018.

East Newark Gas Works

The East Newark Gas Works site is divided into two parcels (i.e., Parcels 1 and 2) for the purpose of phasing remedial activities. The remediation of soil on Parcel 2 is complete. The NJDEP issued a Soil RAP and the LSRP issued a RAO for Parcel 2 in June 2013.

A RIR for Groundwater that included two Groundwater CEA applications for the site was submitted to NJDEP in November 2013. The two Groundwater CEAs were established by the

1 NJDEP in September 2014. A request to lift one of the CEAs was submitted to NJDEP in October
2 2016 and approved by NJDEP in May 2017.

3 A RAR for Parcel 1 Soils was submitted to NJDEP and the LSRP issued a RAO for Parcel 1 in
4 June 2015. RAOs for Parcels 1 Parcel 2 were revised to address administrative matters and were
5 submitted to the NJDEP on December 19, 2017.

6 **East Rutherford Gas Works**

7 The remediation of soils at the East Rutherford Gas Works site was completed in April 2003 and
8 a NFA letter for soil was issued by the NJDEP in November 2004. A Groundwater CEA was
9 established by the NJDEP in May 2009. Soil and Groundwater RAPs were issued by the NJDEP
10 on December 5, 2014.

11 **Englewood Gas Works**

12 The remedial investigation of the Englewood Gas Works site is complete and a RIR was submitted
13 to the NJDEP in July 2013. Groundwater contamination at this site has been determined to be a
14 result of historic fill material that was brought into the property after the MGP operations ceased.
15 A remediation of approximately 200 tons of contaminated soil was completed in June 2016. A
16 RAR was submitted to the NJDEP in January 2017. An Unrestricted RAO was issued on February
17 17, 2017 and updated on August 22, 2017.

18 **Front Street Gas Works**

19 The Front Street Gas Works site is composed of three Parcels for the purpose of phasing remedial
20 activities. Parcel 1, was owned by the NJDOT and includes the Passaic River waterfront property
21 and the Lombardy Street jug-handle (which is located east of McCarter Highway in Newark). The
22 remediation of soil on portions of Parcel 1 was completed between August 2001 and October 2003.

1 A Deed Notice for Parcel 1 was recorded in December 2014. The RAR for Parcel 1 was submitted
2 to the NJDEP in April 2004 and approved by the NJDEP on February 23, 2010. The RAP for
3 Parcel 1 application was submitted to the NJDEP on December 17, 2014. A RAP was issued by
4 the NJDEP on December 22, 2016 for Parcel 1. A RAO was issued by the LSRP for Parcel 1 on
5 January 30, 2017.

6 Parcel 2, which is composed of the NJ Transit light rail and NJDOT properties, is located west of
7 McCarter Highway in Newark. A RAWP for Parcel 2 was submitted in November 2007 and
8 approved by the NJDEP on February 23, 2010. No active remediation was required on this Parcel.

9 A Deed Notice for Parcel 2 was recorded in May 2013. The Soil RAP for Parcel 2 was issued by
10 the NJDEP in October 2014. A RAO was issued for Parcel 2 Soil on December 17, 2014.

11 The third Parcel is the location of a restaurant that is privately owned. The RAR for this parcel
12 was submitted to NJDEP on November 17, 2016. This parcel was remediated between August
13 2015 and June 2016. A Deed Notice was recorded on this property September 2016. A RAP for
14 his parcel was issued by the NJDEP on December 27, 2016 and a RAO was issued by the LSRP
15 on December 29, 2016.

16 A Groundwater RIR with a CEA application was submitted to the NJDEP on May 7, 2014. The
17 NJDEP established the Groundwater CEA on August 24, 2015. Two rounds of groundwater
18 sampling were conducted at the site in April 2019 and July 2019.

19 In July 2019, PSE&G agreed to conduct sampling in the Passaic River to delineate coal tar from
20 the Site. PSE&G is undertaking this work at the direction of the NJDEP to meet the requirements
21 of the New Jersey Technical Requirements for Site Remediation, N.J.A.C. 7:26E.

Fulton Street Gas Works

A RAWP was submitted to NJDEP in July 2009. The first phase of remediation for the on-site soils using *In-Situ* Chemical Oxidation was conducted between June and September 2010. A RAR documenting this work was submitted to NJDEP in December 2010. A second phase of the *In-Situ* Chemical Oxidation was conducted between September and November 2012. A RAWP Addendum for off-site areas was submitted to NJDEP in December 2016.

Shallow excavations and surface cover improvements to address the remaining areas of on-site soil were completed in September and October 2014 and a RAR Addendum was submitted to NJDEP in March 2015. NJDEP issued a Soil RAP in May 2015. The LSRP issued a RAO for on-site soils in September 2015.

A comprehensive site wide RIR that included a Groundwater CEA application was submitted in October 2016. In November 2017, PSE&G was notified by the NJDEP that they had comments on the Preliminary Assessment Report (PAR) that was submitted in 2002. In June 2018, PSE&G submitted an updated PAR, with a revised RIR and RAWP Addendum for off-site soil.

A RAR Addenda with RAP application for groundwater was submitted to NJDEP in June 2018.

On November 29, 2018 PSE&G received a Notice of Deficiency (NOD) letter from NJDEP regarding PSE&G's Ground Water RAP Application dated June 2018. PSE&G responded to the NOD on December 20, 2018 and subsequently installed an additional groundwater monitoring well for vertical delineation.

Gloucester Gas Works

The remediation of soils at the Gloucester Gas Works site was completed in 2000 and an NFA letter for soils was issued in December 2003. An NRD Settlement was effective as of January 24, 2006. A CEA was issued by the NJDEP in July 2001. The NJDEP issued RAPs for soil and

groundwater in January 2013. The NJDEP issued a revised Groundwater RAP in May 2014 reducing the frequency of groundwater sampling. The NJDEP issued a revised groundwater RAP in August 2018 reducing the number of wells and parameters being monitored under the groundwater RAP.

Hackensack Gas Works

The Hackensack Gas Works site is composed of six areas for the purpose of phasing remedial activities. These land areas were investigated and remediated in four phases between 2003 and 2013. The RAPs for Soils have been issued by the NJDEP and RAOs have been issued for the land areas that have been remediated with the exception of a property owned by the Kaplan Companies. The RAP will be issued for the property owned by the Kaplan Companies following the execution of a Deed Notice by the owner.

The two remaining areas associated with the site are soil at the off-site property located at 249 River Street (also known as “Cubby’s Restaurant”) and the sediments in the Hackensack River that abuts the site. The sediment remediation was initiated in third quarter of 2018.

A RIR for the off-site property located at 249 River Street was submitted to NJDEP on May 4, 2016 and a RAWP for this property was submitted to NJDEP on March 24, 2017. The access agreement with this Owner was executed on April 23, 2018.

