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February 15, 2017

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its Electric and Gas
Societal Benefits Charge Rates

BPU Docket No. _____

VIA BPU E-FILING SYSTEM & OVERNIGHT MAIL

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

Dear Secretary Asbury:

Public Service Electric and Gas Company (PSE&G) submits its Petition, Testimony and Supporting Schedules in the above-referenced proceeding on the Board of Public Utilities E-Filing system.

Very truly yours,

A handwritten signature in blue ink that reads "Martin C. Rothfelder".

C Attached Service List (E-mail only)

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02/15/2017

Public Service Electric and Gas Company
SBC 2017
BPU Docket No. _____

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF CHANGES) PETITION
IN ITS ELECTRIC AND GAS SOCIETAL)
BENEFITS CHARGE RATES) DOCKET NO. _____

Public Service Electric and Gas Company (Public Service, the Company) a corporation of the State of New Jersey, which is subject to the jurisdiction of the Board of Public Utilities (Board), and which has its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully petitions the Board as follows:

1. Public Service is engaged in the retail distribution and sale of electric energy for residential, commercial and industrial purposes within the State of New Jersey. Public Service is also engaged in the purchase, transmission, distribution and sale of natural gas for residential, commercial, and industrial customers in New Jersey. For these purposes, the Company is subject to the jurisdiction of the Board pursuant to N.J.S.A. 48:2-21 et seq.

2. Pursuant to the Electric Discount and Energy Competition Act of 1999 (EDECA), the Company's SBC was established in the Board's Orders in Docket Nos. EO97070461, EO97070462 and EO97070463 (Electric EMP Order). The EMP

Order also established the components of the SBC and the associated cost recovery mechanisms.

3. Pursuant to the Electric EMP Order, and to the extent that expenditures for these initiatives exceeded the amount of their cost recovery, the expenditures were subject to deferred accounting treatment for future recovery at the close of the Transition Period.
4. By Order dated July 22, 2002, *Order Directing the Filing of Supplemental Testimony and Instituting Proceedings to Consider Audits of Utility Deferrals*, BPU Docket Nos. ER02050303, EO97070461, EO97070462, and EO97070463 (July 22 Order), the Board required each electric utility to file, among other things, a request for recovery of deferred expenses pertaining to unrecovered balances in the SBC.
5. On August 28, 2002, the Company filed a request with the Board seeking authority to reset its rates, as required in the July 22, 2002 Order.
6. After a series of proceedings related to various components of the Company's rates, the Board issued a Summary Order dated July 31, 2003 followed by a Final Order dated April 22, 2004 (Final Order). The Summary and Final Orders finalized the Company's SBC and established new SBC rates, including multiple components effective August 1, 2003.

7. With respect to gas rates, EDECA provides that the Board shall order each utility to unbundle its rate schedules such that discreet services provided, which were previously included in the bundled utility rate, are separately identified and charged in its tariffs. By Order dated March 17, 1999 in BPU Docket No. GX99030121, the Board established procedures and a procedural schedule for the natural gas rate unbundling filings required by EDECA, and directed each of the State's four gas public utilities to submit an unbundled rate compliance filing consistent with the Act by April 30, 1999. This filing included a separate gas SBC to recover Remediation Adjustment Clause (RAC) expenses, Demand Side Management (DSM) program expenses, and other expenses reasonably incurred by the utility currently in rates and recoverable via the SBC pursuant to N.J.S.A. 48:3-60.
8. On April 30, 1999, Public Service filed its unbundled rate case pursuant to section 10(a) of EDECA. Under the Board Order dated July 31, 2000, BPU Docket Nos. GX99030121 and GO99030124 and the associated stipulation dated August 28, 1999, the gas unbundled rates became effective August 1, 2000 and the gas SBC was established.
9. The Company's most recent SBC case was concluded by the Board's January 28, 2016 Order in Docket No. ER15050558, and the Company implemented the new SBC rates effective for service rendered on and after February 1, 2016.

10. Based on the Company's actual collections and expenses through December 31, 2016, and its projected collections and expenses through May 31, 2017, the electric SBC (excluding the Remediation Adjustment Clause (RAC) and permanent Universal Service Fund (USF and Lifeline) components)¹ is expected to be under collected by \$17.1 million, including interest. The Company proposes to collect a total of \$202.5 million for the Electric SBC, which represents the May 31, 2017 under collection of \$17.1 million, along with the estimated expenses of \$187.8 million to be incurred from June 1, 2017 through May 31, 2018, from customers over a 12-month period effective June 1, 2017 and a \$2.34 million offset for a Gross Receipts and Franchise Tax (GRFT) refund as explained in more detail in the Direct Testimony of Stephen Swetz. The proposed new electric SBC rates reflect an increase in revenue requirements of \$27.9 million.

11. Based on the Company's actual collections and expenses through December 31, 2016, and its projected collections and expenses through May 31, 2017, the gas SBC (excluding the Remediation Adjustment Clause (RAC) and permanent Universal Service Fund (USF and Lifeline) components)² is expected to be over collected by \$5.5 million, including interest. The Company proposes to collect a total of \$60.5 million, which represents an offset for the May 31, 2017 over

¹ The electric SBC components addressed in this Petition exclude RAC and the permanent USF and Lifeline, since the Board reviews those clauses in separate proceedings.

² The gas SBC components addressed in this Petition exclude RAC and the permanent USF and Lifeline, since the Board reviews those clauses in separate proceedings.

collected balance of \$5.5 million, along with the estimated expenses of \$66.6 million incurred from June 1, 2017 through May 30, 2018, from customers over a 12-month period effective June 1, 2017 and a \$0.6 million offset for a Gross Receipts and Franchise Tax (GRFT) refund as explained in more detail in the Direct Testimony of Stephen Swetz. The annual revenue requirement for the Gas SBC reflects a decrease of \$6.3 million.

12. As indicated above, the revenue requirements for both the electric and gas EE&RE components of the SBC were reduced to reflect a credit in the amount of \$2.9 million (\$2.342 million electric and \$0.558 million gas), as a result of a 2000 Board of Public Utilities GRFT Audit as discussed in Mr. Swetz's Direct Testimony.
13. The annual bill impact on a typical residential electric customer that uses 750 kilowatt-hours during a summer month and 7,200 kilowatt-hours annually would be an increase in their annual bill from \$1,281.08 to \$1,286.32 or \$5.24 or approximately 0.41%, based upon current delivery rates and Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) in effect February 1, 2017 and assuming the customer receives BGS-RSCP commodity service from PSE&G.
14. The annual bill impact on a typical residential gas heating customer that uses 165 therms during a winter month and 1,010 therms annually would be a decrease

from \$861.02 to \$858.76 or \$2.26 or approximately 0.26% based upon current delivery rates and Basic Gas Supply Service (BGSS-RSG) charges in effect February 1, 2017 and assuming the customer receives BGSS commodity service from PSE&G (not including any BGSS-RSG bill credits). In addition, the monthly impact of the proposed rates to a residential gas heating customer using 610 therms on an annual basis and 100 therms per month during the winter months would be a decrease from \$86.73 to \$86.50 or \$0.23 or approximately 0.27% in a winter month.

15. In support of this Petition, the Company is presenting the Direct Testimony of Stephen Swetz, Sr. Director - Corporate Rates and Revenue Requirements attached hereto as Attachment A. Mr. Swetz describes the status of the SBC components associated with Board-approved Social Programs and Energy Efficiency & Renewable Energy Programs. Mr. Swetz's testimony and schedules discuss the program status and level of the SBC components costs on an actual basis through December 31, 2016 and on an estimated basis through May 31, 2018.
16. The Company also files and incorporates herein its current and proposed Tariff Sheets (both red-lined and "clean") for the electric and gas SBC, attached hereto as Attachments B (current), C (proposed), and D (proposed with red-lining), respectively.