Sediment sampling in the Hackensack River, including its tributary, Brosses Creek, was conducted between August and October 2010 and between August 2012 and November 2013. An area of product was identified in the Hackensack River sediments. A RIR for sediment was submitted to the NJDEP in January 2011. Sediment sampling for an Ecological Risk Assessment was completed in the Hackensack River on July 7, 2016. A RAWP/EA for the Hackensack River sediments was submitted to NJDEP on December 15, 2016. Additional information requested by the NJDEP

1 pertaining to the RAWP, sediment management and water management were provided to the
2 NJDEP on March 20, 2018. PSE&G completed sediment remediation in February 2019.

3 Quarterly groundwater sampling in support of the final groundwater remediation started in March
4 2019. Three rounds of groundwater sampling were completed.

5 On April 12, 2018, the Kaplan Companies filed a Complaint alleging that the remediation
6 conducted by PSE&G on their property in 2007 resulted in their inability to develop the property
7 as they planned. PSE&G has refuted this claim and filed a counter claim. The matter is pending
8 litigation.

9 **Halladay Street Gas Works**

10 The Halladay Street Gas Works site is co-located on property that was subsequently owned and
11 operated by the Pittsburgh Plate Glass Company (PPG) who used the property to refine chromium
12 ore. During 2011, meetings were held with PPG, the responsible party for the Chromium
13 remediation, to discuss coordination of the remedial actions and to achieve alignment on the
14 remedial goals for the site. It was agreed that PSE&G would remediate the gas Holder Area, also
15 known as "Area A", that was predominately contaminated with MGP wastes and PPG would
16 remediate the remainder of the site that was predominately contaminated with chromium wastes,
17 also known as "Area B." The RAWP was submitted to the NJDEP in December 2011. A
18 remediation agreement between PSE&G and PPG for the remediation of the site was executed in
19 February 2013.

20 PSE&G completed the remediation of "Area A" in November 2013. PPG completed the
21 remediation of "Area B" in November 2014. The restoration of "Area A" and "Area B" was
22 completed by PPG in January 2018. PSE&G submitted the RIR to the NJDEP on May 5, 2014.

23 The NJDEP established the Groundwater CEA on July 25, 2014.

1 The remedial investigation and remediation of off-site areas by PPG is ongoing. Groundwater
2 samples were collected adjacent to four off-site properties during August 2015 as part of a vapor
3 intrusion investigation. PSE&G completed the vapor intrusion investigation at an off-site property
4 during March 2016 and March 2017.

5 **Harrison Gas Works**

6 The former Harrison Gas Works site is located entirely within one contiguous parcel of property.
7 Due to its size the remediation of this site has been completed in phases.

8 A RAWP was submitted to NJDEP in September 2000 and conditionally approved in October
9 2003. Remediation of the waterfront along the Passaic River was conducted between January
10 2003 and May 2004. A RAR for this work was submitted to the NJDEP in March 2008 and
11 approved in April 2009.

12 A Remedial Action Selection Report (RASR)/RAWP for the Red Bull Substation area at the
13 northern portion of the site was submitted to the NJDEP in November 2007. Remediation of this
14 area was completed between July and December 2008 and an Interim RAR was submitted in
15 March 2009. NJDEP approved the Interim RAR and a RAO was issued in January 2013.

16 A RAWP for the PATH Substation area at a western portion of the site was submitted to NJDEP
17 in May 2010. Remediation of this area was completed between December 2010 and May 2011.

18 The PATH Substation IRM Report was submitted to the NJDEP in October 2011. A Soil RAP
19 application for the PATH Substation was submitted to NJDEP in September 2012 and the Soil
20 RAP permit was issued in December 2012.

21 NJDEP issued a Soil RAP Modification for the Red Bull Substation and PATH IRM in February
22 2014. NJDEP issued a Soil RAP Modification permit for the PATH and Red Bull IRM Parcels in

1 September 2018. The LSRP issued RAOs for the PATH and Red Bull IRM Parcels in November
2 2018 and October 2018, respectively.

3 A site-wide RIR was submitted to the NJDEP on March 31, 2016.

4 A RAWP Addendum for a proposed study to determine the viability of *In Situ* Soil Stabilization
5 was submitted to the NJDEP in June 2017. This study was completed in November 2018 and a
6 RAR documenting the results of this study was submitted to the NJDEP in March 2019. Also in
7 March 2019, the RAWP for using *In Situ* Soil Stabilization on the balance of the site was submitted
8 to NJDEP.

9 A RAWP for the remediation of a small area of tar from the Harrison Gas Works site was found
10 at a nearby PSE&G property along Cape May Street in Harrison was submitted to the NJDEP in
11 May 2019.

12 A Construction Bid Specification for the remediation of the balance of the Harrison Gas Works
13 site using *In Situ* Soil Stabilization was finalized and issued to bidders in May 2019. Bid evaluation
14 is currently ongoing.

15 In July 2019, PSE&G agreed to conduct sampling in the Passaic River to delineate coal tar from
16 the Site. PSE&G is undertaking this work at the direction of the NJDEP to meet the requirements
17 of the New Jersey Technical Requirements for Site Remediation, N.J.A.C. 7:26E.

18 **Hobart Avenue Gas Works**

19 The remediation of soils at the Hobart Avenue Gas Works site has been completed and an NFA
20 letter for soils was issued on February 21, 2008. A Groundwater CEA was established by the
21 NJDEP in 2002 for an indeterminate period. The NJDEP issued soil and groundwater RAPs in
22 January 2015. The LSRP issued a RAO for groundwater on January 15, 2018.

1 A portion of the Site (Block 471, Lots 1-7) was sold to the City of Bayonne Housing Authority on
2 February 1, 2018. Revised groundwater and soil RAPs were issued by NJDEP on April 2, 2018.

3 **Hoboken Gas Works**

4 The former Hoboken Gas Works site was located on two city blocks identified on the tax maps of
5 the City of Hoboken as Blocks 110 and 116. On October 6, 2011, PSE&G executed a “Consent to
6 Deed Notice Release and Settlement Agreement” and a “Deed of Easement” with the owner of
7 Block 110. An LSRP-approved RAWP for Block 110 was submitted to the NJDEP in July 2012
8 and the remediation of this portion of the former Hoboken Gas Works was conducted between
9 September 2013 and February 2015. The Deed Notice for Block 110 was submitted to the Hudson
10 County Register for recording on July 15, 2015. The RAR for Block 110 was submitted to NJDEP
11 on August 19, 2015. NJDEP issued a RAP for Soil on Block 110 on December 23, 2015. The
12 LSRP issued a RAO for Soil on Block 110 on February 8, 2016.

13 The portion of Block 116 where the gas holders for the former Hoboken Gas Works were located
14 was remediated by Advance Realty per a Remediation Agreement that was executed during March
15 2009. The agreement requires PSE&G to remunerate Advance Realty for a portion of the
16 remediation cost. During 2009, Advance Realty submitted a RAWP to the NJDEP that was
17 approved on October 6, 2009. Advance Realty conducted the remediation of this portion of Block
18 116 between October 2011 and May 2014. The RIR for the site and groundwater was submitted to
19 the NJDEP in May 2014. A Groundwater CEA application was submitted to NJDEP on September
20 30, 2015. Advance Realty issued a RAR for Block 116 in October 2015. NJDEP issued a Soil
21 RAP for Block 116 on December 3, 2015. The LSRP issued a RAO for Soil on Block 116 on
22 December 11, 2015. In December 2016 and November 2017, additional soil investigation was
23 conducted on the portion of Block 116 where a Rite-Aid pharmacy is located. A RAWP for this

1 portion of Block 116 was submitted to NJDEP in December 2018. Negotiations for access to
2 conduct the remediation are ongoing with the property owner.

3 PSE&G installed ten (10) groundwater monitoring wells to support the post-soil remedial action
4 evaluation of groundwater during August and September 2018.

5 **Jersey Street Gas Works**

6 The remediation of soils at the Jersey Street Gas Works site has been completed and an NFA letter
7 for soils was issued by NJDEP in December 2005. The NJDEP issued a Groundwater CEA on
8 March 10, 2006. Monitoring wells associated with the CEA for this site were decommissioned in
9 April 2012 and no further monitoring of groundwater is required. The NJDEP issued the Soil RAP
10 on December 11, 2013.

11 **Market Street Gas Works**

12 The former Market Street Gas Works site was located on several properties and is divided into six
13 areas for purpose of phasing remedial activities. Areas A, B and C are located between the Passaic
14 River and Raymond Boulevard / Market Street. Areas D, E and F are located to the south of
15 Raymond Boulevard. A RIR was submitted to NJDEP in December 2015.

16 Remediation of the Passaic River waterfront portion of Area A was conducted between April 2004
17 and June 2005. A RAR for this remediation was submitted to NJDEP in December 2005.

18 Remediation of the portion of Area A where the Gas Main is located was conducted between April
19 and November 2007. A RAR for this remediation was submitted to NJDEP in January 2008.

20 NJDEP approved both RARs in May 2011.

21 The remediation of the remainder of Areas A and B (including Jersey Street) was conducted
22 between April 2012 and July 2014. A RAR for these portions of Areas A and B, including Jersey
23 Street, was submitted to NJDEP in October 2015. Soil RAPs were issued by the NJDEP for Areas

1 A and B including a portion of Jersey Street on June 27, 2016. The LSRP issued RAOs these areas
2 on June 27, 2016.

3 The remediation of Area C, which was a public parking facility, was completed between January
4 and June 2014. A RAR for Area C was submitted to NJDEP in December 2014. NJDEP issued a
5 Soil RAP for Area C in June 2015. The LSRP issued a RAO for Area C in October 2015.

6 The remediation of Area D, which was a former restaurant, was completed between August 2014
7 and April 2015. A RAR was submitted to NJDEP in July 2015. NJDEP issued a Soil RAP and
8 the LSRP issued a RAO for Area D in October 2015. A RAWP Addendum for off-site portion of
9 Area D was submitted to the NJDEP on October 29, 2018.

10 Area E was a privately owned car wash known as “Master Car Wash”. On April 17, 2015 PSE&G
11 executed a “Property Appraisal and Purchase Agreement” with the owner of the Master Car Wash
12 to secure access in order to conduct the remediation. A contract for remediation of the Master Car
13 Wash property was awarded in November 2017 and work began in January 2018. The remedial
14 action for Area E was completed in January 2019. A Deed Notice for Area E was recorded on June
15 5, 2019. A RAR and Soil RAP application for Area E were submitted to the NJDEP on June 11,
16 2019.

17 Area F is a restaurant with associated parking. An Interim Remedial Measures Work Plan was
18 submitted to NJDEP in December 2007 and approved in April 2008. Remediation of Area F was
19 conducted between June 2008 and June 2009. An Interim RAR was submitted to the NJDEP in
20 October 2009. Deed Notices for Area F offsite of the restaurant properties were recorded on June
21 14, 2018. A RAWP/RAR for Area F offsite of the restaurant properties was submitted to the
22 NJDEP on November 30, 2018.

1 In July 2019, PSE&G agreed to conduct sampling in the Passaic River to delineate coal tar from
2 the Site. PSE&G is undertaking this work at the direction of the NJDEP to meet the requirements
3 of the New Jersey Technical Requirements for Site Remediation, N.J.A.C. 7:26E.

4 **Medford Gas Works**

5 The remediation of soils at the Medford Gas Works site was completed in October 1998 and an
6 NFA letter for soils was issued by the NJDEP in November 1999. The NRD settlement was
7 effective as of January 24, 2006. An Unrestricted Use NFA letter for groundwater was issued by
8 NJDEP on March 14, 2012.

9 **Morristown Gas Works**

10 The former Morristown Gas Works Site was located on four properties, identified as Parcel 1
11 through Parcel 4, and an offsite property referred to as “Spring Hill.”

12 Parcel 1 – is now part of a hotel and office complex known as “Headquarters Plaza”. Remediation
13 of Parcel 1 consisted of only engineering and institutional controls. NJDEP issued a NFA letter in
14 November 2008 and a RAP for Soils in August 2013. A Groundwater CEA for Historic Fill
15 constituents was established in January 2017.

16 Parcel 2 – Remediation was conducted between February and September 2001 and an Interim
17 RAR was submitted to NJDEP in December 2001. Additional remediation was conducted in early
18 2004 and a RAR for Parcels 2 and 3 was submitted to NJDEP in August 2004. NJDEP issued a
19 NFA letter for Parcel 2, Coal Avenue, a portion of Center Street, and a portion of Martin Luther
20 King Avenue in May 2005 and RAP for Parcel 2 Soils in August 2013. A Groundwater RAP was
21 issued in November 2016. A Groundwater CEA for Historic Fill constituents was established in
22 January 2017. The LSRP issued a Limited Restricted Use Groundwater RAO in January 2017 for
23 Parcel 2.

1 Parcels 3 and 4 – Remediation was completed in three phases:

2 (1) The first phase of the remediation was conducted between August and December 1995 and a
3 RAR for Parcels 3 and 4 was submitted to NJDEP in December 1996.

4 (2) Remediation was conducted between February and September 2001 and a RAR for Parcels 3
5 and 4 was submitted to NJDEP in December 2001.

6 (3) Remediation was conducted between October 2003 and April 2004 and a RAR for Parcels 2
7 and 3 was submitted to NJDEP in August 2004.