17. The Company incorporates herein as Attachment E a schedule depicting typical electric and gas residential customer bill impacts resulting from approval of this Petition.
18. Pursuant to the Board's June 23, 2010 Order, Decision, *I/M/O the Petition of PSE&G for Approval of Changes in its Electric and Gas SBC and For a Change in its Electric NUG Transition Charge Rate*, Docket No. ER09020113 (June 23, 2010), the Company is also submitting accounting details comparing accruals to its electric bad debt reserve to electric bad debt write-offs for the years ending 2015-2016. That information is provided in Attachment F.
19. Contained herein in Attachment G is a draft Form of Notice of Filing and of Public Hearings. This Form of Notice sets forth the requested changes to the electric and gas rates and will be placed in newspapers having a circulation within the Company's electric and gas service territories upon receipt, scheduling and publication of public hearing dates. Public hearings will be held in each geographic area within the Company's service territory, i.e. Northern, Central, and Southern. A Notice will be served on the County Executives and Clerks of all municipalities within the Company's electric and gas service territories upon receipt, scheduling and publication of public hearing dates.
20. It is understood that any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of

N.J.S.A. 48:3-4 and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the average percentage changes in final rates may increase or decrease based upon the Board's decision.

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

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WHEREFORE, Public Service Electric and Gas Company requests that the Board find and determine that pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.S.A. 48:3-60:

1. The proposed rates and charges for electric service set forth in the proposed tariff for Electric Service, Public Service Electric and Gas Company, B.P.U.N.J. No. 15,

Electric Service for elements of the SBC referred to herein as Attachment C (page 1), are approved as just and reasonable;

2. The proposed rates and charges for gas service set forth in the proposed tariff for Gas Service, Public Service Electric and Gas Company, B.P.U.N.J. No. 15, Gas Service for elements of the SBC referred to herein as Attachment C (page 2), are approved as just and reasonable; and

3. That the Board make the aforementioned determinations and approve revised final electric SBC and gas SBC rates for service effective June 1, 2017.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



By: _____
Martin C. Rothfelder, Esq.
Associate General Regulatory Counsel
PSEG Services Corporation
80 Park Plaza
Newark, New Jersey 07101

DATED: February 15, 2017
Newark, New Jersey

STATE OF NEW JERSEY)
COUNTY OF ESSEX)

Stephen 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 for
PSEG Services Corporation.

2. I have read the annexed Petition, and the matters contained therein are true
to the best of my knowledge and belief.



STEPHEN SWETZ

Sworn to and subscribed to)
Before me this 15th day)
of February 2017)



BERNADETTE A. CURTIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 5/8/2018

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

2
3 **DIRECT TESTIMONY**
4 **OF**
5 **STEPHEN SWETZ**

6 **INTRODUCTION**

7 My name is Stephen Swetz and I am the Sr. Director - Corporate Rates
8 and Revenue Requirements. I have previously testified before the Office of
9 Administrative Law (OAL) and the New Jersey Board of Public Utilities (Board) on
10 behalf of Public Service Electric and Gas Company (the Company, PSE&G). My
11 credentials are set forth in detail in Schedule SS-SBC-1.

12 **OVERVIEW AND SUMMARY OF TESTIMONY**

13 My testimony supports the Company's Petition to change the Energy
14 Efficiency and Renewable Energy Programs (EE&RE) and Social Program
15 components of its electric and gas Societal Benefits Charge (SBC). My testimony
16 describes the status of the SBC components associated with Social Programs and
17 EE&RE, on an actual basis through December 31, 2016 and on an estimated basis
18 through May 31, 2018.

19 I provide information relative to the deferred balance amounts for each
20 of those rate components along with estimated expenses to be collected for the period
21 June 1, 2017 through May 31, 2018 and recommend implementation of the

1 Company's proposed SBC tariff sheets as attached to the Petition, to be effective on
2 June 1, 2017.

3 **Electric SBC**

4 The rate components of the Company's electric SBC became effective
5 February 1, 2016. The electric rate impact of the rate change proposed to be effective
6 on June 1, 2017 would be an increase of approximately \$27.9 million on an annual
7 basis. See Schedule SS-2A. The annual bill impact on a typical residential electric
8 customer that uses 750 kilowatt-hours during a summer month and 7,200 kilowatt-
9 hours annually would be an increase in their annual bill from \$1,281.08 to \$1,286.32
10 or \$5.24 or approximately 0.41%, based upon current delivery rates and Basic
11 Generation Service – Residential Small Commercial Pricing (BGS-RSCP) in effect
12 February 1, 2017, and assuming that the customer receives BGS-RSCP service from
13 PSE&G.

14 **Gas SBC**

15 The Company also proposes to reset the aforementioned component of
16 its gas SBC. The gas rate impact of the rate change proposed to be effective on June
17 1, 2017 would be a decrease of approximately \$6.3 million on an annual basis. See
18 Schedule SS-2B. The annual bill impact on a typical residential gas heating customer
19 that uses 165 therms during a winter month and 1,010 therms annually would be a
20 decrease from \$861.02 to \$858.76 or \$2.26 or approximately 0.26% based upon

1 current delivery rates and Basic Gas Supply Service (BGSS-RSG) charges in effect
2 February 1, 2017 and assumes that the customer receives BGSS commodity service
3 from PSE&G (not including any BGSS-RSG bill credits). In addition, the monthly
4 impact of the proposed rates to a residential gas heating customer using 610 therms on
5 an annual basis and 100 therms per month during the winter months would be a
6 decrease from \$86.73 to \$86.50 or \$0.23 or approximately 0.27% in a winter month.

7 **BACKGROUND**

8 Pursuant to the Electric Discount and Energy Competition Act of 1999
9 (EDECA), the Company's SBC was established in the Board's Orders in Docket Nos.
10 EO97070461, EO97070462 and EO97070463 (Electric EMP Order). The EMP Order
11 also established the components of the SBC and the associated cost recovery
12 mechanisms.

13 On August 28, 2002, the Company filed a request with the Board
14 seeking authority to reset its rates, as required in the July 22, 2002 Order. After a
15 series of proceedings related to various components of the Company's rates, the
16 Board issued a Summary Order dated July 31, 2003 followed by a Final Order dated
17 April 22, 2004 (Final Order). The Summary and Final Orders finalized the
18 Company's SBC deferred cost components through the end of the transition period,
19 July 31, 2003, and established new SBC rates effective August 1, 2003. With respect
20 to gas rates, EDECA provides that the Board shall order each utility to unbundle its

1 rate schedules such that discreet services provided, which were previously included in
2 the bundled utility rate, are separately identified and charged in its tariffs. By Order
3 dated March 17, 1999 in BPU Docket No. GX99030121, the Board established
4 procedures and a procedural schedule for the natural gas rate unbundling filings
5 required by EDECA, and directed each of the State's four gas public utilities to
6 submit an unbundled rate compliance filing consistent with the Act by April 30, 1999.
7 Under the Board Order dated July 31, 2000, BPU Docket Nos. GX99030121 and
8 GO99030124 and the associated Stipulation dated August 28, 1999, the gas
9 unbundled rates became effective August 1, 2000 and the gas SBC was established.

10 The Company's most recent SBC case was concluded by the Board's
11 January 28, 2016 Order in Docket No. ER15050558, and the Company implemented
12 the new SBC rates effective for service rendered on and after February 1, 2016.

13 **ELECTRIC SBC COMPONENTS**

14 The SBC is an aggregation of several subcomponents: EE&RE, Social
15 Programs (uncollectibles), Manufactured Gas Plant Remediation Costs, referred to as
16 the Remediation Adjustment Charge (RAC), and the Universal Service Fund
17 (USF)/Lifeline.¹ The Electric SBC components addressed in the current filing include
18 EE&RE and Social Programs. The EE&RE and Social Program components are

¹ The electric SBC components addressed in this filing exclude the RAC, USF and Lifeline, since the Board addresses those components in separate proceedings.

1 found on the Eighteenth Revised Sheet 57 in the Company's electric tariff and were
2 approved by the Board in the Order dated January 28, 2016.

3 Schedule SS-2A provides the calculation of the relevant cost recovery
4 factors for the proposed electric rates effective June 1, 2017. Shown on Schedule SS-
5 2A are actual data through December 31, 2016, estimates of the deferred balances
6 expected for the SBC clause components addressed in this filing on May 31, 2017,
7 and the projected costs for the period June 1, 2017 through May 31, 2018. As of
8 December 31, 2016 on an actual basis, the electric SBC components in total were over
9 collected by \$0.4 million, including accrued interest. The Company projects the total
10 balance including interest to be under collected by \$17.1 million as of May 31, 2017.
11 The monthly net deferred costs on an actual basis through December 31, 2016 are
12 shown on Schedule SS-3A for Social Programs and Schedule SS-3B for the electric
13 EE&RE.