8 The NJDEP issued a RAP for Soils on Parcel 3 in August 2013. NJDEP issued a NFA letter for
9 soils on Parcel 4 in December 2003. A Groundwater RAP was issued in January 2017 for Parcel
10 3 and 4. A Groundwater CEA for Historic Fill constituents was established in January 2017. The
11 LSRP issued a Limited Restricted Use Groundwater RAO in January 2017 for Parcels 3 and 4.

12 Spring Hill Property – Remediation of off-site shallow soil in an area known as “Spring Hill” that
13 is situated along the riverbank of the Whippany River was completed in December 2006. A RAR
14 was submitted to the NJDEP in December 2006 and approved in July 2007. The Morristown
15 Planning Board approved the required subdivision of the Spring Hill Property in May 2015. A
16 Deed Notice was filed and recorded with Morristown County in July 2015. A Soils RAP
17 application was submitted to the NJDEP in August 2015. The NJDEP issued a RAP for soils on
18 the Spring Hill parcel in January 2016. The LSRP issued a restricted use RAO for soil in March
19 2016. Revised CEA applications for the entire site were submitted to the NJDEP in June and
20 October 2016 and the CEA was established by the NJDEP in January 2017.

21 **Mount Holly Gas Works**

22 The remediation of soils at the Mount Holly Gas Works site was completed in May 2001 and an
23 NFA letter for soils was issued in December 2002. Post-remedial groundwater monitoring

demonstrated compliance with New Jersey Groundwater Quality standards, and the NJDEP removed the CEA in August 2014. An Unrestricted RAO for groundwater was issued by the LSRP in February 2016.

New Brunswick Gas Works

The New Brunswick Gas Works site is composed of two areas for the purpose of phasing remedial activities. One area is located west of Johnson Drive and is within the Johnson & Johnson (“J&J Property”) corporate headquarters property. The other area east of Johnson Drive is composed of the NJDOT Route 18 right-of-way.

An LSRP- approved Soil RIR was submitted to the NJDEP in June 2013. An LSRP-approved Ecological Risk Assessment Report was submitted to the NJDEP in November 2013. An LSRP approved Groundwater RIR and CEA application was submitted to the NJDEP on April 30, 2014. Notices in Lieu of Deed Notices were filed for portions of Route 18 and Johnson Drive in December 2014. Establishment of the CEA by the NJDEP is pending.

Soil and groundwater samples were collected from the J&J property in March 2018 to determine the viability of using *In-Situ* Chemical Oxidation to remediate the site. A report documenting the results of the study was completed in July 2018. The *In-Situ* Chemical Oxidation study field work was completed in March 2019. PSE&G and NJDOT executed a Temporary Access Agreement (TAA) for a hydrogeologic study in the NJDOT Right of Way (ROW) in March 2019. PSE&G installed monitoring wells on NJDOT property in May 2019. The hydrogeologic study is ongoing.

Passaic Gas Works

This site is located on two parcels of property. One parcel is owned by PSE&G and is occupied by an electric substation. The other parcel is a former auto body repair business. A RIR and RASR for the Passaic Gas Works site were submitted to the NJDEP in July 2006. A RAWP was submitted

1 to the NJDEP in May 2011. A comprehensive, site-wide RIR that included a Groundwater CEA
2 application was submitted to the NJDEP in December 2013. The CEA was established by the
3 NJDEP in January 2014. An updated RAWP was submitted to NJDEP in December 2017.
4 PSE&G purchased the auto body repair property in December 2016. The auto body repair building
5 was demolished October 2017 to prepare for the remediation of this property. The remediation of
6 this property was completed in November 2018. A second addendum to the RAWP for remediation
7 of off-site impacts was submitted to NJDEP on May 28, 2019.

8 **Paterson Gas Works**

9 The former Paterson Gas works is located on PSE&G property adjacent to the Passaic River. A
10 groundwater extraction and treatment facility was constructed at this site and commenced
11 operations in July 2001 in order to control the migration of MGP tars and oils into the Passaic
12 River.

13 The remediation of soils at the Paterson Gas Works site was completed in 2004. A Groundwater
14 CEA was issued by the NJDEP in November 2004. The Groundwater CEA was revised in
15 November 2014. A Soils RAP was issued on June 16, 2014. The NJDEP issued a Groundwater
16 RAP on January 12, 2015. The Restricted Use RAO for groundwater was issued by the LSRP to
17 PSE&G on March 25, 2019.

18 A RASR for the impacted sediments of the Passaic River adjacent to the Paterson Gas Works site
19 was submitted to the NJDEP in June 2001. Sediment sampling was completed in June 2008. The
20 easements required for access and the recording of Deed Notices in the portions of the Passaic
21 River not owned by PSE&G were acquired in June 2008. The NJDEP issued a conditional approval
22 of the RASR on August 10, 2009, requiring additional sediment delineation sampling. Additional

1 sediment samples collected during April and November 2010, achieved delineation and the results
2 were submitted to the NJDEP on November 22, 2010.

3 The RAWP for the Passaic River Sediments was submitted to the NJDEP in April 2012. An
4 addendum to this RAWP was submitted to the NJDEP on October 23, 2012, which incorporated
5 recommendations made by the NJDEP based on its technical review of the RAWP. Sediment waste
6 classification sampling was conducted during August 2016 and April 2018. The Sediment
7 Remediation Project began during April 2018 and is ongoing.

8 **Paulsboro Gas Works**

9 A RAWP for the Paulsboro Gas Works site was submitted to the NJDEP in August 2012. The
10 remediation of a portion of the Site was completed in February 2014 and a RAR was submitted to
11 the NJDEP in May 2014. This excluded Non-Aqueous Phase Liquid (NAPL) beneath the on-site
12 office building/warehouse and off-site soil contamination, which is currently inaccessible. The
13 remedial investigation has been conducted in phases resulting in the submission of a
14 comprehensive site-wide RIR, including a CEA application to the NJDEP in September 2014. The
15 CEA was issued by the NJDEP on October 10, 2014 and the NJDEP issued a Soils RAP on May
16 5, 2015. A Restricted Soils RAO was issued by the LSRP in July 2015 for 7 on site AOCs
17 associated with the site. NAPL beneath the on-site building, off-site soil contamination at AOC 10
18 (Off-Site NAPL and Soil Impacts to the South) and AOC 11 (Off-Site Soil Impacts to the North)
19 have not been remediated. The July 2015 RAO was amended on January 27, 2017 at the request
20 of the NJDEP. As arsenic and lead were remediated in 2014 the notification “Regional Natural
21 Background Levels of Materials in Soil and Naturally Occurring Levels of Constituents in
22 Groundwater” notice was removed from the RAO. Additionally, NJDEP requested removal of the
23 “Off-Site Source for Groundwater” notice from the RAO as NJDEP did not concur with the RIR

1 conclusion that the Paulsboro Refinery was an off-site source that was impacting the site.
2 Additional soil investigation of the Conrail ROW was performed in August 2017. This
3 investigation confirmed the presence of MGP by-products beneath the Conrail ROW. The RAWP
4 for the remediation of the off- site properties (AOC 10 and 11) was submitted to NJDEP on June
5 25, 2019.