14 **GAS EE&RE**

15 The gas SBC is an aggregation of the following subcomponents:
16 EE&RE, RAC, and the USF, which includes Lifeline.² The Gas SBC component
17 addressed in the current filing includes only EE&RE. These components are found on
18 the Nineteenth Revised Sheet 41 in the Company's Gas tariff and the EE&RE
19 component was approved by the Board in the Order dated January 28, 2016.

² The gas SBC component addressed in this filing excludes RAC, USF and Lifeline, since the Board addresses those components in separate proceedings.

1 Schedule SS-2B is the calculation of the relevant cost recovery factor
2 for the proposed gas SBC rate effective June 1, 2017. Shown on Schedule SS-2B is
3 actual data for the gas SBC EE&RE component through December 31, 2016,
4 estimates of the deferred balance expected on May 31, 2017, and projected costs for
5 the period June 1, 2017 through May 31, 2018. As of December 31, 2016 on an
6 actual basis, the gas SBC EE&RE component was over collected by \$14.0 million,
7 including accrued interest. The Company projects the total balance including interest
8 to be over collected by \$5.5 million as of May 31, 2017. The monthly net deferred
9 costs on an actual basis through December 31, 2016 are shown on Schedule SS-3C.

10 **INTEREST CALCULATION**

11 The method of calculating interest for the aforementioned SBC
12 components is as follows. The Board’s July 31, 2003 Order and associated settlement
13 provide that net-of-tax interest at the two-year constant maturity treasury rate as
14 shown in the Federal Reserve Statistical Release on or closest to August 1 plus 60
15 basis points shall be applied monthly to the average monthly cumulative deferred
16 SBC balances, positive or negative, from the beginning to the end of the period.
17 Monthly interest on negative deferred balances (under collections) shall be netted
18 against monthly interest on positive deferred balances (over collections) for the
19 period. A cumulative net positive interest balance at the end of the period is owed to
20 customers and shall be returned to customers in the next period. A cumulative net

1 negative interest balance shall be recovered from customers in the next period. Actual
2 interest calculations can be found in Schedules SS-3A, SS-3B and SS-3C.

3 **DEVELOPMENT OF PROPOSED RATES**

4 **I. Social Programs**

5 In its Electric EMP Order, the Board approved the inclusion of the
6 Company's electric uncollectible cost in this component of the SBC. The estimated
7 deferred balance as of May 31, 2017 is an under collection of \$5.2 million including
8 interest.

9 The Company has proposed to collect the estimated June 1, 2017
10 through May 31, 2018 costs of \$53.6 million from June 1, 2017 through May 31,
11 2018, as shown on Schedule SS-2A. Therefore, the Company has proposed a rate to
12 collect the \$53.6 million cost plus the \$5.2 million under collection, or \$58.8 million
13 effective June 1, 2017. That proposed rate will result in an annual revenue increase of
14 \$10.0 million, as shown on Schedule SS-2A.

15 **II. Energy Efficiency and Renewable Energy Component**

16 The estimated deferred balance as of May 31, 2017 for the electric
17 EE&RE component is an under collection of \$12.0 million including interest. The
18 Company has proposed to collect the estimated June 1, 2017 through May 31, 2018
19 costs of \$134.2 million from June 1, 2017 through May 31, 2018, as shown on
20 Schedule SS-2A. In addition, the Company is refunding an over collection of the

1 Gross Receipts and Franchise Tax (GRFT) of \$2.3 million as discussed in more detail
2 below. Therefore, the Company has proposed a rate to collect \$143.7 million, taking
3 into account the \$2.3 million GRFT refund. That proposed rate will result in an
4 annual revenue increase of \$17.9 million, as shown on Schedule SS-2A.

5 The estimated deferred balance as of May 31, 2017 for the gas EE&RE
6 component is an over collection of \$5.5 million including interest. The Company has
7 proposed to collect the estimated June 1, 2017 through May 31, 2018 costs of \$66.6
8 million from June 1, 2017 through May 31, 2018, as shown on Schedule SS-2B. In
9 addition, the Company is refunding an over collection of the GRFT of \$0.6 million as
10 discussed in more detail below. Therefore, the Company has proposed a rate to
11 collect \$60.5 million, including the \$0.6 million GRFT refund. That proposed rate
12 will result in an annual revenue decrease of \$6.3 million, as shown on Schedule SS-
13 2B.

14 The EE&RE costs are comprised of the following components

15 **A. Standard Offer Costs and Lost Revenue**

16 The Standard Offer Program consists of Standard Offer No. 1, Standard
17 Offer No. 2, and Standard Offer No. 3. The Company continues to pay for savings
18 associated with the existing Standard Offer agreements.

1 Schedules SS-4A and SS-4B, Column A, show actual Standard Offer costs for
2 July 2015 through December 2016 and estimates for January 1, 2017 through May
3 2018 for electric and gas costs, respectively.

4 The payments reflect the fact that the per unit price for energy savings
5 increases each year according to price tables that were approved by the Board for each
6 of the Standard Offers.

7 **B. Legacy Programs**

8 Legacy programs are pre-existing Demand Side Management programs
9 that are neither Standard Offer Programs nor part of the New Jersey Clean Energy
10 Program. The PSE&G program that falls into this category is the Board-approved
11 low income loan program that was discontinued several years ago and for which
12 occasionally there are some associated adjustments for loans that are still outstanding.

13 **C. New Jersey Clean Energy Program**

14 The New Jersey Clean Energy Program consists of energy efficiency
15 and renewable energy programs that were approved by the Board pursuant to
16 EDECA. These programs were first approved in the Board's Order dated March 9,
17 2001, Docket No. EX99050347 *et al.* Subsequently, the Board conducted hearings on
18 the administration of these programs, appointed the Clean Energy Council as an
19 advisory group to the Board, and created the Office of Clean Energy (OCE) at the
20 Board to oversee and administer the programs. As part of transitioning the

1 administration of the programs from the utilities to the OCE, a Fiscal Agent was
2 appointed by the Board to hold in a trust account the Board ordered funding from the
3 utilities to pay for the cost of the programs. The administration of all the current
4 Clean Energy programs, with the exception of the New Jersey Comfort Partners
5 Program (low income program), is operated by Market Managers contracted by the
6 Board.

7 **1. Costs for Energy Efficiency Programs**

8 Schedules SS-4A and SS-4B, column D show the electric and gas costs,
9 respectively, for the energy efficiency programs that are being operated by the
10 Company for the State of New Jersey as part of the New Jersey Clean Energy
11 Program.

12 **2. Payments to the Fiscal Agent**

13 On February 20, 2004, the Board's OCE informed the utilities that the
14 Board entered into an agreement that established a trust account with Wachovia Bank
15 and designated Wachovia Bank as the Fiscal Agent, as approved by a Board Order
16 dated December 23, 2003 in Docket No. EO02120955. The same Order established
17 payment schedules and processes for carryover payments and monthly payments for
18 funding for 2004. The Order also established that these payments to the Fiscal Agent
19 are fully recoverable and are not subject to further prudence reviews (see December
20 23, 2003 Order, p.5). The payments to the Fiscal Agent are the Board ordered Clean

1 Energy Program funding levels, for the programs that it continues to operate, pursuant
2 to the Board's Order dated July 27, 2004.

3 In its December 23, 2004 Order in Docket No. EX04040276, the Board
4 established New Jersey Clean Energy Program funding levels for the 2005 through
5 2008 period. In an Order dated September 30, 2008, in Docket No. EO07030203, the
6 Board established New Jersey Clean Energy Program funding levels for the 2009
7 through 2012 period. Each year thereafter, the Board's Orders have approved revised
8 funding levels for the Program. The Board ordered funding levels are the basis for the
9 2017 fiscal year estimates in Schedules SS-4A and SS-4B. All future monthly
10 funding levels are assumed to be at the same amount established in the 2016 Clean
11 Energy funding level approved by the Board. Schedules SS-4A and SS-4B, Column
12 E, show the actual amount of the payments made to the Fiscal Agent through
13 December 2016 and projected to be made through May 2018. The netting of the
14 actual PSE&G Clean Energy Program electric and gas expenditures against the
15 scheduled electric and gas funding levels results in the payment stream. Depending on
16 the timing of the invoicing by the OCE and the actual payment by the Company, the
17 payment to the fiscal agent occurs one to two months following the month in which
18 the funding is required and the Company incurs actual expenses. At times two
19 payments are received in one month and none the next. For estimating purposes, the
20 Company has assumed that all payments to the fiscal agent will be made two months

1 following the month in which the funding is required and the Company incurs actual
2 expenses.

3 **SUMMARY OF ELECTRIC AND GAS SBC COMPONENTS**

4 The total electric SBC components discussed above, which excludes
5 RAC, USF, and Lifeline, are designed to increase annual revenues collected from
6 electric customers by approximately \$27.9 million beginning on June 1, 2017.

7 The Gas SBC EE&RE component discussed above is designed to
8 decrease annual revenues collected from gas customers by approximately \$6.3 million
9 beginning on June 1, 2017.

10 The revenue requirements for both the electric and gas EE&RE components
11 were reduced to reflect a credit in the amount of \$2.9 million. During a BPU GRFT
12 Audit and as reflected in a BPU Order dated February 2, 2000, in Docket No.
13 EA00010007 and GA00010008, it was determined that the Company had over
14 collected \$2.9 million (\$2.342 million electric and \$0.558 million gas) of GRFT from
15 customers. Under Docket Number EX99090676, in an order dated December 22,
16 2000 in the Customer Account Services (CAS) proceeding, the BPU ordered that
17 PSE&G was required to refund the \$2.9 million over-recovery to customers via a
18 credit toward costs otherwise recoverable arising from the implementation of
19 consolidated billing. Since this refund never occurred, the Company is refunding this
20 amount to customers by crediting the EE&RE electric and gas deferred balances by

1 \$2.342 million and \$0.558 million, respectively, when new rates become effective.

2 This is shown on Schedules SS-2A and SS-2B of this filing.

3 **CONCLUSION**

4 My testimony and the attached schedules fully support the Company's
5 Petition in this matter and comply with all previous Board Orders. Therefore, for all
6 the reasons discussed in my testimony and the Petition, Public Service requests that
7 the Board issue an Order approving the requested changes to its electric and gas SBC
8 rates.

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

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

8 **EDUCATIONAL BACKGROUND**

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

11

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	16-May	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	16-Mar	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	15-Nov	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	15-Sep	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	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155/GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606/GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

PSE&G Societal Benefits Charge
Calculation of Cost Recovery - Electric
(\$000)

Schedule SS-2A
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CALCULATION OF COST RECOVERY FACTOR

ELECTRIC	PERIOD ¹	(\$000's)		TOTAL
		SOCIAL	EE&RE	ELECTRIC SBC*
BEGINNING BALANCE INCLUDING INTEREST	7/31/2015	\$2,459	\$18,475	\$20,935
ACTUAL REVENUES	8/1/15 - 12/31/16	\$74,906	\$183,951	\$258,856
ACTUAL EXPENSES	8/1/15 - 12/31/16	(\$77,633)	(\$201,829)	(\$279,461)
INTEREST	8/1/15 - 12/31/16	\$12	\$95	\$107
BALANCE INCLUDING INTEREST	12/31/16	(\$256)	\$693	\$437
PROJECTED REVENUES	01/1/17 - 05/31/17	\$19,106	\$49,345	\$68,451
PROJECTED EXPENSES	01/1/17 - 05/31/17	(\$24,000)	(\$61,998)	(\$85,998)
INTEREST	01/1/17 - 05/31/17	(\$14)	(\$14)	(\$28)
BALANCE INCLUDING INTEREST	05/31/17	(\$5,163)	(\$11,975)	(\$17,138)
OVER/(UNDER) RECOVERY WITH INTEREST	05/31/17	(\$5,163)	(\$11,975)	(\$17,138)
ESTIMATED EXPENSES TO BE COLLECTED	06/1/17 - 05/31/18	\$53,609	\$134,184	\$187,793
TOTAL EXPENSES TO BE COLLECTED / (RETURNED) TO CUSTOMERS	06/1/17 - 05/31/18	\$58,772	\$146,159	\$204,931
GROSS RECEIPTS AND FRANCHISE TAX REFUND			\$2,340	\$2,340
TOTAL TO BE COLLECTED / (RETURNED) TO CUSTOMERS	06/1/17 - 05/31/18	\$58,772	\$143,819	\$202,591
KWH OUTPUT (000s) (06/1/17 - 05/31/18)	06/1/17 - 05/31/18	44,213,413	44,213,413	
AVERAGE COST PER KILOWATTHOUR (DOLLAR/KWH)		\$0.001329	\$0.003253	
CHARGE - Secondary (DOLLAR/KWH)		0.001437	0.003518	
LPL Primary (DOLLAR/KWH)		0.001401	0.003429	
HTS Subtransmission (DOLLAR/KWH)		0.001369	0.003352	
HTS High Voltage (DOLLAR/KWH)		0.001349	0.003301	
CALCULATOIN OF REVENUE IMPACT				
REVISED RATE PER KWH		0.001329	0.003253	
CURRENT RATE PER KWH		0.001103	0.002849	
DIFFERENCE		0.000226	0.000404	
KWH OUTPUT (000s) (06/1/17 - 05/31/18)		44,213,413	44,213,413	
REVENUE IMPACT (06/1/17 - 05/31/18)		\$9,992	\$17,862	\$27,854

* Excludes RAC, Lifeline and USF.

**PSE&G Societal Benefits Charge
Calculation of Cost Recovery - Gas**
(\$000)

**Schedule SS-2B
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Gas	Period	EE&RE
BEGINNING BALANCE INCLUDING INTEREST	7/31/2015	\$11,745
ACTUAL REVENUES	8/1/15 - 12/31/16	\$83,662
ACTUAL EXPENSES	8/1/15 - 12/31/16	(\$81,532)
INTEREST	8/1/15 - 12/31/16	\$131
BALANCE INCLUDING INTEREST	12/31/16	\$14,006
PROJECTED REVENUES	01/1/17 - 05/31/17	\$38,345
PROJECTED EXPENSES	01/1/17 - 05/31/17	(\$46,872)
INTEREST	01/1/17 - 05/31/17	\$47
BALANCE INCLUDING INTEREST	05/31/17	\$5,526
OVER/(UNDER) RECOVERY WITH INTEREST	05/31/17	\$5,526
ESTIMATED EXPENSES TO BE COLLECTED	06/1/17 - 05/31/18	\$66,553
TOTAL EXPENSES TO BE COLLECTED / (RETURNED) TO CUSTOMERS	06/1/17 - 05/31/18	\$61,027
GROSS RECEIPTS AND FRANCHISE TAX REFUND		\$558
TOTAL TO BE COLLECTED / (RETURNED) TO CUSTOMERS	06/1/17 - 05/31/18	\$60,469
THERM SALES (000s) (06/1/17 - 05/31/18)		2,954,531
DOLLAR PER THERM		\$0.020466

CALCULATION OF REVENUE IMPACT (\$000's)
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	<u>EE&RE</u>	<u>*TOTAL GAS SBC</u>
REVISED RATE PER THERM	0.020466	0.020466
CURRENT RATE PER THERM	0.022606	0.022606
DIFFERENCE	(0.002140)	(0.002140)
THERM SALES (000s) (06/1/17 - 05/31/18)	2,954,531	2,954,531
REVENUE IMPACT (06/1/17 - 05/31/18)	(\$6,323)	(\$6,323)

* Excludes RAC, Lifeline and USF.