6 **Plainfield Gas Works**

7 The Plainfield Gas Works site is located on property now owned by the City of Plainfield and
8 utilized as parking for their police headquarters and NJ Transit commuters. The NJDEP approved
9 the RAWP for the Plainfield Gas Works site in September 2009. PSE&G submitted a RIR to the
10 NJDEP in June 2014. The NJDEP established the CEA in December 2014. A RAWP Addendum
11 was submitted to NJDEP in September 2015. A treatability study for using *In-Situ* Solidification
12 and Stabilization to remediate the site was completed in October 2016. A Construction Bid
13 Specification for the soil remediation project was finalized and issued for bid on June 1, 2018. A
14 contract for the soil remediation was issued and mobilization for the remedial action work occurred
15 in January 2019. Remedial activities are ongoing.

16 **Princeton Gas Works**

17 Remedial Action was completed in 2003 and the NJDEP issued a NFA letter for Soils in October
18 2009. A Groundwater RAWP was submitted to the NJDEP in July 2013. A Groundwater CEA
19 application was submitted to the NJDEP in September 2014. A Technical Impracticability (TI)
20 Report was submitted to the NJDEP in December 2014. The TI requests a waiver to leave in place
21 contamination located in the bedrock below the Princeton library. In October 2015, the NJDEP
22 approved this waiver and issued a Groundwater RAP. A Restricted Use RAO for groundwater was
23 issued by the LSRP in February 2016.

Provost Street Gas Works

The Provost Street Gas Works site is located on property in Jersey City that is owned by Newport Associates. Newport Associates has entered into an Administrative Consent Order with the NJDEP for the investigation and remediation of this site. On December 8, 1989, PSE&G entered into a Release and Settlement Agreement with Newport Associates whereby PSE&G agreed to reimburse Newport Associates for the costs they incurred for the investigation and remediation of this site. The December 8, 1989 Release and Settlement Agreement only addressed on-site contamination from the Provost Street Gas Works site. Therefore, in September 2009, PSE&G entered into a Release and Settlement Agreement with Newport Associates whereby PSE&G agreed to reimburse Newport Associates for the costs they incurred for the off-site investigation of contaminants that emanated from this site. The consultant for Newport Associates, TRC Environmental Corporation prepared a RIR in May 2014 for the off-site areas of the Provost Street Gas Works site.

Ridgewood Gas Works

The remediation of the Ridgewood Gas Works site was completed in 1989. The NJDEP issued an NFA letter on September 29, 1997. The NJDEP approved the RAWP for the off-site Bellair Park property, jointly prepared by the Village of Ridgewood (Village) and PSE&G, to be implemented by the Village's contractor. As a result of neighboring residents' concerns, the Village re-evaluated its position and notified PSEG in a June 30, 2004 meeting that it did not consider moving forward with this remediation project to be in its best interests. The NJDEP was apprised of the Village's position in a meeting and in writing in August 2004. PSE&G submitted a revised RAWP to the NJDEP in June 2007 (with Village consent to only address a portion of the site).

1 The Village approved the revised RAWP and Deed Notice Agreement by resolution No. 07-132
2 dated May 9, 2007. Remedial action was conducted in October and November 2007, and the RAR
3 was submitted to the NJDEP in January 2008. On June 29, 2009, NJDEP approved the revised
4 RAWP as well as the RAR for MGP contamination at the Bellair Park property. A Deed Notice
5 for the Bellair Park off-site remediated area was recorded in July 2011. A Soil RAP was issued by
6 NJDEP in October 2013. The LSRP issued a RAO for the remediation of the Bellair Park off-site
7 area on February 17, 2015.

8 **Riverton Gas Works**

9 The remediation of the Riverton Gas Works site was completed in 1996. The NJDEP issued an
10 NFA letter on June 11, 1998. The NRD settlement was effective as of January 24, 2006. A Soils
11 RAP was issued by the NJDEP in August 2014.

12 **Somerville**

13 The Somerville Gas Works site is composed of two parcels for the purpose of phasing remedial
14 activities. Parcel 1 comprises the southern portion of the property previously occupied by an auto
15 body repair shop at 55 Hamilton Street. Parcel 1 soil was remediated between December 2010
16 and March 2011. A Deed Notice for Parcel 1 soil was recorded in July 2014. A RAR for the Parcel
17 1 soil remediation was submitted to the NJDEP in August 2011. A Soil RAP was issued by the
18 NJDEP in December 2014. The LSRP issued a RAO for Parcel 1 Soils on December 30, 2014.
19 Parcel 2 is located on the west side of Hamilton Street, immediately south of the overpass of the
20 New Jersey Transit Raritan Valley Line and the northwest corner of the intersection of Hamilton
21 Street and Second Street. The Parcel 2 RAWP was submitted to the NJDEP during April 2002.
22 RAWP Addenda were submitted to the NJDEP in September 2006 and July 2007.

1 A site-wide remedial investigation was completed in December 2016 and a RIR was submitted to
2 NJDEP on December 29, 2016. The NJDEP established a CEA for the site in September 2018.
3 Eight rounds of ground water sampling have been completed and a Groundwater RAWP including
4 a TI Report addressing MGP product in bedrock was submitted to the NJDEP in June 2019.

5 **South Amboy Gas Works**

6 The remediation of the South Amboy Gas Works site was completed between April and June 1995.
7 A RAR was submitted to the NJDEP in September 1996 and NFA letters were issued by the
8 NJDEP on March 5, 1999 and May 26, 2000. The NRD settlement was effective January 24, 2006.
9 The sale of the property closed in April 2016.

10 **South Warren Street Gas Works**

11 The South Warren Gas Works site is located on property owned by the New Jersey Department of
12 Treasury and used for state employee parking. A site-wide RIR and Groundwater CEA application
13 were submitted to the NJDEP in April 2014. A RASR was submitted to the NJDEP in March 2009
14 and was approved in July 2009. PSE&G submitted a RAWP to the NJDEP on March 24, 2010. A
15 RAWP Addendum was submitted in September 2014. The NJDEP issued a CEA for the MGP-
16 related groundwater contaminants in February 2016. A proposed remediation agreement was
17 provided to the property owner (the NJ Department of Treasury) in September 2017. Comments
18 received in September 2018 were addressed by PSE&G. A revised Remediation Agreement was
19 submitted to the Department of Treasury in March 2019.

20 **West End**

21 The former West End Gas Plant was located on four properties in Jersey City adjacent to the
22 Hackensack River. These properties are identified as Parcel 1 through Parcel 4. A site-wide RIR
23 was submitted to NJDEP in December 2015.