SOCIAL PROGRAMS	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
BEGINNING BALANCE	\$652,514	\$2,482,141	\$4,310,570	\$6,209,485	\$7,383,696	\$1,313,781	\$2,297,652	\$187,043	(\$1,537,046)
REVENUES RECOVERY	\$6,242,507	\$6,145,227	\$5,469,556	\$4,418,463	\$4,290,155	\$4,477,320	\$4,897,934	\$3,787,707	\$3,715,985
BAD DEBT EXPENSE	(\$4,412,880)	(\$4,316,797)	(\$3,570,642)	(\$3,244,252)	(\$10,360,070)	(\$3,493,449)	(\$7,000,028)	(\$5,511,795)	(\$3,506,412)
OVER/(UNDER) COLLECTED	\$1,829,627	\$1,828,429	\$1,898,915	\$1,174,211	(\$6,069,915)	\$983,871	(\$2,102,094)	(\$1,724,089)	\$209,573
ACCUMULATED BALANCE	\$2,482,141	\$4,310,570	\$6,209,485	\$7,383,696	\$1,313,781	\$2,297,652	\$195,558	(\$1,537,046)	(\$1,327,473)
INTEREST CALCULATION:									
PRIOR BALANCE	\$652,514	\$2,482,141	\$4,310,570	\$6,209,485	\$7,383,696	\$1,313,781	\$2,297,652	\$187,043	(\$1,537,046)
CURRENT BALANCE	\$2,482,141	\$4,310,570	\$6,209,485	\$7,383,696	\$1,313,781	\$2,297,652	\$195,558	(\$1,537,046)	(\$1,327,473)
(PRIOR BAL + CURRENT BAL)/2	\$1,567,327	\$3,396,356	\$5,260,028	\$6,796,590	\$4,348,738	\$1,805,716	\$1,246,605	(\$675,001)	(\$1,432,259)
INTEREST	\$827	\$2,143	\$3,319	\$4,288	\$2,744	\$1,139	\$787	(\$426)	(\$904)
INTEREST RATE	1.07%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%
CUMULATIVE INTEREST	(\$22,934)	(\$20,791)	(\$17,472)	(\$13,184)	(\$10,440)	(\$9,301)	(\$8,515)	(\$426)	(\$1,330)

SOCIAL PROGRAMS	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
BEGINNING BALANCE	(\$1,327,473)	(\$2,850,426)	(\$1,644,727)	(\$202,731)	(\$532,243)	\$1,148,480	\$1,235,320	\$944,991	\$1,300,340
REVENUES RECOVERY	\$3,372,797	\$3,809,020	\$4,247,740	\$5,371,655	\$5,486,822	\$4,292,939	\$3,713,936	\$3,458,656	\$3,949,669
BAD DEBT EXPENSE	(\$4,895,751)	(\$2,603,320)	(\$2,805,744)	(\$5,701,167)	(\$3,806,099)	(\$4,206,099)	(\$4,004,265)	(\$3,103,306)	(\$5,503,361)
OVER/(UNDER) COLLECTED	(\$1,522,953)	\$1,205,700	\$1,441,996	(\$329,512)	\$1,680,723	\$86,840	(\$290,329)	\$355,349	(\$1,553,692)
ACCUMULATED BALANCE	(\$2,850,426)	(\$1,644,727)	(\$202,731)	(\$532,243)	\$1,148,480	\$1,235,320	\$944,991	\$1,300,340	(\$253,352)
INTEREST CALCULATION:									
PRIOR BALANCE	(\$1,327,473)	(\$2,850,426)	(\$1,644,727)	(\$202,731)	(\$532,243)	\$1,148,480	\$1,235,320	\$944,991	\$1,300,340
CURRENT BALANCE	(\$2,850,426)	(\$1,644,727)	(\$202,731)	(\$532,243)	\$1,148,480	\$1,235,320	\$944,991	\$1,300,340	(\$253,352)
(PRIOR BAL + CURRENT BAL)/2	(\$2,088,950)	(\$2,247,577)	(\$923,729)	(\$367,487)	\$308,118	\$1,191,900	\$1,090,156	\$1,122,666	\$523,494
INTEREST	(\$1,318)	(\$1,418)	(\$583)	(\$232)	\$193	\$746	\$682	\$703	\$328
INTEREST RATE	1.28%	1.28%	1.28%	1.28%	1.27%	1.27%	1.27%	1.27%	1.27%
CUMULATIVE INTEREST	(\$2,648)	(\$4,066)	(\$4,648)	(\$4,880)	(\$4,687)	(\$3,941)	(\$3,259)	(\$2,556)	(\$2,228)

PSE&G Societal Benefits Charge

SCHEDULE SS-3B

ELECTRIC

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EE&RE	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
BEGINNING BALANCE	\$13,968,972	\$18,351,996	\$21,192,894	\$16,726,717	\$12,501,126	\$9,579,602	\$8,780,293	\$10,194,676	\$8,912,669
REVENUES RECOVERY	\$14,121,061	\$13,901,003	\$12,372,584	\$9,994,925	\$9,704,683	\$10,128,064	\$11,079,526	\$9,783,691	\$9,598,426
PROGRAM COST EXPENDITURES	(\$9,738,037)	(\$11,060,105)	(\$16,838,760)	(\$14,220,516)	(\$12,626,207)	(\$10,927,373)	(\$9,840,941)	(\$11,065,699)	(\$11,613,435)
OVER/(UNDER) COLLECTED	\$4,383,024	\$2,840,898	(\$4,466,176)	(\$4,225,591)	(\$2,921,524)	(\$799,309)	\$1,238,585	(\$1,282,007)	(\$2,015,009)
ACCUMULATED BALANCE	\$18,351,996	\$21,192,894	\$16,726,717	\$12,501,126	\$9,579,602	\$8,780,293	\$10,018,878	\$8,912,669	\$6,897,660
INTEREST CALCULATION:									
PRIOR BALANCE	\$13,968,972	\$18,351,996	\$21,192,894	\$16,726,717	\$12,501,126	\$9,579,602	\$8,780,293	\$10,194,676	\$8,912,669
CURRENT BALANCE	\$18,351,996	\$21,192,894	\$16,726,717	\$12,501,126	\$9,579,602	\$8,780,293	\$10,018,878	\$8,912,669	\$6,897,660
(PRIOR BAL + CURRENT BAL)/2	\$16,160,484	\$19,772,445	\$18,959,806	\$14,613,922	\$11,040,364	\$9,179,948	\$9,399,585	\$9,553,673	\$7,905,164
INTEREST	\$8,523	\$12,475	\$11,962	\$9,220	\$6,966	\$5,792	\$5,931	\$6,028	\$4,988
INTEREST RATE	1.07%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%
CUMULATIVE INTEREST	\$123,452	\$135,927	\$147,890	\$157,110	\$164,076	\$169,868	\$175,798	\$6,028	\$11,015

PSE&G Societal Benefits Charge

SCHEDULE SS-3B

ELECTRIC

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EE&RE	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
BEGINNING BALANCE	\$6,897,660	\$4,228,219	\$3,525,599	\$4,274,461	\$7,536,822	\$10,831,306	\$9,355,947	\$5,502,945	\$1,638,946
REVENUES RECOVERY	\$8,711,971	\$9,838,740	\$10,971,962	\$13,875,064	\$14,172,541	\$11,088,714	\$9,593,134	\$8,933,741	\$10,202,041
PROGRAM COST EXPENDITURES	(\$11,381,411)	(\$10,541,360)	(\$10,223,100)	(\$10,612,702)	(\$10,878,057)	(\$12,564,073)	(\$13,446,135)	(\$12,797,740)	(\$11,191,004)
OVER/(UNDER) COLLECTED	(\$2,669,440)	(\$702,620)	\$748,861	\$3,262,362	\$3,294,484	(\$1,475,359)	(\$3,853,002)	(\$3,863,999)	(\$988,963)
ACCUMULATED BALANCE	\$4,228,219	\$3,525,599	\$4,274,461	\$7,536,822	\$10,831,306	\$9,355,947	\$5,502,945	\$1,638,946	\$649,983
INTEREST CALCULATION:									
PRIOR BALANCE	\$6,897,660	\$4,228,219	\$3,525,599	\$4,274,461	\$7,536,822	\$10,831,306	\$9,355,947	\$5,502,945	\$1,638,946
CURRENT BALANCE	\$4,228,219	\$3,525,599	\$4,274,461	\$7,536,822	\$10,831,306	\$9,355,947	\$5,502,945	\$1,638,946	\$649,983
(PRIOR BAL + CURRENT BAL)/2	\$5,562,940	\$3,876,909	\$3,900,030	\$5,905,641	\$9,184,064	\$10,093,627	\$7,429,446	\$3,570,946	\$1,144,465
INTEREST	\$3,510	\$2,446	\$2,461	\$3,726	\$5,749	\$6,319	\$4,651	\$2,235	\$716
INTEREST RATE	1.28%	1.28%	1.28%	1.28%	1.27%	1.27%	1.27%	1.27%	1.27%
CUMULATIVE INTEREST	\$14,525	\$16,971	\$19,432	\$23,158	\$28,907	\$35,226	\$39,877	\$42,112	\$42,829

PSE&G Societal Benefits Charge

GAS SBC

EE&RE	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
BEGINNING BALANCE	\$ 12,860,963	\$11,650,719	\$11,781,422	\$10,715,340	\$11,403,226	\$14,964,912	\$18,213,270	\$25,756,888	\$26,763,710
REVENUES RECOVERY	\$ 2,349,586	\$ 2,364,701	\$ 2,215,555	\$ 3,804,215	\$ 5,853,558	\$ 6,643,789	\$ 12,143,577	\$ 9,417,718	\$ 6,478,654
PROGRAM EXPENDITURES	\$ (3,559,831)	\$ (2,233,999)	\$ (3,281,637)	\$ (3,116,329)	\$ (2,291,872)	\$ (3,395,431)	\$ (4,747,997)	\$ (8,410,896)	\$ (10,823,067)
OVER/(UNDER) COLLECTED	(\$1,210,245)	\$130,703	(\$1,066,082)	\$687,886	\$3,561,686	\$3,248,358	\$7,395,580	\$1,006,821	(\$4,344,413)
ACCUMULATED BALANCE	\$11,650,719	\$11,781,422	\$10,715,340	\$11,403,226	\$14,964,912	\$18,213,270	\$25,608,850	\$26,763,710	\$22,419,297
INTEREST CALCULATION									
PRIOR BALANCE	\$12,860,963	\$11,650,719	\$11,781,422	\$10,715,340	\$11,403,226	\$14,964,912	\$18,213,270	\$25,756,888	\$26,763,710
CURRENT BALANCE	\$11,650,719	\$11,781,422	\$10,715,340	\$11,403,226	\$14,964,912	\$18,213,270	\$25,608,850	\$26,763,710	\$22,419,297
(PRIOR BAL + CURRENT BAL)/2	\$12,255,841	\$11,716,070	\$11,248,381	\$11,059,283	\$13,184,069	\$16,589,091	\$21,911,060	\$26,260,299	\$24,591,503
INTEREST	\$6,464	\$7,392	\$7,097	\$6,978	\$8,318	\$10,467	\$13,824	\$16,568	\$15,516
INTEREST RATE	1.07%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%
CUMULATIVE INTEREST	\$ 93,962.35	\$101,354	\$108,451	\$115,429	\$123,747	\$134,214	\$148,038	\$16,568	\$32,084

PSE&G Societal Benefits Charge

GAS SBC

EE&RE	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
BEGINNING BALANCE	\$22,419,297	\$16,327,957	\$10,007,318	\$6,012,504	\$3,684,970	\$2,971,388	\$3,476,498	\$3,985,676	\$7,427,524
REVENUES RECOVERY	\$ 5,089,540	\$ 2,916,973	\$ 2,223,214	\$ 2,780,090	\$ 1,811,054	\$ 1,673,327	\$ 3,109,541	\$ 5,642,744	\$ 9,493,710
PROGRAM EXPENDITURES	\$ (11,180,880)	\$ (9,237,612)	\$ (6,218,027)	\$ (5,107,624)	\$ (2,524,636)	\$ (1,168,216)	\$ (2,600,363)	\$ (2,200,897)	\$ (2,992,354)
OVER/(UNDER) COLLECTED	(\$6,091,340)	(\$6,320,639)	(\$3,994,813)	(\$2,327,534)	(\$713,582)	\$505,111	\$509,178	\$3,441,848	\$6,501,356
ACCUMULATED BALANCE	\$16,327,957	\$10,007,318	\$6,012,504	\$3,684,970	\$2,971,388	\$3,476,498	\$3,985,676	\$7,427,524	\$13,928,880
INTEREST CALCULATION									
PRIOR BALANCE	\$22,419,297	\$16,327,957	\$10,007,318	\$6,012,504	\$3,684,970	\$2,971,388	\$3,476,498	\$3,985,676	\$7,427,524
CURRENT BALANCE	\$16,327,957	\$10,007,318	\$6,012,504	\$3,684,970	\$2,971,388	\$3,476,498	\$3,985,676	\$7,427,524	\$13,928,880
(PRIOR BAL + CURRENT BAL)/2	\$19,373,627	\$13,167,637	\$8,009,911	\$4,848,737	\$3,328,179	\$3,223,943	\$3,731,087	\$5,706,600	\$10,678,202
INTEREST	\$12,223	\$8,308	\$5,054	\$3,059	\$2,083	\$2,018	\$2,336	\$3,572	\$6,685
INTEREST RATE	1.28%	1.28%	1.28%	1.28%	1.27%	1.27%	1.27%	1.27%	1.27%
CUMULATIVE INTEREST	\$44,308	\$52,615	\$57,669	\$60,728	\$62,812	\$64,830	\$67,166	\$70,738	\$77,423

EE&RE Program Costs

ELECTRIC

		(A)	(B)	(C)	(D)	(E)	(F)
		Standard Offer	Lost	Legacy	New Jersey Clean Energy Program		Total
		Costs	Revenues	Programs	Program Costs	Payments to Fiscal Agent	
Jul-15	actual	\$418,578	\$0	\$0	\$200,423	\$9,119,035	\$9,738,037
Aug-15	actual	\$759,058	\$0	\$0	\$266,399	\$10,034,648	\$11,060,105
Sep-15	actual	\$3,687,283	\$0	\$0	\$527,897	\$12,623,581	\$16,838,760
Oct-15	actual	\$678,042	\$0	\$0	\$614,027	\$12,928,447	\$14,220,516
Nov-15	actual	\$1,308	\$0	\$0	\$697,533	\$11,927,366	\$12,626,207
Dec-15	actual	\$688,577	\$0	\$0	\$625,094	\$9,613,702	\$10,927,373
Jan-16	actual	\$1,234	\$0	\$0	\$594,662	\$9,245,044	\$9,840,941
Feb-16	actual	\$1,158	\$0	\$0	\$730,680	\$10,333,861	\$11,065,699
Mar-16	actual	\$1,194	\$0	\$0	\$548,497	\$11,063,745	\$11,613,435
Apr-16	actual	\$554,041	\$0	\$0	\$565,880	\$10,261,490	\$11,381,411
May-16	actual	\$776	\$0	\$0	\$405,476	\$10,135,108	\$10,541,360
Jun-16	actual	\$462	\$0	\$0	\$515,845	\$9,706,794	\$10,223,100
Jul-16	actual	\$6,505	\$0	\$0	\$1,310,891	\$9,295,306	\$10,612,702
Aug-16	actual	\$3,899	\$0	\$0	\$340,062	\$10,534,096	\$10,878,057
Sep-16	actual	\$484,528	\$0	\$0	\$566,431	\$11,513,114	\$12,564,073
Oct-16	actual	\$4,323	\$0	\$0	\$587,028	\$12,854,785	\$13,446,135
Nov-16	actual	\$233,330	\$0	\$0	\$676,618	\$11,887,792	\$12,797,740
Dec-16	actual	\$1,203,373	\$0	\$0	\$345,889	\$9,641,742	\$11,191,004
Jan-17	estimate	\$0	\$0	\$0	\$464,796	\$9,265,959	\$9,730,755
Feb-17	estimate	\$3,144,296	\$0	\$0	\$464,796	\$10,613,065	\$14,222,157
Mar-17	estimate	\$49,925	\$0	\$0	\$464,796	\$11,193,211	\$11,707,932
Apr-17	estimate	\$4,660,815	\$0	\$0	\$464,796	\$10,527,775	\$15,653,385
May-17	estimate	\$0	\$0	\$0	\$464,796	\$10,218,809	\$10,683,605
Jun-17	estimate	\$51,454	\$0	\$0	\$464,796	\$9,807,878	\$10,324,128
Jul-17	estimate	\$0	\$0	\$0	\$550,624	\$9,235,986	\$9,786,610
Aug-17	estimate	\$0	\$0	\$0	\$550,624	\$10,585,145	\$11,135,769
Sep-17	estimate	\$0	\$0	\$0	\$550,624	\$12,273,380	\$12,824,004
Oct-17	estimate	\$0	\$0	\$0	\$550,624	\$12,644,222	\$13,194,846
Nov-17	estimate	\$0	\$0	\$0	\$550,624	\$11,904,639	\$12,455,263
Dec-17	estimate	\$0	\$0	\$0	\$550,624	\$9,677,106	\$10,227,730
Jan-18	estimate	\$0	\$0	\$0	\$550,624	\$9,391,953	\$9,942,577
Feb-18	estimate	\$0	\$0	\$0	\$550,624	\$10,408,330	\$10,958,954
Mar-18	estimate	\$0	\$0	\$0	\$550,624	\$11,107,383	\$11,658,007
Apr-18	estimate	\$0	\$0	\$0	\$550,624	\$10,441,946	\$10,992,571
May-18	estimate	\$0	\$0	\$0	\$550,624	\$10,132,981	\$10,683,605