1 Parcel 1 – PSE&G completed remediation of Parcel 1 soil and Near-Shore sediments in December
2 2014. The RAR was submitted to NJDEP in March 2015. NJDEP issued a Soil RAP in September
3 2015. A RAWP for Block 7402 Lots 12 &13 was submitted to NJDEP in September 2018.

4 Parcel 2 – A RAWP for Parcel 2 Soil was submitted to NJDEP in March 2015. The remediation
5 was done in two phases. The first phase was completed in September 2017. The second phase
6 was completed in June 2018.

7 Parcels 3 and 4 – Remediation of Parcel 3 was completed between June 2004 and April 2006 and
8 a RAR was submitted to NJDEP in December 2006. In December 2008, PSE&G completed the
9 sale of Parcel 3 and a portion of Parcel 4 (NJDOT Parcels 29A and 29B) to the NJDOT. NJDEP
10 issued a Soils NFA letter for Parcel 3 on June 25, 2010. The remediation of adjacent streets was
11 completed between October 2006 and September 2007 and a RARA was submitted to NJDEP in
12 November 2007. NJDEP approved the RARA in March 2008. NJDEP issued a Soil RAP for the
13 adjacent streets in January 2015. The LSRP issued a RAO for the adjacent streets in December
14 2015.

15 The Parcel 4 RAR and Draft Deed Notice were sent to the NJDOT for review and signature on
16 March 28, 2016. A technical consultation meetings have been held with PSE&G, NJDOT, and
17 NJDEP. Execution of the deed notice by NJDOT is pending.

18 Hackensack River – Investigation of the Hackensack River sediments (adjacent to Parcel 1) has
19 been completed and the results were filed with the NJDEP in multiple reports. A RAWP for
20 impacted sediments was submitted to the NJDEP in March 2014. Remediation was conducted
21 between September and November 2014. The RAR for this remediation was submitted to NJDEP
22 in March 2015. The LSRP issued a RAO and submitted a Notice in lieu of Deed Notice to NJDEP
23 for the sediments in December 2015.

Woodbury Gas Works

The NJDEP issued an NFA letter for the Woodbury Gas Works site on September 29, 2000. The NRD settlement was effective as of January 24, 2006. A Soils Remedial Action Permit was issued by the NJDEP in January 2014.

Memorial Drive/West Paterson Site

The Memorial Drive site did not contain a manufactured gas plant; however, available information indicates that the site was utilized by a waste hauler, retained by Public Service, to dispose of waste material from the former Paterson Gas Plant site. Kearfott Guidance and Navigation Corporation, the current property owner, asserted a claim against Public Service for the reimbursement of costs associated with the investigation and clean-up of the Site pursuant to the requirements of its ACO. A settlement with Kearfott was concluded and the project is considered closed.

Passaic River (Lower) and Newark Bay Proceedings

The PSEG Companies are also involved in certain proceedings and activity related to contaminants in the Passaic River and Newark Bay because of the MGP facilities and former PSE&G generating stations along these waterways. A portion of the costs of these activities, which include not only attorney fees but the costs for studies of contaminants and remediation studies, are included in this RAC filing due to their association with the MGP facilities.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**PROFESSIONAL QUALIFICATIONS
OF
RICHARD A. BLACKMAN, P.E.
DIRECTOR – ENVIRONMENTAL PROJECTS**

My name is Richard A. Blackman and my business address is 4000 Hadley Road, South Plainfield, New Jersey 07080.

I am the Director of Environmental Projects in Public Service Electric and Gas Company's ("PSE&G") Delivery, Projects and Construction Department. I have held this position since January 2018. In this position, I have overall responsibility for PSE&G's environmental remediation program.

From January 2010 to January 2018, I was a Senior Project Manager in the Environment, Health and Safety Group within PSE&G's Delivery, Projects and Construction Department. My responsibilities included the management of various remediation projects, including former Manufactured Gas Plant ("MGP") sites, and other hazardous substance discharge sites to ensure: (1) compliance with applicable regulations; (2) protection of human health and the environment; and (3) that all work is done in a cost efficient, safe and high-quality manner. These responsibilities included the procurement of contractor and consultant services associated with the remediation process, monitoring of contractor and consultant performance from a safety, quality, cost and schedule perspective, and supporting cost recovery efforts.

From November 2003 to January 2010, I was a Project Manager in the Environment, Health and Safety Group within PSEG Services Corporation. My responsibilities included the management of various remediation projects, including former MGP sites and other hazardous substance discharge sites, to ensure: (1) compliance with applicable regulations; (2) protection of human health and the environment; and (3) that all work is done in a cost efficient, safe and high-quality manner. These responsibilities included the procurement of contractor and consultant services associated with the remediation process, monitoring of contractor and consultant performance from a safety, quality, cost and schedule perspective, and supporting cost recovery efforts.

From June 1992 through November of 2003, I was a Principal Environmental Analyst in the Environmental Projects and Technical Services Group responsible for providing technical and engineering input to the investigation and remediation of former MGP sites and other hazardous substance discharge sites.

Between 1987 and 1992, I worked for the Consolidated Edison Corporation in New York, New York as an Environmental Engineer responsible for environmental compliance matters and emergency spill response. From 1982 through 1987, I worked for the New York Power Authority in White Plains, New York as a Civil Engineer, where I provided input and support on the design and construction of transmission line and power plant construction projects.

I graduated from Rutgers University – College of Engineering in 1980 with a Bachelor of Science Degree in Civil Engineering and from the New Jersey Institute of Technology in

1986 with a Master of Science Degree in Environmental Engineering. I joined Public Service Electric and Gas Company in 1992. I am currently a Project Management Professional certified by the Project Management Institute, a Construction Health and Safety Technician certified by the Board of Safety Professionals, and a licensed Professional Engineer in the State of New Jersey.

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 and business address.**

7 A. My name is Stephen Swetz and my business address is 80 Park Plaza, T-8,
8 Newark, New Jersey 07102.

9 **Q. By whom are you employed and in what capacity?**

10 A. I am the Sr. Director - Corporate Rates and Revenue Requirements for PSEG
11 Services Corporation. My credentials are set forth in the attached Schedule SS–
12 RAC-1.

13 **Q. Please describe the Remediation Adjustment Charge (RAC).**

14 A. Public Service Electric and Gas Company (PSE&G, the Company) has
15 implemented a program to address environmental concerns regarding the
16 Company's former Manufactured Gas Plant (MGP) properties under the direction
17 and oversight of the New Jersey Department of Environmental Protection
18 (NJDEP). The details of this program are set forth in the Testimony of PSE&G
19 Witness Richard A. Blackman.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of this testimony is to discuss PSE&G's derivation of the rates and
3 tariffs associated with the Manufactured Gas Plant Remediation component of
4 the Societal Benefits Charge, herein after referred to as the RAC.