EE&RE Program Costs

GAS		(A)	(B)	(C)	New Jersey Clean Energy		(F)
		Standard Offer Costs	Lost Revenues	Legacy Programs	Program Costs	Payments to Fiscal Agent	Total
Jul-15	actual	\$477,166	\$0	\$0	\$300,635	\$2,782,029	\$3,559,831
Aug-15	actual	\$659,425	\$0	\$0	\$399,599	\$1,174,975	\$2,233,999
Sep-15	actual	\$526,823	\$0	\$0	\$791,845	\$1,962,969	\$3,281,637
Oct-15	actual	\$368,866	\$0	\$0	\$921,041	\$1,826,422	\$3,116,329
Nov-15	actual	\$879	\$0	\$0	\$1,046,299	\$1,244,694	\$2,291,872
Dec-15	actual	\$664,612	\$0	\$0	\$937,641	\$1,793,179	\$3,395,431
Jan-16	actual	\$2,741	\$0	\$0	\$891,994	\$3,853,262	\$4,747,997
Feb-16	actual	\$438	\$0	\$0	\$1,096,020	\$7,314,438	\$8,410,896
Mar-16	actual	\$757	\$0	\$0	\$822,745	\$9,999,564	\$10,823,067
Apr-16	actual	\$686,499	\$0	\$0	\$848,820	\$9,645,560	\$11,180,880
May-16	actual	\$565	\$0	\$0	\$608,213	\$8,628,834	\$9,237,612
Jun-16	actual	\$462	\$0	\$0	\$773,767	\$5,443,798	\$6,218,027
Jul-16	actual	\$7,908	\$0	\$0	\$1,966,336	\$3,133,381	\$5,107,624
Aug-16	actual	\$3,759	\$0	\$0	\$510,093	\$2,010,784	\$2,524,636
Sep-16	actual	\$21,302	\$0	\$0	\$849,647	\$297,268	\$1,168,216
Oct-16	actual	\$3,894	\$0	\$0	\$880,541	\$1,715,928	\$2,600,363
Nov-16	actual	\$637	\$0	\$0	\$1,014,927	\$1,185,332	\$2,200,897
Dec-16	actual	\$638,281	\$0	\$0	\$518,834	\$1,835,239	\$2,992,354
Jan-17	estimate	\$0	\$0	\$0	\$697,194	\$3,884,635	\$4,581,828
Feb-17	estimate	\$4,198,101	\$0	\$0	\$697,194	\$7,733,245	\$12,628,540
Mar-17	estimate	\$0	\$0	\$0	\$697,194	\$10,193,764	\$10,890,958
Apr-17	estimate	-\$1,422,999	\$0	\$0	\$697,194	\$10,044,987	\$9,319,181
May-17	estimate	\$0	\$0	\$0	\$697,194	\$8,754,385	\$9,451,579
Jun-17	estimate	\$0	\$0	\$0	\$697,194	\$5,595,424	\$6,292,618
Jul-17	estimate	\$0	\$0	\$0	\$825,936	\$3,044,400	\$3,870,336
Aug-17	estimate	\$0	\$0	\$0	\$825,936	\$2,087,358	\$2,913,294
Sep-17	estimate	\$0	\$0	\$0	\$825,936	\$1,437,668	\$2,263,604
Oct-17	estimate	\$0	\$0	\$0	\$825,936	\$1,400,085	\$2,226,021
Nov-17	estimate	\$0	\$0	\$0	\$825,936	\$1,210,603	\$2,036,539
Dec-17	estimate	\$0	\$0	\$0	\$825,936	\$1,888,284	\$2,714,220
Jan-18	estimate	\$0	\$0	\$0	\$825,936	\$4,073,625	\$4,899,561
Feb-18	estimate	\$0	\$0	\$0	\$825,936	\$7,426,143	\$8,252,079
Mar-18	estimate	\$0	\$0	\$0	\$825,936	\$10,065,022	\$10,890,958
Apr-18	estimate	\$0	\$0	\$0	\$825,936	\$9,916,245	\$10,742,181
May-18	estimate	\$0	\$0	\$0	\$825,936	\$8,625,643	\$9,451,579

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Eighteenth Revised Sheet No. 57

B.P.U.N.J. No. 15 ELECTRIC

**Superseding
Seventeenth Revised Sheet No. 57**

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs.....	\$ 0.001103
Energy Efficiency and Renewable Energy Programs.....	0.002849
Manufactured Gas Plant Remediation.....	0.000472
Sub-total per kilowatthour	\$ 0.004424

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	7.5377%	\$ 0.004785	\$ 0.001862	\$ 0.000727	\$ 0.007374
LPL Primary	5.1232%	0.004663	0.001862	0.000727	0.007252
HTS Subtransmission	2.9402%	0.004558	0.001862	0.000727	0.007147
HTS High Voltage	1.4590%	0.004490	0.001862	0.000727	0.007079

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$0.007881
LPL Primary.....	0.007751
HTS Subtransmission.....	0.007638
HTS High Voltage.....	0.007566

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.

Date of Issue: November 29, 2016

Effective: January 1, 2017

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated November 14, 2016
in Docket No. ER16111054

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Nineteenth Revised Sheet No. 41

B.P.U.N.J. No. 15 GAS

Superseding

Eighteenth 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.....	0.022606
Manufactured Gas Plant Remediation.....	0.009688
Universal Service Fund - Permanent.....	0.007100
Universal Service Fund - Lifeline	<u>0.004800</u>
Societal Benefits Charge	\$ 0.044194
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.047232</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- 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.

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

Date of Issue: November 29, 2016

Effective: January 1, 2017

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 57

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs.....	\$ 0.001329
Energy Efficiency and Renewable Energy Programs.....	0.003253
Manufactured Gas Plant Remediation.....	0.000472
Sub-total per kilowatthour	\$ 0.005054

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	7.5377%	\$ 0.005466	\$ 0.001862	\$ 0.000727	\$ 0.008055
LPL Primary	5.1232%	0.005327	0.001862	0.000727	0.007916
HTS Subtransmission	2.9402%	0.005207	0.001862	0.000727	0.007796
HTS High Voltage	1.4590%	0.005129	0.001862	0.000727	0.007718

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$0.008609
LPL Primary.....	0.008460
HTS Subtransmission.....	0.008332
HTS High Voltage.....	0.008249

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.

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80 Park Plaza, Newark, New Jersey 07102
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41

B.P.U.N.J. No. 15 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.....	0.020466
Manufactured Gas Plant Remediation.....	0.009688
Universal Service Fund - Permanent.....	0.007100
Universal Service Fund - Lifeline.....	<u>0.004800</u>
Societal Benefits Charge	\$ 0.042054
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.044945</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- 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.

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

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 57

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs.....	\$ 0.001403 <u>0.001329</u>
Energy Efficiency and Renewable Energy Programs.....	0.002849 <u>0.003253</u>
Manufactured Gas Plant Remediation.....	<u>0.000472</u>
Sub-total per kilowatthour.....	\$ 0.004424 <u>0.005054</u>

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	7.5377%	\$ 0.004785 <u>0.005466</u>	\$ 0.001862	\$ 0.000727	\$ 0.007374 <u>0.008055</u>
LPL Primary	5.1232%	0.004663 <u>0.005327</u>	0.001862	0.000727	0.007252 <u>0.007916</u>
HTS Subtransmission	2.9402%	0.004558 <u>0.005207</u>	0.001862	0.000727	0.007447 <u>0.007796</u>
HTS High Voltage	1.4590%	0.004490 <u>0.005129</u>	0.001862	0.000727	0.007079 <u>0.007718</u>

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$ 0.007884 <u>0.008609</u>
LPL Primary.....	0.007754 <u>0.008460</u>
HTS Subtransmission.....	0.007638 <u>0.008332</u>
HTS High Voltage.....	0.007566 <u>0.008249</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- 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.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41

B.P.U.N.J. No. 15 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.....	0.022606 <u>0.020466</u>
Manufactured Gas Plant Remediation.....	0.009688
Universal Service Fund - Permanent.....	0.007100
Universal Service Fund - Lifeline	<u>0.004800</u>
Societal Benefits Charge	\$0.044194 <u>0.042054</u>
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.047232 <u>0.044945</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- 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.

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

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President 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 changes in the Societal Benefits Charge (SBC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
200	1,920	\$360.80	\$362.24	\$1.44	0.40%
450	4,320	775.32	778.44	3.12	0.40
750	7,200	1,281.08	1,286.32	5.24	0.41
803	7,800	1,387.42	1,393.09	5.67	0.41
1,360	13,160	2,344.08	2,353.64	9.56	0.41

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial pricing (BGS-RSCP) charges in effect February 1, 2017 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes changes in the Societal Benefits Charge (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:
1,920	200	\$37.70	\$37.84	\$0.14	0.37%
4,320	450	81.79	82.11	0.32	0.39
7,200	750	136.75	137.30	0.55	0.40
7,800	803	146.84	147.42	0.58	0.39
13,160	1,360	252.76	253.75	0.99	0.39

- (3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect February 1, 2017 and assumes that the customer receives BGS-RSCP service from Public Service.
- (4) Same as (3) except includes changes in the Societal Benefits Charge (SBC).

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed change in the gas Societal Benefits Charge (SBC) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	180	\$207.27	\$206.83	\$(0.44)	(0.21%)
50	360	344.47	343.65	(0.82)	(0.24)
100	610	547.68	546.28	(1.40)	(0.26)
159	1,000	852.55	850.28	(2.27)	(0.27)
165	1,010	861.02	858.76	(2.26)	(0.26)
200	1,224	1,028.71	1,025.87	(2.84)	(0.28)
300	1,836	1,507.85	1,503.63	(4.22)	(0.28)

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect February 1, 2017 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credit.
- (2) Same as (1) except includes changes in the Societal Benefits Charge (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 Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
180	25	\$25.62	\$25.56	\$(0.06)	(0.23%)
360	50	45.43	45.32	(0.11)	(0.24)
610	100	86.73	86.50	(0.23)	(0.27)
1,010	165	139.32	138.95	(0.37)	(0.27)
1,224	200	167.64	167.18	(0.46)	(0.27)
1,836	300	248.53	247.84	(0.69)	(0.28)

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect February 1, 2017 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credit.
- (4) Same as (3) except includes changes in the Societal Benefits Charge (SBC).

Electric Reserve Additions and Net Bad Debt Write-offs

Thousands of Dollars

	Year Ended	Year Ended
	12/31/2015	12/31/2016
Reserve additions	\$ 57,174	\$ 52,647
Net bad debt write-offs	\$ 53,968	\$ 56,709
Difference - \$	\$ 3,206	\$ (4,062)
Difference - %	5.94%	-7.16%

The difference between reserve additions and net write-offs is due to net write-offs lagging the reserve additions. Reserve additions are recorded based upon a % of aged accounts receivables that are expected to be written-off. The actual net write-off can occur months later.

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF CHANGES IN ITS ELECTRIC AND GAS SOCIETAL BENEFITS CHARGE RATES

Notice of a Filing And Notice of Public Hearings

BPU Docket No. XXXXXXXXXX

TAKE NOTICE that, on February 15, 2017 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) requesting a resetting of the Company's Electric and Gas Societal Benefits Charges (SBC). If approved, this filing would increase rates to be paid by the Company's electric customers by \$27.9 million annually and would decrease rates to be paid by the Company's gas customers by \$6.3 million annually. These changes are the result of adjustments in the various applicable component adjustments in the separate electric and gas SBC's, including Social Programs and Energy Efficiency. The proposed electric and gas SBC charges, if approved by the Board, are shown in Table #1.

The approximate effect of the proposed change 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 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,281.08 to \$1,286.32, or \$5.24 or approximately 0.41%.

Under the Company's proposal, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in the annual bill from \$547.68

to \$546.28, or \$1.40 or approximately 0.26%. Moreover, under the Company's proposal, a typical residential heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see a decrease in the annual bill from \$861.02 to \$858.76, or \$2.26 or approximately 0.26%.

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

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

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

Date 1, 2017

Time 1

Location 1

Location 1 Overflow

Room 1

Room 1 Overflow

Address 1

City 1, N.J. Zip 1

Date 2, 2017

Time 2

Location 2

Location 2 Overflow

Room 2

Room 2 Overflow

Address 2

City 2, N.J. Zip 2

Date 3, 2017

Time 3

Location 3

Location 3 Overflow

Room 3

Room 3 Overflow

Address 3

City 3, N.J. Zip 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, no less than 48 hours prior to the above hearings to the Board's Secretary at the following address. Customers may also file written comments with the

Secretary of the Board of Public Utilities, 44 South Clinton Avenue, Third Floor, Suite 314, P.O. Box 350, Trenton, New Jersey, 08625-0350 ATTN: Secretary Irene Kim Asbury whether or not they attend the public hearing. To review PSE&G's rate filing, visit <http://www.pseg.com/pseandgfilings>.

**Table # 1
SBC Change**

Electric Tariff Rates	Societal Benefits Charge	
	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)
Voltage (Rate Schedule)		
Secondary (RS, RHS, RLM, WH, WHS, HS, GLP, LPL-S, BPL, BPL-POF, PSAL)	\$0.007881	\$0.008609
Primary (LPL-P)	0.007751	0.008460
Subtransmission (HTS-S)	0.007638	0.008332
High Voltage (HTS-HV)	0.007566	0.008249
Gas Tariff Rates	Present \$/Therm (Incl. SUT)	Proposed \$/Therm (Incl. SUT)
Rate Schedule (RSG, GSG, LVG, SLG, TSG-F, TSG-NF, CIG)	\$0.047232	\$0.044945

**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 Percent Change Would Be:
1,920	200	\$37.70	\$37.84	\$0.14	0.37%
4,320	450	81.79	82.11	0.32	0.39
7,200	750	136.75	137.30	0.55	0.40
7,800	803	146.84	147.42	0.58	0.39
13,160	1,360	252.76	253.75	0.99	0.39

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect February 1, 2017 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the proposed change in the Societal Benefits Charge (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 (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
180	25	\$25.62	\$25.56	\$(0.06)	(0.23%)
360	50	45.43	45.32	(0.11)	(0.24)
610	100	86.73	86.50	(0.23)	(0.27)
1,010	165	139.32	138.95	(0.37)	(0.27)
1,224	200	167.64	167.18	(0.46)	(0.27)
1,836	300	248.53	247.84	(0.69)	(0.28)

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect February 1, 2017 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credit.
(2) Same as (1) except includes proposed change Societal Benefits Charge (SBC).

Martin C. Rothfelder, Esq.
Associate General Regulatory Counsel

PUBLIC SERVICE ELECTRIC AND GAS COMPANY