5 **Q. Does your testimony include any schedules?**

6 A. Yes. My testimony includes Schedule SS-RAC-1, which is my credentials. In
7 addition, I am sponsoring Section II (Allocation to Gas Customer Classes) and
8 Section III (Allocation to Electric Customer Classes) of Attachment A-2 page 2
9 of 2 that is encompassed in the schedules sponsored by Donna M. Powell. This
10 schedule details the allocation of the RAC rate between gas and electric
11 customer classes. This allocation is calculated on a volumetric basis. For gas,
12 the rate is derived by dividing the recovery amount (revenue requirement) by the
13 total projected sales for the recovery period. For electric these rates are derived
14 on a volumetric basis, by dividing the recovery amount by the projected kWh
15 generated for the recovery period and grossing up each class of service by its
16 respective line loss. The table below shows the rates currently in effect and those
17 calculated for the RAC 27 period as shown on Attachment A-2 page 2 of 2.

GAS ALLOCATION

	<u>RAC 27 Rates</u>	<u>Current Rates</u>	
	<u>\$/THERM</u>	<u>\$/THERM</u>	
	<u>(Excl. SUT)</u>	<u>(Excl. SUT)</u>	<u>Change</u>
RSG	0.015934	0.016065	(0.000131)
GSG	0.015934	0.016065	(0.000131)
LVG	0.015934	0.016065	(0.000131)
CIG	0.015934	0.016065	(0.000131)
TSG -F, NF	0.015934	0.016065	(0.000131)
SLG	0.015934	0.016065	(0.000131)

**ELECTRIC
ALLOCATION**

	<u>RAC 27 Rates</u>	<u>Current Rates</u>	
	<u>\$/KWH</u>	<u>\$/KWH</u>	
	<u>Including Line Losses</u>	<u>Including Line Losses</u>	
	<u>(Excl. SUT)</u>	<u>(Excl. SUT)</u>	<u>Change</u>
Secondary Service	0.000717	0.000635	0.000082
LPL Primary	0.000698	0.000619	0.000079
HTS Subtransmission	0.000689	0.000610	0.000079
HTS High Voltage	0.000681	0.000603	0.000078
Rate \$/KWH	0.000675	0.000598	0.000077

Q. Does this conclude your testimony?

A. Yes.

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

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

WORK EXPERIENCE

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

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

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

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

7 **EDUCATIONAL BACKGROUND**

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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	GR19120002	written	Dec-19	Gas System Modernization Program II (GSMPII) - Second Roll-In
Public Service Electric & Gas Company	E/G	ER19091302	written	Aug-19	Tax Adjustment Clauses (TACs)
Public Service Electric & Gas Company	E/G	ER19070850	written	Jul-19	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER19060764 & GR19060765	written	Jun-19	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	G	GR19060766	written	Jun-19	Gas System Modernization Program II (GSMPII) - First Roll-In
Public Service Electric & Gas Company	G	GR19060761	written	Jun-19	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E	ER19060741	written	Jun-19	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	oral	Jun-19	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR19060698	written	May-19	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	ER19040523	written	May-19	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	oral	May-19	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	EO18101113 - GO18101112	written	Dec-18	Clean Energy Future - Energy Efficiency Program Approval
Public Service Electric & Gas Company	E/G	GR18121258	written	Nov-18	Remediation Adjustment Charge-RAC 26
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18040358 - GR18040359	written	Mar-18	Energy Strong / Revenue Requirements & Rate Design - Eighth Roll-in
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design - Seventh Roll-in
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
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, \$4All, 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(\$4Allext) / 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, \$4All, 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 (\$4All) / 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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Revised Sheet No. 57

Superseding

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs.....	\$ 0.001266
Energy Efficiency and Renewable Energy Programs.....	0.003142
Manufactured Gas Plant Remediation.....	0.000598 0.000675
Sub-total per kilowatt-hour.....	\$ 0.005006 \$ 0.005083

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	\$ 0.005316 \$ 0.005398	\$ 0.001249	\$ 0.000708	\$ 0.007273 \$ 0.007355
LPL Primary	3.3153%	0.005178 0.005257	0.001249	0.000708	0.007135 0.007214
HTS Subtransmission	2.0472%	0.005114 0.005189	0.001249	0.000708	0.007068 0.007146
HTS High Voltage & HTS Transmission	0.8605%	0.005049 0.005127	0.001249	0.000708	0.007006 0.007084

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$ 0.007755 \$ 0.007842
LPL Primary.....	0.007608 0.007692
HTS Subtransmission.....	0.007536 0.007619
HTS High Voltage & HTS Transmission.....	0.007470 0.007553

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Revised Sheet No. 57

Superseding

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs	\$ 0.001266
Energy Efficiency and Renewable Energy Programs	0.003142
Manufactured Gas Plant Remediation	0.000675
Sub-total per kilowatt-hour	\$ 0.005083

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	\$ 0.005398	\$ 0.001249	\$ 0.000708	\$ 0.007355
LPL Primary	3.3153%	0.005257	0.001249	0.000708	0.007214
HTS Subtransmission	2.0472%	0.005189	0.001249	0.000708	0.007146
HTS High Voltage & HTS Transmission	0.8605%	0.005127	0.001249	0.000708	0.007084

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service	\$0.007842
LPL Primary	0.007692
HTS Subtransmission	0.007619
HTS High Voltage & HTS Transmission	0.007553

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

**XXX Revised Sheet No. 41
Superseding
XXX Revised Sheet No. 41**

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs.....	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.022332
Manufactured Gas Plant Remediation	0.016065 <u>0.015934</u>
Universal Service Fund - Permanent	0.006200
Universal Service Fund - Lifeline	<u>0.005200</u>
Societal Benefits Charge.....	\$ 0.049797 <u>\$ 0.049666</u>
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.053096 <u>\$ 0.052956</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41

B.P.U.N.J. No. 16 GAS

Superseding

XXX Revised Sheet No. 41

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs.....	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.022332
Manufactured Gas Plant Remediation	0.015934
Universal Service Fund - Permanent	0.006200
Universal Service Fund - Lifeline	<u>0.005200</u>
 Societal Benefits Charge.....	 \$ 0.049666
 Societal Benefits Charge including New Jersey Sales and Use Tax (SUT) ...	 <u>\$ 0.052956</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric SBC (Manufactured Gas Plant Remediation component) charges on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Change Would Be:	And Your Percent Change Would Be:
185	1,732	\$350.56	\$350.72	\$0.16	0.05%
370	3,464	641.76	642.04	0.28	0.04
740	6,920	1,230.16	1,230.72	0.56	0.05
803	7,800	1,380.88	1,381.57	0.69	0.05
1,337	12,500	2,200.44	2,201.52	1.08	0.05

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

(2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$36.46	\$36.48	\$0.02	0.05%
3,464	370	68.00	68.03	0.03	0.04
6,920	740	132.94	133.00	0.06	0.05
7,800	803	144.53	144.60	0.07	0.05
12,500	1,337	242.79	242.90	0.11	0.05

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

(4) Same as (3) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the gas SBC (Manufactured Gas Plant Remediation component) charge on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$226.96	\$226.92	\$(0.04)	(0.02)%
50	340	350.36	350.34	(0.02)	(0.01)
100	610	555.74	555.68	(0.06)	(0.01)
159	1,000	850.17	850.02	(0.15)	(0.02)
172	1,040	874.42	874.30	(0.12)	(0.01)
200	1,210	1,000.22	1,000.00	(0.22)	(0.02)
300	1,816	1,449.48	1,449.22	(0.26)	(0.02)

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2020 and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

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 Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$27.30	\$27.29	\$(0.01)	(0.04)%
340	50	45.94	45.94	0.00	0.00
610	100	84.30	84.29	(0.01)	(0.01)
1,040	172	138.80	138.78	(0.02)	(0.01)
1,210	200	159.97	159.94	(0.03)	(0.02)
1,816	300	235.66	235.62	(0.04)	(0.02)

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2020 and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC AND GAS CUSTOMERS

In The Matter Of The Petition Of Public Service Electric And Gas Company To Modify Its Manufactured Gas Plant (MGP) Remediation Component Within Its Electric Societal Benefits Charge (SBC) And Its Gas SBC; During The Remediation Adjustment Charge (RAC) 27 Period, August 1, 2018 to July 31, 2019

Notice of Filing and Notice of Public Hearings

Docket No. XXXXXXXXXX

TAKE NOTICE that in January 2020 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) in Docket Number XXXXXXXXXX requesting changes in its Manufactured Gas Plant (MGP) Remediation charges, in its Remediation Adjustment Clause (RAC) component of its Societal Benefits Charge (SBC), pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1. The Company's RAC has been implemented in accordance with prior BPU Orders which allow the Company to recover, through successive 7 year amortizations, reasonable costs incurred in the Company's MGP Program. This Program has been and continues to be carried out under the direction and supervision of the NJDEP. In this filing, the Company seeks an Order finding that its Program costs incurred during the RAC 27 period, August 1, 2018 through July 31, 2019, are reasonable for recovery, and the rates are proposed to be effective on or about April 1, 2020. Included in this filing is one seventh (1/7) of each of RAC 21 through RAC 27 Program costs. The Company requests that the Board decrease its current gas RAC rates by \$2.357 million and increase the current electric RAC rates by \$2.934 million, for a total increase of \$0.577 million on an annual basis for customers receiving service under tariff rates.

The new proposed RAC charges for electric and gas customers, if approved by the Board, are shown in Table #1. The allocation to gas contract customers has been incorporated on the basis of the terms of the particular contracts and/or applicable Board Orders, rather than on a volumetric basis.

The approximate effect of the proposed impact on typical electric and gas residential monthly bills, if approved by the Board, is illustrated in Tables # 2 and #3.

Based on the filing, a typical residential electric customer using 740 kilowatt-hours per summer month

and 6,920 kilowatt-hours on an annual basis would see an increase in their annual bill from \$1,230.16 to \$1,230.72, or \$0.56 or approximately 0.05%.

A residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in their annual bill from \$555.74 to \$555.68, or \$0.06 or approximately 0.01%. Moreover, under the Company's proposal, a typical residential gas heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see a decrease in their annual bill from \$874.42 to \$874.30 or \$0.12 or approximately 0.01%.

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

Copies of the Company's filing are available for review at the Company's Customer Service Centers (addresses located here: <https://nj.pseg.com/customerservice/locations>), online at the PSEG website at <http://www.pseg.com/pseandgfilings>, and at the Board at 44 South Clinton Avenue, 2nd Floor, Trenton, NJ 08625-0350. Any member of the public who wants to inspect the petition at the Board may contact the Board's Division of Case Management at (609) 292-0806 to schedule an appointment.

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, 2020
Time 1
Location 1
Room 1
Address 1
City 1, NJ Zip Code 1

Date 2, 2020
Time 2
Location 2
Room 2
Address 2
City 2, NJ. Zip Code 2

Date 3, 2020
Time 3
Location 3
Room 3
Address 3
City 3, NJ 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 address below.

Members of the public may also file written comments with the Secretary of the Board at 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ, 08625-0350 ATTN: Secretary Aida Camacho-Welch, or by

email to board.secretary@bpu.nj.gov, whether or not they attend the public hearings.

Written comments should reference the name of the petition and the above docket number in the subject line. Written comments will be provided the same weight as statements made at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

Table # 1

Electric Tariff Rates	Manufactured Gas Plant Remediation Component of the SBC		Total Societal Benefits Charge	
	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)
Secondary (RS, RHS, RLM, WH, WHS, HS, GLP, LPL-S, BPL, BPL-POF, PSAL)	\$0.000677	\$0.000765	\$0.007755	\$0.007842
Primary (LPL-P)	\$0.000660	\$0.000744	\$0.007608	\$0.007692
Subtransmission (HTS-S)	\$0.000650	\$0.000735	\$0.007536	\$0.007619
High Voltage (HTS-HV)	\$0.000643	\$0.000726	\$0.007470	\$0.007553
Gas Tariff Rates	Present \$/Therm (Incl. SUT)	Proposed \$/Therm (Incl. SUT)	Present \$/Therm (Incl. SUT)	Proposed \$/Therm (Incl. SUT)
Rate Schedule (RSG, GSG, LVG, SLG, TSG-F, TSG-NF, CIG)	\$0.017129	\$0.016969	\$0.053096	\$0.052936

Table #2
Residential Electric Service

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Summer Percent Change Would Be:
1,732	185	\$36.46	\$36.48	\$0.02	0.05%
3,464	370	68.00	68.03	0.03	0.04
6,920	740	132.94	133.00	0.06	0.05
7,800	803	144.53	144.60	0.07	0.05
12,500	1,337	242.79	242.90	0.11	0.05

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect January 1, 2020, and assumes that the customer receives BGS-RSCP service from Public Service.
(2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of SBC.

Table #3
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 Monthly Winter Percent Change Would Be:
170	25	\$27.30	\$27.29	\$(0.01)	(0.04)%
340	50	45.94	45.94	0.00	0.00
610	100	84.30	84.29	(0.01)	(0.01)
1,040	172	138.80	138.78	(0.02)	(0.01)
1,210	200	159.97	159.94	(0.03)	(0.02)
1,816	300	235.66	235.62	(0.04)	(0.02)

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2020, and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG bill credits
(4) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of SBC.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY