

Matthew M. Weissman
General Regulatory Counsel - Rates

Law Department
PSEG Services Corporation
80 Park Plaza – T5, Newark, New Jersey 07102-4194
tel : 973-430-7052 fax: 973-430-5983
email: matthew.weissman@pseg.com



September 29, 2017

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric Base Rate
Adjustments Pursuant to the Energy Strong Program
(September 2017 ES Electric Rates Filing)

BPU Docket Nos. _____

VIA E-FILING & OVERNIGHT MAIL

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

Dear Secretary Asbury:

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

Very truly yours,

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

Attachment
C Attached Service List (E-Mail Only)

BPU

Alice Bator
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 943-5805
alice.bator@bpu.nj.gov

BPU

Cynthia Covie
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1482
cynthia.covie@bpu.nj.gov

BPU

Christine Lin
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2956
christine.lin@bpu.nj.gov

BPU

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4517
stacy.peterson@bpu.nj.gov

BPU

Michael Stonack
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 777-0192
michael.stonack@bpu.nj.gov

DAG

Jenique Jones
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
jenique.jones@dol.lps.state.nj.us

BPU

Mark Beyer
Board of Public Utilities
44 South Clinton Avenue,
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2637
mark.beyer@bpu.nj.gov

BPU

Paul Flanagan
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-2836
paul.flanagan@bpu.nj.gov

BPU

Megan Lupo
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
megan.lupo@bpu.nj.gov

BPU

Stacy Richardson
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
Trenton NJ 08625-0350
stacy.richardson@bpu.nj.gov

BPU

Scott Sumliner
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4519
scott.sumliner@bpu.nj.gov

DAG

Alex Moreau DAG
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3762
Alex.Moreau@dol.lps.state.nj.us

BPU

Joe Costa
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 984-4558
joe.costa@bpu.nj.gov

BPU

Son Lin Lai
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2098
son-lin.lai@bpu.nj.gov

BPU

Jacqueline O'Grady
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2947
jackie.ogradey@bpu.nj.gov

BPU

Bethany Rocque-Romaine Esq.
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1496
bethany.romaine@bpu.nj.gov

DAG

Geoffrey Gersten
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3510
geoffrey.gersten@dol.lps.state.nj.us

DAG

Caroline Vachier DAG
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3709
caroline.vachier@dol.lps.state.nj.us

DAG

Emma Xiao DAG
NJ Dept of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
Emma.Xiao@dol.lps.state.nj.us

PSE&G

Matthew M. Weissman Esq.
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-7052
matthew.weissman@pseg.com

Rate Counsel

James Glassen
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
jglassen@rpa.state.nj.us

Rate Counsel

Brian O. Lipman
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
b lipman@rpa.state.nj.us

Rate Counsel

Diane Schulze Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
dschulze@rpa.state.nj.us

PSE&G

Michele Falcao
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6119
michele.falcao@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-5
P.O. Box 570
Newark NJ 07102
(973)-430-5659
caitlyn.white@pseg.com

Rate Counsel

Lisa Gurkas
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
lgurkas@rpa.state.nj.us

Rate Counsel

Ami Morita
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
amorita@rpa.state.nj.us

Rate Counsel

Sarah Steindel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
ssteinde@rpa.state.nj.us

PSE&G

Martin C. Rothfelder Esq.
Rothfelder Stern, L.L.C.
407 Greenwood Avenue
Suite 301
Trenton NJ 08609-2158
(609) 394-1000
mrothfelder@rothfelderstern.com

Rate Counsel

Stefanie A. Brand
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
sbrand@rpa.state.nj.us

Rate Counsel

Kurt Lewandowski Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
klewando@rpa.state.nj.us

Rate Counsel

Henry M. Ogden Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
hogden@rpa.state.nj.us

Rate Counsel

Brian Weeks Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
bweeks@rpa.state.nj.us

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC BASE RATE ADJUSTMENTS PURSUANT TO THE ENERGY STRONG PROGRAM (September 2017 ES Electric Rates Filing)	PETITION BPU DOCKET NO. ER_____
--	------------------------------------

VERIFIED PETITION

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

INTRODUCTION AND OVERVIEW

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

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

3. PSE&G is filing this Petition seeking Board approval for electric base rate changes to provide for cost recovery associated with the Company's Energy Strong Program. The Energy Strong Program was addressed in a Board Order dated May 21, 2014 in BPU Docket Nos. EO13020155 and GO13020156 (Energy Strong Order). In that Order, the Board adopted a Stipulation (Stipulation) explicitly authorizing this rate filing in September 2017 for rates effective March 1, 2018. Stipulation, paragraph 41.g.

BACKGROUND

4. On February 20, 2013, PSE&G petitioned the Board in BPU Docket Nos. EO13020155 and GO13020156 for approval of a program (Energy Strong or the Program) and for the recovery of costs to harden its electric and gas infrastructure to make them less susceptible to damage from wind, flying debris and water damage in anticipation of future Major Storm Events, and to increase the resiliency of PSE&G's electric and gas delivery systems. PSE&G supplemented this filing on March 20, 2013. Public hearings were held on the petition and its associated rate impacts in both the afternoon and the evening in Newark on September 16, 2013; in New Brunswick on September 19, 2013; and in Cherry Hill on October 7, 2013. The rate impacts of the petition appeared in the public notice for these public hearings.

5. The Stipulation approved by the Energy Strong Order provided that the Energy Strong Program will include an investment level of up to \$1.0 billion recovered through the stipulated cost recovery mechanism described below. The Company will also invest up to an additional \$220 million in the projects identified in the Energy Strong Stipulation, recovery of which the Company will seek in the Company's next base rate case. The \$1.0 billion investment

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

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

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

7. The Energy Strong Order outlined the Minimum Filing Requirements (MFRs) for the Energy Strong rate recovery petitions and provided for the recovery of Energy Strong approved costs by future adjustments to base rates. A matrix setting forth the location of each MFR is provided in Appendix A to this Petition.

8. The Contingency Reconfiguration Strategies and Advanced Technologies subprograms were completed in May 2017. The Electric Station Flood Mitigation Program continues to move forward as is detailed in the testimony attached hereto.

REQUEST FOR COST RECOVERY

9. Consistent with the Energy Strong Order, PSE&G is seeking BPU approval to recover the revenue requirements associated with certain capitalized investment costs of the Energy Strong Program through November 30, 2017. The annualized increase in electric revenue requirement associated with those investment costs is \$8.841million and is supported by Attachment 2, Schedule SS-ESAM7-2E attached hereto. The rate adjustments in this filing are for recovery of costs associated with electric plant that was not placed in rates on September 1, 2017 pursuant to the March 2017 or previous Energy Strong rate filings and that is in service or anticipated to be in service by November 30, 2017. The projected amounts for September 1, 2017 through November 30, 2017 will be updated for actual results by December 15, 2017.

10. As required by the Energy Strong Order and Stipulation, the proposed electric rate adjustments are based on the rate design in the Energy Strong Order and utilize the 2012 calendar year weather normalized annualized billing determinants as filed by the Company on June 20, 2014 pursuant to paragraph 45 of the Stipulation. Pursuant to the Stipulation, the electric weather normalization process is consistent with the methodology used to set rates in the 2009 Base Rate Case except it uses a 65 degree-day basis for winter weather to be consistent with the current gas methodology. The detailed calculation supporting the electric rate design is shown in Attachment 2, Schedule SS-ESAM7-5.

11. Attachment 1 is the testimony of Jorge L. Cardenas, PSE&G's Vice President – Asset Management and Centralized Services addressing the progress of the Energy Strong Program and plant in-service at the end of November 30, 2017. Attachment 2 is the testimony of Steven Swetz supporting the revenue requirement and rate calculations.

12. The annual average bill impact of the requested rate increase is set forth in Attachment 2, Schedule SS-ESAM7-6. The annual impact of the proposed rates to the typical residential electric customer that uses 750 kilowatt-hours in a summer month and 7,200 kilowatt-hours annually is an increase of \$2.28, or approximately 0.18%.

13. Attachment 3 is a draft Form of Notice of Filing and of Public Hearings (Form of Notice). This Form of Notice will be placed in newspapers having a circulation within the Company's electric service territory upon scheduling of public hearing dates. Public hearings will be held in each geographic area within the Company's electric 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 service territory upon scheduling of public hearing dates.

14. Notice of this filing and two copies of the Petition, testimony and schedules will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 31 Clinton Street, Newark, New Jersey 07101. Electronic copies of the Petition, testimony, and schedules will also be sent to the persons identified on the service list provided with this filing.

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

16. PSE&G requests that the Board find that the proposed rates, as calculated in the proof of revenue, Attachment 2, Schedule SS-ESAM7-5 are just and reasonable, and PSE&G should be authorized to implement the proposed rates as set forth herein, effective March 1, 2018 upon issuance of a written BPU order.

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

COMMUNICATIONS

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

Matthew M. Weissman, Esq.
General Regulatory Counsel - Rates
PSEG Services Corporation
80 Park Plaza, T5
P. O. Box 570
Newark, NJ 07102
Phone: (973) 430-7052
e-mail: matthew.weissman@pseg.com

Martin C. Rothfelder, Esq.
Rothfelder Stern, L.L.C.
407 Greenwood Ave.
Suite #301
Trenton, NJ 08609
Phone: (609) 394-1000
e-mail: mrothfelder@rothfelderstern.com

Michele Falcao
Regulatory Filings Supervisor
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, New Jersey 07102
Phone: (973) 430-6119
e-mail: michele.falcao@pseg.com

Caitlyn White
Regulatory Case Coordinator
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, New Jersey 07102
Phone: (973) 430-5659
e-mail: caitlyn.white@pseg.com

CONCLUSION AND REQUESTS FOR APPROVAL

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

1. PSE&G is authorized to recover all costs identified herein associated with Energy Strong incurred through November 30, 2017, as such costs are reflected in this Petition and accompanying materials, along with anticipated updates of data; and
2. The rates as calculated in the proof of revenue, Attachment 2, Schedule SS-ESAM7-5 to this Petition, are just and reasonable and may be implemented for service rendered on and after March 1, 2018.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



DATED: September 29, 2017

By _____

Mathew M. Weissman
General Regulatory Counsel - Rates
PSEG Services Corp.
80 Park Plaza, T5
Newark, New Jersey 07102-4194
Phone: (973) 430-7052

STATE OF NEW JERSEY)
)
COUNTY OF ESSEX)

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

1. I am General Regulatory Counsel- Rates of PSEG Services Corporation and an attorney for Public Service Electric and Gas Company, the Petitioner in the foregoing Petition.

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

BY _____
MATTHEW M. WEISSMAN

Sworn to and Subscribed to
Before me this 29th day of
September, 2017

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

APPENDIX A

PUBLIC SERVICE ELECTRIC AND GAS Minimum Filing Requirements – Energy Strong Program	
MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
I. General Filing Requirements	
1. Income Statement for the most recent 12 month period, as filed with the BPU.	Attachment 4
2. Balance Sheet for the most recent 12 month period, as filed with the BPU.	Attachment 5
3. The approved Energy Strong capital budget broken down by major categories, both budgeted and actual amounts.	Attachment 1, Schedule JLC-ESAM7-2
4. For each Energy Strong Program subprogram: a. The original project summary for each ES subprogram; b. Expenditures incurred to date. c. Appropriate metric (e.g., miles of main replaced, relays installed, etc.)	Attachment 1, Schedule JLC-ESAM7-2
5. Energy Strong subprogram timeline with updates and expected changes.	Attachment 1, Schedule JLC-ESAM-7-2
6. Calculation of the proposed rate adjustment to Energy Strong Program projects included in Plant in Service.	Attachment 2, Schedule SS-ESAM7-5
7. Calculation of the associated depreciation expense, based on those projects closed to Plant in Service during the period	Attachment 2, Schedule SS-ESAM7-2E
8. A list of any and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the Energy Strong Program projects, such as relocation, reimbursement, or stimulus money including an explanation of the financial treatment associated with the receipt of the government funds or credits.	N/A
9. Revenue requirement calculation showing the actual capital expenditures for the period for which the filing is made, as well as supporting calculations.	Attachment 2, Schedule SS-ESAM7-2E

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

**In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric Base Rate
Adjustments Pursuant to the Energy Strong Program
(September 2017 ES Electric Rates Filing)**

BPU Docket No. _____

DIRECT TESTIMONY

OF

JORGE L. CARDENAS

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

September 29, 2017

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

	<u>\$ million</u>
15	
16	A. Electric Energy Strong Program
17	• Electric Station Flood Mitigation
18	• Contingency Reconfiguration Strategies
19	• Advanced Technologies
20	Electric ES Total
21	
22	B. Gas Energy Strong Program
23	• Utilization Pressure Cast Iron (UPCI)
24	• M&R Station Flood Mitigation
25	Gas ES Total
26	TOTAL ES Program
27	

1 Pursuant to the provisions of paragraph 28 of the Stipulation approved by the
2 Energy Strong Order, PSE&G provided notice dated December 21, 2015 regarding a
3 shift of \$13.532 million of sub-program dollars from the gas M&R Station Flood
4 Mitigation subprogram to the gas Utilization Pressure Cast Iron (UPCI) program and
5 provided notice again on July 15, 2016 regarding a shift of \$6.468 million of sub-
6 program dollars from the gas M&R Station Flood Mitigation subprogram to the gas
7 UPCI program. PSE&G also provided notice on September 7, 2016 regarding a shift
8 of \$5.0 million of sub-program dollars from the electric Contingency Reconfiguration
9 subprogram to the electric Advanced Technology subprogram and provided notice
10 again on March 23, 2017 regarding a shift of \$2.0 million of subprogram dollars from
11 the Contingency Reconfiguration subprogram to the electric Advanced Technology
12 subprogram.

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

15 A. Yes. The Contingency Reconfiguration Strategies and Advanced Technologies
16 subprograms were completed in May 2017 consistent with the deadlines in the
17 program. This filing reflects minimal costs, such as trailing charges and close out
18 costs, for these subprograms. The Electric Station Flood Mitigation subprogram
19 continues to move forward. The request for rate changes in this petition relates
20 almost entirely to this subprogram.

21 A description of the work on investment proposed to be in rates performed for
22 the program through August 31, 2017, and to be performed through November 30, 2017,
23 is provided in Schedule JLC-ESAM7-2. The expenditures for the electric subprograms

1 are listed in Schedule JLC-ESAM7-3 and include actual total expenditures not included
2 in rates through August 31, 2017 and a forecast of electric capital expenditures from
3 September 1, 2017 through November 30, 2017.

4 To address the possibility that PSE&G may experience higher plant in service
5 amounts and/or higher expenditures than currently anticipated by November 30, 2017,
6 this forecast is inclusive of contingency for this rate filing. Pursuant to the Energy
7 Strong Order, PSE&G will update this filing for actual data through November 30,
8 2017, and adjust the rate impacts accordingly, by December 15, 2017.

9 The Station Flood Mitigation subprogram originally included implementation
10 of flood mitigation measures at 29 substations. The Newark Airport Breaker Station
11 project was noticed to be canceled or eliminated on June 29, 2016 reducing the total
12 substations with measures implemented to 28. The New Jersey Division of Rate
13 Counsel, BPU Staff, and PSE&G filed an Agreement Regarding Withdrawal of
14 Objection filed on November 30, 2016 providing that PSE&G “shall not undertake
15 flood mitigation of the Madison and Marshall substations through the Energy Strong
16 program” but that PSE&G may proceed with the Madison and Marshall projects
17 outside the Energy Strong Program, raising and rebuilding both the Madison and
18 Marshall electric substations at the Madison Substation site. Thus, there are 26
19 stations in the Energy Strong program, the original 29 minus the Newark Breaker
20 Station, Madison, and Marshall.

21 For purposes of this filing, the following table summarizes the stations and
22 equipment placed in-service through May 31, 2017 as well as those stations and

1 equipment that PSE&G anticipates will be placed in-service through November 30,
 2 2017.

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

**Forecasted to be in-service as of 11/30/2017 (no asterisk indicates in-service at the time of this filing)*

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-Service as of 5/31/2017 (Actual)	In-Service as of 11/30/2017 (Forecast)
Marion Switching Station	26kV Switchgear #1, neutral disconnects, neutral ground resistor and fast acting ground switch	X	
	Switchgear Cutovers		X
	<i>Station complete and fully in-service</i>		X
Hillsdale Substation	Switchgear Unit 1, Unit 1 cutover A, 13kV Switchgear 3-4 Unit 2, 13kV Switchgear Unit 2 Cutover A	X	
	26kV Switchgear		X*
	<i>Station complete and fully in-service</i>		
Bayonne Switching Station	Switchgear Unit 1 -26kV Switchgear	X	
	13kV Switchgear #1, Other Equipment, 13kV Switchgear #2	X	
	<i>Station complete and fully in-service</i>		X*
Ewing Substation	4kV Switchgear	X	
	<i>Station complete and fully in-service</i>		X
New Milford Substation	13kV Switchgear Unit 2	X	
	13kV Switchgear Unit1		X*
	<i>Station complete and fully in-service</i>		
Jersey City Switching Station	Switchgear Relays, Switchgear, Transformer 75kVA SLP, Other Equipment	X	
	<i>Station complete and fully in-service</i>		X*
St. Pauls Unit Substation	26/13kV Conversions	X	
	<i>Station complete and fully in-service</i>		X

*Forecasted to be in-service as of 11/30/2017 (no asterisk indicates in-service at the time of this filing)

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-Service as of 5/31/2017 (Actual)	In-Service as of 11/30/2017 (Forecast)
Essex Switching Station	26 KV Sheltered Aisles 1, 2, Reactor Bank 1,2,3	X	
	Reactor Bank 4,5,6,Segment "A"		X*
	<i>Station complete and fully in-service</i>		X*
Cranford Substation	26kV Switchgear, Transformer Unit 1, Transformer Unit 2		X*
	<i>Station complete and fully in-service</i>		
Jackson Road Substation	Switchgear (1)		X*
	<i>Station complete and fully in-service</i>		
Third Street Substation	OP work Elimination		X*
	<i>Station complete and fully in-service</i>		X*

**Forecasted to be in-service as of 11/30/2017 (no asterisk indicates in-service at the time of this filing)*

1 As of May 31, 2017, 14 substations were placed fully in-service (River Edge
2 Substation, Somerville Substation, Sewaren Switching Station, Linden Switching
3 Station, Bayway Switching Station, Little Ferry Unit Substation, Belmont Unit
4 Substation, South Waterfront Switching Station, Rahway Substation, Garfield Place
5 Substation, Bayway Substation, Hoboken Substation, Howell Street Substation and
6 Hackensack Substation) and 8 substations were partially in-service (Marion
7 Switching Station, Hillsdale Substation, Bayonne Switching Station, Ewing
8 Substation, New Milford Substation, Jersey City Substation, St. Pauls Unit Substation
9 and Essex Switching Station). The Flood Mitigation subprogram anticipates that by
10 November 30, 2017, 7 additional substations will be placed fully in-service (Marion
11 Switching Station, Bayonne Switching Station, Ewing Substation, Jersey City

1 Switching Station, St. Pauls Unit Substation, Essex Switching Station and Third
2 Street Substation) bringing the total substations fully in-service to 21. Additionally, it
3 is anticipated that 2 substations will be placed partially in-service (Cranford
4 Substation and Jackson Road Substation) during the June – November, 2017 period.
5 The total substations partially in-service will be 4 as Marion Switching Station,
6 Bayonne Switching Station, Ewing Substation, Jersey City Substation, St. Pauls Unit
7 Substation and Essex Switching Station will move from partial to full in-service.

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

9 A. Yes, it does.

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

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

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

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

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

ATTACHMENT 1
SCHEDULE JLC-ESAM7-1
PAGE 2 OF 3

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

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

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

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

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

ATTACHMENT 1
SCHEDULE JLC-ESAM7-1
PAGE 3 OF 3

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

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

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

**PSE&G Energy Strong
 Minimum Filing Requirement
 (9/30/2017)**

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

MFR-3: Budget vs Actual Expenditures		
in Millions		
Sub-Programs	Budget	Actual August 31, 2017
Electric		
Flood Mitigation	\$400.0	\$380.9
Contingency Reconfiguration	\$ 93.0	\$ 83.6
Advanced Technologies	\$107.0	\$ 106.2
Total Electric	\$600.0	\$570.7
Gas		
UPCI Replacement	\$370.0	\$370.0
M&R Flood Mitigation	\$ 30.0	\$ 25.1
Total Gas	\$400.0	\$395.1
Total E&G	\$1,000.0	\$965.9

MFR-4 For each Energy Strong Program subprogram:

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

Electric Energy Strong Program

- *Electric Station Flood Mitigation*

This subprogram will implement flood mitigation for 26 substations that had water intrusion in Superstorm Sandy, Hurricane Irene, or other recent water intrusion events.¹ The stations will be remediated to sustain the higher of one

¹ The Bayway 26 kV station is on the same property as the Bayway 4 kV station that was in the original filing. The Bayway 26 kV station did not flood during these recent storms but is in the flood zone and is attached to the 4 kV station that did flood.

foot above the FEMA flood elevation level or one foot above the highest observed flood levels and constructed in accordance with New Jersey Department of Environmental Protection (“NJDEP”) Flood Hazard rules (except for any station that is eliminated).

- A. Expenditures to date: \$380.9M
- B. Reporting metric (*See Table MFR-4: Flood Mitigation In-Service for details*)
 - 14 substations were completed and fully in-service as of May 31, 2017. It is anticipated that a total of 21 substations will be completed and fully in-service as of November 30, 2017.
 - 8 substations were partially in-service as of May 31, 2017. It is anticipated that a total of 4 substations will be placed partially in-service as of November 30, 2017.

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

**Forecasted to be in-service as of 11/30/2017 (no asterisk indicates in-service at the time of this filing)*

MFR-4: Flood Mitigation In-Service			
Station	Equipment	In-Service as of 5/31/2017 (Actual)	In-Service as of 11/30/2017 (Forecast)
Bayway Substation	<i>Station complete and fully in-service</i>	X	
Hoboken Substation	<i>Station complete and fully in-service</i>	X	
Howell Street Substation	<i>Station complete and fully in-service</i>	X	
Hackensack Substation	<i>Station complete and fully in-service</i>	X	
Marion Switching Station	26kV Switchgear #1, neutral disconnects, neutral ground resistor and fast acting ground switch	X	
	Switchgear Cutovers		X
	<i>Station complete and fully in-service</i>		X
Hillsdale Substation	Switchgear Unit 1, Unit 1 cutover A, 13kV Switchgear 3-4 Unit 2, 13kV Switchgear Unit 2 Cutover A	X	
	26kV Switchgear		X*
	<i>Station complete and fully in-service</i>		
Bayonne Switching Station	Switchgear Unit 1 -26kV Switchgear	X	
	13kV Switchgear #1, Other Equipment, 13kV Switchgear #2	X	
	<i>Station complete and fully in-service</i>		X*
Ewing Substation	4kV Switchgear	X	
	<i>Station complete and fully in-service</i>		X
New Milford Substation	13kV Switchgear Unit 2	X	
	13kV Switchgear Unit1		X*
	<i>Station complete and fully in-service</i>		

**Forecasted to be in-service as of 11/30/2017 (no asterisk indicates in-service at the time of this filing)*

damage occurs in a specific section of the loop. The work will include the deployment of additional feeder reclosers to traditional 13-kV loops.

- B. Expenditures to date: \$83.6M
 - C. Reporting metric: 465 reclosers have been placed in-service and portions of 223 circuits have been improved and placed in-service through May 31, 2017. This subprogram was completed in May 2017.
- *Advanced Technologies*
 - A. The Advanced Technologies subprogram will equip certain stations with Microprocessor Relays and expanded SCADA and is intended to shorten storm restoration processes with respect to damage assessment and efficiency of storm restoration work preparation for PSE&G and mutual aid crews. Installation of Microprocessor Relays and expanded SCADA is also intended to enhance available information with respect to the operation of the electric distribution system.
 - B. Expenditures to date: \$106.2M
 - C. Reporting metric: 1,176 Relays and 51 Remote Terminal Units (RTU) were placed in service through May 31, 2017. Additionally, the Pi Historian, the data warehouse that will store historical information obtained from relays and RTUs, was placed in-service on November 15, 2015. Distribution Supervisory Control and Data Acquisition (DSCADA) was placed in-service on October 23, 2016. This subprogram was completed in May 2017.

Gas Energy Strong Program

- *Utilization Pressure Cast Iron (UPCI) Replacement*
 - A. PSE&G will replace an estimated 250 miles of utilization pressure cast iron main and associated services over a three year period with a higher operating pressure system utilizing plastic or cathodically protected steel mains and services in the areas that were previously flooded or are in the FEMA flood zones or proximity thereto. This initiative is intended to eliminate water infiltration and thereby reduce associated outages.
 - B. Expenditures to date: \$370.0 million
 - C. Reporting metric: A total of 239.6 miles of UPCI main was installed and placed in-service through May 31, 2017.

- *M&R Station Flood Mitigation*

- A. This subprogram will implement flood mitigation for the stations listed below that had water intrusion in Superstorm Sandy as well as provide an auxiliary generator at the Burlington Liquefied Natural Gas (LNG) Plant station. The stations will be raised to the higher of one foot above the FEMA flood elevation level or one foot above the highest observed flood levels and constructed in accordance with New Jersey Department of Environmental Protection (“NJDEP”) Flood Hazard rules.

Crown Central M&R Station and LPG Storage in
Linden

Piles Creek M&R Station in Linden

Newark Airport M&R Station in Newark

West End M&R Station in Jersey City

Harrison M&R Stations (2) in Harrison

Harrison LPG peak Shaving plant in
Harrison

- B. Expenditures to date: \$25.1M

- C. Reporting metric:

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

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

MFR-5: Timeline and Updates / Expected Changes				
E/G	Sub-Program	Timeline for Completion	Updates	Expected Changes
Electric	Flood Mitigation	May-18	Newark Airport Breaker Station Cancelled; Madison and Marshall projects will be completed as Base rather than Energy Strong	None
Electric	Contingency Reconfiguration	May-17	Filed notice of investment change among electric subprograms. Subprogram has been completed.	None
Electric	Advanced Technologies	May-17	Filed notice of investment change among electric subprograms. Subprogram has been completed.	None
Gas	UPCI Replacement	Jul-16	Filed notice of investment change among gas subprograms. Subprogram has been completed.	None
Gas	M&R Flood Mitigation	Oct-17	Filed notice of investment change among gas subprograms	None

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

**In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Electric and Gas Base Rate
Adjustments Pursuant to the Energy Strong Program
(September 2017 ES Electric Rates Filing)**

BPU Docket Nos. _____

DIRECT TESTIMONY

OF

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

September 29, 2017

ATTACHMENT 2

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

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

7 A. My name is Stephen Swetz, and I am the Sr. Director – Corporate Rates and Revenue
8 Requirements for PSEG Services Corporation. My credentials are set forth in the
9 attached Schedule SS-ESAM7-1.

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

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

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

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

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

13 **COST RECOVERY MECHANISM**

14 **Q. Please briefly describe PSE&G's proposed cost recovery.**

15 A. PSE&G is proposing to recover the annual revenue requirements associated with the
16 Program consistent with the ESAMs approved in the Energy Strong Order. The
17 revenue requirements are based on expected plant in-service and cost of removal
18 expenditures based on actual results through August 31, 2017 and a forecast through
19 November 30, 2017. The forecast for September 1, 2017 through November 30, 2017
20 will be trued-up with actual results and filed by December 15, 2017.

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

3 A. The Company is proposing a forecasted annual electric revenue requirement increase
4 of \$8.841million based upon the actual and forecasted expenditures discussed above
5 and assuming adjusted base rates go into effect March 1, 2018. The electric revenue
6 requirement increase is calculated in Schedules SS-ESAM7-2E.

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

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

$$\begin{aligned} 10 \quad \text{Revenue Requirements} &= ((\text{Energy Strong Rate Base} * \text{After Tax WACC}) + \\ 11 \quad \text{Depreciation Expense (net of tax)} + \text{Tax Adjustments}) * \text{Revenue Factor} \end{aligned}$$

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

13 A. Per the Energy Strong Order, the Energy Strong Rate Base is calculated as the Energy
14 Strong Investment Costs less Accumulated Depreciation and less Accumulated
15 Deferred Income Taxes (ADIT). For electric, this is the seventh roll-in filing and the
16 Energy Strong Investment Costs consist of actual plant placed into service from June
17 1, 2017 through August 31, 2017 and a forecast of capital expenditures through
18 November 30, 2017 for projects expected to be in service by November 30, 2017. For
19 details on the electric Energy Strong Investment Costs, see Schedule JLC-ESAM7-
20 3E. Accumulated Depreciation is the sum of the depreciation expense incurred from
21 the date the Energy Strong projects are placed into service and the effective date of
22 the base rate change. The Energy Strong Order anticipates the seventh roll-in filing to

1 result in rates effective March 1, 2018, so the Accumulated Depreciation in the filing
2 is through February 28, 2018. Consistent with the calculation of Accumulated
3 Depreciation, ADIT is calculated through February 28, 2018.

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

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

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

9 A. Per the Energy Strong Order, the WACC for the ESAMs is 7.24%, or 6.32% on an
10 after-tax basis, which is based on a Return on Equity of 9.75% and a cost of debt of
11 4.60%. For the calculation of the WACC and after-tax WACC, see Schedule SS-
12 ESAM7-3.

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

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

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

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

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

2 A. Depreciation expense is calculated as Gross Plant in-Service multiplied by the
3 applicable annual depreciation rate for the assets being placed into service. The
4 Energy Strong Order specified the depreciation rates applicable to the Energy Strong
5 Program based upon the asset class of the plant placed into service. Since the net
6 revenue requirement for the roll-in will be grossed up by the revenue factor as shown
7 in the revenue requirement formula approved by the Board, the depreciation expense
8 must be calculated net of tax. The tax basis associated with the depreciation expense
9 is calculated as direct in-service expenditures plus CWIP capital expenditures
10 transferred into service plus the debt component of the AFUDC transferred into
11 service. The depreciation expense net of tax is calculated as the annual depreciation
12 expense less the tax associated with the depreciation expense as described above. The
13 equity portion of the AFUDC transferred into service is not recognized in the tax
14 basis of the plant transferred into service. As a result, there is no tax depreciation
15 expense associated with that portion of Plant in-Service. Therefore, the depreciation
16 expense net of tax must be multiplied by the revenue factor to recover the tax gross-
17 up related to the AFUDC-equity.

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

19 A. The tax expense for electric cost of removal expenditures associated with pre-1981
20 assets are currently flowed back to ratepayers over a five year amortization period
21 rather than normalized over the life of the asset as is the tax treatment for post-1981
22 electric and all gas related cost of removal expenditures. To be consistent with the

1 treatment of base rate assets, the tax flow-through methodology for pre-1981 electric
2 cost of removal expenditures is applied to Energy Strong cost of removal
3 expenditures on pre-1981 assets.

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

5 A. The Tax Adjustment for the Energy Strong revenue requirement is calculated as the
6 Gross Plant in-Service multiplied by the percentage of electric pre-1981 asset
7 retirements for the year and divided by five for the five-year amortization period. The
8 percentage of electric assets with a vintage before 1981 is currently 17.01%.

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

10 A. The Revenue Factor adjusts the revenue requirement net of tax for federal and state
11 income taxes and the costs associated with the BPU and Division of Rate Counsel
12 (RC) Annual Assessments. The BPU/RC Assessment Expenses consist of payments,
13 based upon a percentage of revenues collected (updated annually), to the State based
14 on the electric and gas intrastate operating revenues for the utility. The Company has
15 utilized the respective BPU/RC assessment rates based on the 2017 fiscal year
16 assessment, which are 0.23% and 0.05%, respectively. See Schedule SS-ESAM7-4
17 for the calculation of the revenue factor.

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

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

1 **Q. Have you provided the detailed calculations supporting the revenue**
2 **requirements?**

3 A. Yes. The detailed calculations supporting the revenue requirement calculation
4 described above are provided in electronic workpapers WP-SS-ESAM7-1E.xlsx.

5 **RATE DESIGN**

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

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

21 The detailed calculations supporting the electric rate designs are shown in
22 Schedule SS-ESAM7-5. These schedules contain the proposed base rates as a result
23 of the base rate adjustments for the electric ESAM effective for March 1, 2018.

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

2 A. Based upon rates effective March 1, 2018, the annual average bill impacts of the rates
3 requested are set forth in Schedule SS-ESAM7-6.

4 The annual impact of the proposed rates to the typical residential electric
5 customer using 750 kWh in a summer month and 7,200 kWh annually would be an
6 increase in the annual bill from \$1,259.04 to \$1,261.32 or \$2.28, or approximately
7 0.18% (based upon Delivery Rates and BGS-RSCP charges in effect September 1,
8 2017 and assuming the customer receives BGS-RSCP service from PSE&G).

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

10 A. Yes, it does.

ATTACHMENT 2

SCHEDULE INDEX

Schedule SS-ESAM7-1	Credentials
Schedule SS-ESAM7-2E	Electric Revenue Requirement Calculation
Schedule SS-ESAM7-3	Weighted Average Cost of Capital (WACC)
Schedule SS-ESAM7-4	Revenue Factor Calculation
Schedule SS-ESAM7-5	Electric Proof of Revenue
Schedule SS-ESAM7-6	Electric Typical Residential Annual Bill Impacts

ELECTRONIC WORKPAPER INDEX

WP-SS-ESAM7-1E.xlsx

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

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

8 **EDUCATIONAL BACKGROUND**

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

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-16	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RGGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEEExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

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

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

11/30/2017

RATE BASE CALCULATION

	Total
1 Gross Plant	\$76,231
2 Accumulated Depreciation	\$5,060
3 Net Plant	\$81,291
4 Accumulated Deferred Taxes	(\$15,685)
5 Rate Base	\$65,606
6 Rate of Return - After Tax (Schedule WACC)	6.32%
7 Return Requirement (After Tax)	\$4,147
8 Depreciation Exp, net	\$1,152
9 Tax Adjustment	(\$69)
10 Revenue Factor	1.6907
11 Roll-in Revenue Requirement	\$8,841

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

	<u>Percent</u>	<u>Embedded Cost</u>	<u>Weighted Cost</u>	<u>Pre-Tax Weighted Cost</u>	<u>After Tax Weighted Cost</u>
Common Equity	51.20%	9.75%	4.99%	8.44%	4.99%
Other Capital	<u>48.80%</u>	4.60%	<u>2.25%</u>	<u>2.25%</u>	<u>1.33%</u>
Total	100.00%		<u>7.24%</u>	<u>10.69%</u>	<u>6.32%</u>
Federal Income T	35.00%				
State NJ Busines:	<u>9.00%</u>				
Tax Rate	40.85%				

PSE&G Energy Strong Program
Revenue Factor Calculation

	<u>ELECTRIC</u>	<u>GAS</u>	
Revenue Increase	100.0000	100.0000	
Uncollectible Rate		1.2514	From 2009 Rate Case
BPU Assessment Rate	0.0023	0.0023	2017 BPU Assessment
Rate Counsel Assessment Rate	<u>0.0005</u>	<u>0.0005</u>	2017 RC Assessment
Income before State of NJ Bus. Tax	99.9971	98.7457	
State of NJ Bus. Income Tax @ 9.00%	<u>8.9997</u>	<u>8.8871</u>	
Income Before Federal Income Taxes	90.9974	89.8586	
Federal Income Taxes @ 35%	<u>31.8491</u>	<u>31.4505</u>	
Return	<u>59.1483</u>	<u>58.4081</u>	
Revenue Factor	<u><u>1.6907</u></u>	<u><u>1.7121</u></u>	

Electric Rate Design (Proof of Revenue by Rate Class)

Explanation of Format

The summary and each rate schedule provide the details of Annualized Weather Normalized (all customers assumed to be on BGS) revenue based on current tariff rates and on the proposed rate design. The pages presented in Schedule SS-ESAM7-5 are the selected applicable columns of the relevant pages from the rate design workpapers from the Company's 2009 Electric and Gas Base Rate Case and have been appropriately modified per my testimony to reflect this Energy Strong roll-in.

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

In the detail rate designed pages, all the components are separated into Delivery and Supply. In addition to the Distribution components of Delivery, also included in the schedule are lines for Societal Benefits Charge, Non-Utility Generation Charge, Securitization Transition Charges, Base Rate Distribution Kilowatt-hour Adjustment, System Control Charge, Solar Pilot Recovery Charge, CIEP Standby Fee (as applicable), Green Programs Recovery Charge, CIP 1 Capital Adjustment Charges (CAC), Miscellaneous items, and Unbilled Revenue.

Column (1) shows the 2012 annualized weather normalized billing units. Column (2) shows Delivery rates without Sales and Use Tax (SUT) effective September 1, 2017. The Supply-BGS rates in the Column (2) reflect the rates in effect as of September 1, 2017 and for CIEP energy, reflect the class average hourly rates from July 1, 2016 to June 30, 2017. Column (3) presents annualized revenue assuming all customers are provided service under their applicable BGS provision. Column (4) repeats the billing units of Column (1). Column (5) shows the proposed rates without SUT that result in the proposed revenues shown in Column (6). Columns (7) and (8) show the proposed base rate revenue increase, in thousands of dollars and percent increase, respectively, for each of the billing unit blocks. The proposed tariff charges (with and without SUT) are provided on pages 22 and 23 of this schedule.

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

	Rate Schedule		Annualized		Propose		Increase	
			Weather Normalized		kWhrs (3)	Revenue (4)	Revenue (5)	Percent (6)
			kWhrs (1)	Revenue (2)				
1	Residential	RS	12,980,384	\$2,139,494	12,980,384	\$2,143,386	\$3,892	0.18
2	Residential Heating	RHS	165,683	21,871	165,683	\$21,910	39	0.18
3	Residential Load Management	RLM	247,183	39,607	247,183	\$39,666	59	0.15
4	Water Heating	WH	2,074	223.929	2,074	\$224.640	0.711	0.32
5	Water Heating Storage	WHS	39	2.609	39	\$2.610	0.001	0.04
6								
7	Building Heating	HS	20,485	3,013	20,485	\$3,020	7	0.23
8	General Lighting and Power	GLP	7,830,948	1,207,244	7,830,948	\$1,209,211	1,967	0.16
9	Large Power & Lighting-Sec	LPL-S	11,410,771	1,424,867	11,410,771	\$1,426,551	1,684	0.12
10	Large Power & Lighting-Pri	LPL-P	3,607,561	329,215	3,607,561	\$329,532	317	0.10
11	High Tension-Subtr.	HTS-S	4,466,791	346,820	4,466,791	\$347,045	225	0.06
12	High Tension-HV	HTS-HV	332,186	22,396	332,186	\$22,409	13	0.06
13								
14	Body Politic Lighting	BPL	286,486	72,226	286,486	\$72,634	408	0.56
15	Body Politic Lighting-POF	BPL-POF	14,312	1,165.906	14,312	\$1,168.302	2.396	0.21
16	Private Street & Area Lighting	PSAL	<u>168,875</u>	<u>40,551</u>	<u>168,875</u>	<u>\$40,778</u>	<u>227</u>	0.56
17								
18								
19	Totals		41,533,778	\$5,648,696	41,533,778	\$5,657,538	\$8,841	0.16

Notes: All customers assumed to be on BGS.
WH, WHS & BPL-POF revenues shown to 3 decimals.
Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	21,660,597	2.27	\$49,170	21,660,597	2.27	\$49,170	\$0	0.00
3 Distribution 0-600 June - September	3,225,106	0.039603	127,724	3,225,106	0.040317	130,027	2,303	1.80
4 Distribution 0-600 October - May	5,844,909	0.033344	194,893	5,844,909	0.033344	194,893	0	0.00
5 Distribution over 600 June - September	2,199,544	0.043424	95,513	2,199,544	0.044138	97,083	1,570	1.64
6 Distribution over 600 October - May	1,710,825	0.033344	57,046	1,710,825	0.033344	57,046	0	0.00
7 SBC	12,980,384	0.007363	95,575	12,980,384	0.007363	95,575	0	0.00
8 NGC	12,980,384	-0.000131	-1,700	12,980,384	-0.000131	-1,700	0	0.00
9 STC-TBC	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
10 STC-MTC-Tax	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
11 BRDKA	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
12 System Control Charge	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
13 Solar Pilot Recovery Charge	12,980,384	0.000068	883	12,980,384	0.000068	883	0	0.00
14								
15 Green Programs Recovery Charge	12,980,384	0.001006	13,058	12,980,384	0.001006	13,058	0	0.00
16 <u>Capital Adjustment Charge (CIP I)</u>								
17 Service Charge	21,660,597	0.00	0	21,660,597	0.00	0	0	0.00
18 Distribution 0-600, June-September	3,225,106	0.000000	0	3,225,106	0.000000	0	0	0.00
19 Distribution 0-600, October-May	5,844,909	0.000000	0	5,844,909	0.000000	0	0	0.00
20 Distribution over 600, June-September	2,199,544	0.000000	0	2,199,544	0.000000	0	0	0.00
21 Distribution over 600, October-May	1,710,825	0.000000	0	1,710,825	0.000000	0	0	0.00
22 BRDKA	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
23								
24 Facilities Chg.			0			0	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			(48)			(50)	(2)	4.17
27 Delivery Subtotal	12,980,384		\$632,114	12,980,384		\$635,985	\$3,871	0.61
28 Unbilled Delivery			<u>3,388</u>			<u>3,409</u>	<u>21</u>	0.62
29 Delivery Subtotal w unbilled			\$635,502			\$639,394	\$3,892	0.61
30								
31 Supply-BGS								
32 BGS 0-600 June - September	3,225,106	0.114523	\$369,349	3,225,106	0.114523	\$369,349	\$0	0.00
33 BGS 0-600 October - May	5,844,909	0.114469	669,061	5,844,909	0.114469	669,061	0	0.00
34 BGS over 600 June - September	2,199,544	0.123641	271,954	2,199,544	0.123641	271,954	0	0.00
35 BGS over 600 October - May	1,710,825	0.114469	195,836	1,710,825	0.114469	195,836	0	0.00
36 BGS Reconciliation-FP	12,980,384	0.000000	0	12,980,384	0.000000	0	0	0.00
37 Miscellaneous			0			0	0	0.00
38 Supply subtotal	12,980,384		\$1,506,200	12,980,384		\$1,506,200	\$0	0.00
39 Unbilled Supply			<u>-2,208</u>			<u>-2,208</u>	<u>0</u>	0.00
40 Supply Subtotal w unbilled			\$1,503,992			\$1,503,992	\$0	0.00
41								
42 Total Delivery + Supply	12,980,384		<u>\$2,139,494</u>	12,980,384		<u>\$2,143,386</u>	<u>\$3,892</u>	0.18

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
12 Months Ended December 31, 2012
 (Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	146,592	2.27	\$333	146,592	2.27	\$333	\$0	0.00
3 Distribution 0-600 June - September	24,076	0.050748	1,222	24,076	0.051155	1,232	10	0.82
4 Distribution 0-600 October - May	60,927	0.032813	1,999	60,927	0.033076	2,015	16	0.80
5 Distribution over 600 June - September	14,760	0.056487	834	14,760	0.056940	840	6	0.72
6 Distribution over 600 October - May	65,920	0.012204	804	65,920	0.012302	811	7	0.87
7 SBC	165,683	0.007363	1,220	165,683	0.007363	1,220	0	0.00
8 NGC	165,683	-0.000131	-22	165,683	-0.000131	-22	0	0.00
9 STC-TBC	165,683	0.000000	0	165,683	0.000000	0	0	0.00
10 STC-MTC-Tax	165,683	0.000000	0	165,683	0.000000	0	0	0.00
11 BRDKA	165,683	0.000000	0	165,683	0.000000	0	0	0.00
12 System Control Charge	165,683	0.000000	0	165,683	0.000000	0	0	0.00
13 Solar Pilot Recovery Charge	165,683	0.000068	11	165,683	0.000068	11	0	0.00
14								
15 Green Programs Recovery Charge	165,683	0.001006	167	165,683	0.001006	167	0	0.00
16 <u>Capital Adjustment Charge (CIP I)</u>								
17 Service Charge	146,592	0.00	0	146,592	0.00	0	0	0.00
18 Distribution 0-600, June-September	24,076	0.000000	0	24,076	0.000000	0	0	0.00
19 Distribution 0-600, October-May	60,927	0.000000	0	60,927	0.000000	0	0	0.00
20 Distribution over 600, June-September	14,760	0.000000	0	14,760	0.000000	0	0	0.00
21 Distribution over 600, October-May	65,920	0.000000	0	65,920	0.000000	0	0	0.00
22 BRDKA	165,683	0.000000	0	165,683	0.000000	0	0	0.00
23								
24 Facilities Chg.			0			0	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			(1)			(1)	0	0.00
27 Delivery Subtotal	165,683		\$6,567	165,683		\$6,606	\$39	0.59
28 Unbilled Delivery			43			43	0	0.00
29 Delivery Subtotal w unbilled			\$6,610			\$6,649	\$39	0.59
30								
31 Supply-BGS								
32 BGS 0-600 June - September	24,076	0.087722	\$2,112	24,076	0.087722	\$2,112	\$0	0.00
33 BGS 0-600 October - May	60,927	0.092618	5,643	60,927	0.092618	5,643	0	0.00
34 BGS over 600 June - September	14,760	0.099914	1,475	14,760	0.099914	1,475	0	0.00
35 BGS over 600 October - May	65,920	0.092618	6,105	65,920	0.092618	6,105	0	0.00
36 BGS Reconciliation-FP	165,683	0.000000	0	165,683	0.000000	0	0	0.00
37 Miscellaneous			0			0	0	0.00
38 Supply subtotal	165,683		\$15,335	165,683		\$15,335	\$0	0.00
39 Unbilled Supply			(74)			(74)	0	0.00
40 Supply subtotal w unbilled			\$15,261			\$15,261	\$0	0.00
41								
42 Total Delivery + Supply	165,683		<u>\$21,871</u>	165,683		<u>\$21,910</u>	<u>\$39</u>	0.18

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE
12 Months Ended December 31, 2012
 (Units & Revenue in Thousands)

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	154,849	13.07	\$2,024	154,849	13.07	\$2,024	\$0	0.00
3 Distribution June - September On Peak	50,287	0.061333	3,084	50,287	0.061934	3,114	30	0.97
4 Distribution June - September Off Peak	55,840	0.014413	805	55,840	0.014554	813	8	0.99
5 Distribution October - May On Peak	60,829	0.014413	877	60,829	0.014554	885	8	0.91
6 Distribution October - May Off Peak	80,227	0.014413	1,156	80,227	0.014554	1,168	12	1.04
7 SBC	247,183	0.007363	1,820	247,183	0.007363	1,820	0	0.00
8 NGC	247,183	-0.000131	-32	247,183	-0.000131	-32	0	0.00
9 STC-TBC	247,183	0.000000	0	247,183	0.000000	0	0	0.00
10 STC-MTC-Tax	247,183	0.000000	0	247,183	0.000000	0	0	0.00
11 BRDKA	247,183	0.000000	0	247,183	0.000000	0	0	0.00
12 System Control Charge	247,183	0.000000	0	247,183	0.000000	0	0	0.00
13 Solar Pilot Recovery Charge	247,183	0.000068	17	247,183	0.000068	17	0	0.00
14								
15 Green Programs Recovery Charge	247,183	0.001006	249	247,183	0.001006	249	0	0.00
16 <u>Capital Adjustment Charge (CIP I)</u>								
17 Service Charge	154,849	0.00	0	154,849	0.00	0	0	0.00
18 Distribution June - September On Peak	50,287	0.000000	0	50,287	0.000000	0	0	0.00
19 Distribution June - September Off Peak	55,840	0.000000	0	55,840	0.000000	0	0	0.00
20 Distribution October - May On Peak	60,829	0.000000	0	60,829	0.000000	0	0	0.00
21 Distribution October - May Off Peak	80,227	0.000000	0	80,227	0.000000	0	0	0.00
22 BRDKA	247,183	0.000000	0	247,183	0.000000	0	0	0.00
23								
24 Facilities Chg.			0			0	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			-1			(1)	0	0.00
27 Delivery Subtotal	247,183		\$9,999	247,183		\$10,057	\$58	0.58
28 Unbilled Delivery			95			96	1	1.05
29 Delivery Subtotal w unbilled			\$10,094			\$10,153	\$59	0.58
30								
31 Supply-BGS								
32 BGS June - September On Peak	50,287	0.206928	\$10,406	50,287	0.206928	\$10,406	\$0	0.00
33 BGS June - September Off Peak	55,840	0.050710	2,832	55,840	0.050710	2,832	0	0.00
34 BGS October - May On Peak	60,829	0.195490	11,891	60,829	0.195490	11,891	0	0.00
35 BGS October - May Off Peak	80,227	0.054474	4,370	80,227	0.054474	4,370	0	0.00
36 BGS Reconciliation-FP	247,183	0.000000	0	247,183	0.000000	0	0	0.00
37 Miscellaneous			0			0	0	0.00
38 Supply subtotal	247,183		\$29,499	247,183		\$29,499	\$0	0.00
39 Unbilled Supply			14			14	0	0.00
40 Supply subtotal w unbilled			\$29,513			\$29,513	\$0	0.00
41								
42 Total Delivery + Supply	247,183		<u>\$39,607</u>	247,183		<u>\$39,666</u>	<u>\$59</u>	0.15

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Distribution Sum	580	0.046408	\$26.917	580	0.046751	\$27.116	\$0.199	0.74
3 Distribution Win	1,494	0.046408	\$69.334	1,494	0.046751	\$69.846	0.512	0.74
4 SBC	2,074	0.007363	\$15.271	2,074	0.007363	\$15.271	0.000	0.00
5 NGC	2,074	-0.000093	-\$0.193	2,074	-0.000093	-\$0.193	0.000	0.00
6 STC-TBC	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
7 STC-MTC-Tax	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
8 BRDKA	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
9 System Control Charge	2,074	0.000000	\$0.000	2,074	0.000000	\$0.000	0.000	0.00
10 Solar Pilot Recovery Charge	2,074	0.000068	\$0.141	2,074	0.000068	\$0.141	0.000	0.00
11								
12 Green Programs Recovery Charge	2,074	0.001006	2.086	2,074	0.001006	2.086	0.000	0.00
13 <u>Capital Adjustment Charge (CIP I)</u>								
14 Distribution Summer	580	0.000000	0.000	580	0.000000	0.000	0.000	0.00
15 Distribution Winter	1,494	0.000000	0.000	1,494	0.000000	0.000	0.000	0.00
16 BRDKA	2,074	0.000000	0.000	2,074	0.000000	0.000	0.000	0.00
17								
18 Facilities Chg.			0.000			0.000	0.000	0.00
19 Minimum			0.000			0.000	0.000	0.00
20 Miscellaneous			<u>0.000</u>			<u>0.000</u>	<u>0.000</u>	0.00
21 Delivery Subtotal	2,074		\$114	2,074		\$114	\$1	0.63
22 Unbilled Delivery			<u>0.000</u>			<u>0.000</u>	<u>0</u>	0.00
23 Delivery Subtotal w unbilled			113.556			114.267	\$1	0.63
24								
25 Supply-BGS								
26 BGS Summer	580	0.051835	\$30.064	580	0.051835	\$30.064	\$0.000	0.00
27 BGS Winter	1,494	0.054424	81.309	1,494	0.054424	\$81.309	0.000	0.00
28 BGS Reconciliation-FP	2,074	0.000000	0.000	2,074	0.000000	\$0.000	0.000	0.00
29 Miscellaneous			<u>0.000</u>			<u>0.000</u>	<u>0</u>	0.00
30 Supply subtotal	2,074		\$111.373	2,074		\$111.373	0	0.00
31 Unbilled Supply			<u>-\$1.000</u>			<u>-\$1.000</u>	<u>0</u>	0.00
32 Supply subtotal w unbilled			\$110.373			\$110.373	\$0	0.00
33								
34 Total Delivery + Supply	2,074		<u>\$223.929</u>	2,074		<u>\$224.640</u>	<u>\$0.711</u>	0.32

Notes: All customers assumed to be on BGS.
 WH, WHS & BPL-POF revenues shown to 3 decimals.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	0.313	0.52	\$0.163	0.313	0.52	\$0.163	\$0.000	0.00
3 Distribution June - September	11	0.000157	0.002	11	0.000158	0.002	0.000	0.00
4 Distribution October - May	28	0.000157	0.004	28	0.000158	0.004	0.000	0.00
5 SBC	39	0.007363	0.287	39	0.007363	0.287	0.000	0.00
6 NGC	39	-0.000093	(0.004)	39	-0.000093	-0.004	0.000	0.00
7 STC-TBC	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
8 STC-MTC-Tax	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
9 BRDKA	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
10 System Control Charge	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
11 Solar Pilot Recovery Charge	39	0.000068	0.003	39	0.000068	0.003	0.000	0.00
12								
13 Green Programs Recovery Charge	39	0.001006	0.039	39	0.001006	0.039	0.000	0.00
14 <u>Capital Adjustment Charge (CIP I)</u>								
15 Service Charge	0.313	0.00	0.000	0.313	0.00	0.000	0.000	0.00
16 Distribution June - September	11	0.000000	0.000	11	0.000000	0.000	0.000	0.00
17 Distribution October - May	28	0.000000	0.000	28	0.000000	0.000	0.000	0.00
18 BRDKA	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
19								
20 Facilities Chg.			0.000			0.000	0.000	0.00
21 Minimum			0.000			0.000	0.000	0.00
22 Miscellaneous			<u>0.000</u>			<u>0.001</u>	<u>0.001</u>	0.00
23 Delivery Subtotal	39		\$0.494	39		\$0.495	\$0.001	0.20
24 Unbilled Delivery			<u>0.029</u>			<u>0.029</u>	<u>0.000</u>	0.00
25 Delivery Subtotal w unbilled			\$0.523			\$0.524	\$0.001	0.19
26								
27 Supply-BGS								
28 BGS- June - September	10.875	0.051426	\$0.559	11	0.051426	\$0.559	\$0.000	0.00
29 BGS- October - May	28	0.054891	1.539	28	0.054891	1.539	0.000	0.00
30 BGS Reconciliation-FP	39	0.000000	0.000	39	0.000000	0.000	0.000	0.00
31 Miscellaneous			<u>0.000</u>			<u>0.000</u>	<u>0.000</u>	0.00
32 Supply subtotal	39		\$2.098	39		\$2.098	\$0.000	0.00
33 Unbilled Supply			<u>(0.012)</u>			<u>(0.012)</u>	<u>0.000</u>	0.00
34 Supply subtotal w unbilled			\$2.086			\$2.086	\$0.000	0.00
35								
36 Total Delivery + Supply	39		<u>\$2.609</u>	39		<u>\$2.610</u>	<u>\$0.001</u>	0.04

Notes: All customers assumed to be on BGS.
 WH, WHS & BPL-POF revenues shown to 3 decimals.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	19.26	3.11	\$60	19.260	3.11	\$60	\$0	0.00
3 Distribution June - September	4,362	0.086995	379	4,362	0.087675	382	3	0.79
4 Distribution October - May	16,123	0.032093	517	16,123	0.032344	521	4	0.77
5 SBC	20,485	0.007363	151	20,485	0.007363	151	0	0.00
6 NGC	20,485	-0.000093	-2	20,485	-0.000093	-2	0	0.00
7 STC-TBC	20,485	0.000000	0	20,485	0.000000	0	0	0.00
8 STC-MTC-Tax	20,485	0.000000	0	20,485	0.000000	0	0	0.00
9 BRDKA	20,485	0.000000	0	20,485	0.000000	0	0	0.00
10 System Control Charge	20,485	0.000000	0	20,485	0.000000	0	0	0.00
11 Solar Pilot Recovery Charge	20,485	0.000068	1	20,485	0.000068	1	0	0.00
12								
13 Green Programs Recovery Charge	20,485	0.001006	21	20,485	0.001006	21	0	0.00
14 <u>Capital Adjustment Charge (CIP I)</u>								
15 Service Charge	19.260	0.00	0	19.260	0.00	0	0	0.00
16 Distribution June - September	4,362	0.000000	0	4,362	0.000000	0	0	0.00
17 Distribution October - May	16,123	0.000000	0	16,123	0.000000	0	0	0.00
18 BRDKA	20,485	0.000000	0	20,485	0.000000	0	0	0.00
19								
20 Facilities Chg.			0			0	0	0.00
21 Minimum			0			0	0	0.00
22 Miscellaneous			<u>(1)</u>			<u>(1)</u>	<u>0</u>	0.00
23 Delivery Subtotal	20,485		\$1,126	20,485		\$1,133	\$7	0.62
24 Unbilled Delivery			<u>0</u>			<u>0</u>	<u>0</u>	0.00
25 Delivery Subtotal w unbilled			\$1,126			\$1,133	\$7	0.62
26								
27 Supply-BGS								
28 BGS- June - September	4,362	0.093487	\$408	4,362	0.093487	\$408	\$0	0.00
29 BGS- October - May	16,123	0.092608	1,493	16,123	0.092608	1,493	0	0.00
30 BGS Reconciliation-FP	20,485	0.000000	0	20,485	0.000000	0	0	0.00
31 Miscellaneous			<u>0</u>			<u>0</u>	<u>0</u>	0.00
32 Supply subtotal	20,485		\$1,901	20,485		\$1,901	\$0	0.00
33 Unbilled Supply			<u>(14)</u>			<u>(14)</u>	<u>0</u>	0.00
34 Supply subtotal w unbilled			\$1,887			\$1,887	\$0	0.00
35								
36 Total Delivery + Supply	20,485		<u>\$3,013</u>	20,485		<u>\$3,020</u>	<u>\$7</u>	0.23

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	3,068.595	3.96	\$12,152	3,068.595	3.96	\$12,152	\$0	0.00
3 Service Charge-unmetered	75.200	1.83	138	75.200	1.83	138	0	0.00
4 Service Charge-Night Use	0.989	347.77	344	0.989	347.77	344	0	0.00
5 Distrib. KW Annual	29,559	4.2820	126,572	29,559	4.3150	127,547	975	0.77
6 Distrib. KW Summer	10,443	7.9469	82,989	10,443	8.0081	83,629	640	0.77
7 Distribution kWhr, June-September	2,832,575	0.010057	28,487	2,832,575	0.010134	28,705	218	0.77
8 Distribution kWhr, October-May	4,968,239	0.003536	17,568	4,968,239	0.003563	17,702	134	0.76
9 Distribution kWhr, Night use, June-September	11,184	0.003536	40	11,184	0.003563	40	0	0.00
10 Distribution kWhr, Night use, October-May	18,950	0.003536	67	18,950	0.003563	68	1	1.49
11 SBC	7,830,948	0.007363	57,659	7,830,948	0.007363	57,659	0	0.00
12 NGC	7,830,948	-0.000093	-728	7,830,948	-0.000093	-728	0	0.00
13 STC-TBC	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
14 STC-MTC-Tax	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
15 BRDKA	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
16 System Control Charge	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
17 Solar Pilot Recovery Charge	7,830,948	0.000068	533	7,830,948	0.000068	533	0	0.00
18								
19 Green Programs Recovery Charge	7,830,948	0.001006	7,878	7,830,948	0.001006	7,878	0	0.00
20 <u>Capital Adjustment Charge (CIP I)</u>								
21 Service Charge	3,068.595	0.00	0	3,068.595	0.00	0	0	0.00
22 Service Charge-Unmetered	75.200	0.00	0	75.200	0.00	0	0	0.00
23 Service Charge-Night Use	0.989	0.00	0	0.989	0.00	0	0	0.00
24 Annual Demand	29,559	0.0000	0	29,559	0.0000	0	0	0.00
25 Summer Demand, June-September	10,443	0.0000	0	10,443	0.0000	0	0	0.00
26 Distribution kWhr, June-September	2,832,575	0.000000	0	2,832,575	0.000000	0	0	0.00
27 Distribution kWhr, October-May	4,968,239	0.000000	0	4,968,239	0.000000	0	0	0.00
28 Distribution kWhr, Night use, June-September	11,184	0.000000	0	11,184	0.000000	0	0	0.00
29 Distribution kWhr, Night use, October-May	18,950	0.000000	0	18,950	0.000000	0	0	0.00
30 BRDKA	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
31								
32 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	6		\$2.22/\$3.20	6	0	0.00
33 Facilities Chg.		1.45%	70		1.45%	70	0	0.00
34 Minimum			41			41	0	0.00
35 Distrib. Miscellaneous			(1,998)			(1,998)	0	0.00
36 Delivery subtotal	7,830,948		\$331,818	7,830,948		\$333,786	\$1,968	0.59
37 Unbilled Delivery			(177)			(178)	(1)	0.56
38 Delivery subtotal w unbilled			\$331,641			\$333,608	\$1,967	0.59

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Supply-BGS								
2 Generation Capacity Obl June-September	10,069	5.7899	\$58,299	10,069	5.7899	\$58,299	\$0	0.00
3 Generation Capacity Obl October-May	21,037	5.7899	121,802	21,037	5.7899	121,802	0	0.00
4 Transmission Capacity Obl	27,909	8.0137	223,654	27,909	8.0137	223,654	0	0.00
5 BGS kWhr June - September not night use	2,832,575	0.059182	167,637	2,832,575	0.059182	167,637	0	0.00
6 BGS kWhr October - May not night use	4,968,239	0.060826	302,198	4,968,239	0.060826	302,198	0	0.00
7 BGS kWhr June - September night use	11,184	0.044488	498	11,184	0.044488	498	0	0.00
8 BGS kWhr October - May night use	18,950	0.048158	913	18,950	0.048158	913	0	0.00
9 BGS Reconciliation-FP	7,830,948	0.000000	0	7,830,948	0.000000	0	0	0.00
10 BGS Miscellaneous			(200)			(200)	0	0.00
11 Supply subtotal	7,830,948		\$874,801	7,830,948		\$874,801	\$0	0.00
12 Unbilled Supply			802			802	0	0.00
13 Supply Subtotal w Unbilled			\$875,603			\$875,603	\$0	0.00
14								
15 Total Delivery + Supply	7,830,948		<u>\$1,207,244</u>	7,830,948		<u>\$1,209,211</u>	<u>\$1,967</u>	0.16

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	105,315	347.77	\$36,625	105,315	347.77	\$36,625	\$0	0.00
3 Distrib. KW Annual	29,101	3.5816	104,228	29,101	3.6128	105,136	908	0.87
4 Distrib. KW June - September	10,418	8.5207	88,769	10,418	8.5950	89,543	774	0.87
5 Distribution kWhr On Peak June-September	2,117,080	0.000000	0	2,117,080	0.000000	0	0	0.00
6 Distribution kWhr Off Peak June-September	2,065,647	0.000000	0	2,065,647	0.000000	0	0	0.00
7 Distribution kWhr On Peak October-May	3,561,184	0.000000	0	3,561,184	0.000000	0	0	0.00
8 Distribution kWhr Off Peak October-May	3,666,860	0.000000	0	3,666,860	0.000000	0	0	0.00
9 SBC	11,410,771	0.007363	84,018	11,410,771	0.007363	84,018	0	0.00
10 NGC	11,410,771	-0.000093	-1,061	11,410,771	-0.000093	-1,061	0	0.00
11 STC-TBC	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
12 STC-MTC-Tax	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
13 BRDKA	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
14 System Control Charge	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
15 Solar Pilot Recovery Charge	11,410,771	0.000068	776	11,410,771	0.000068	776	0	0.00
16 CIEP Standby Fee	5,795,363	0.000150	869	5,795,363	0.000150	869	0	0.00
17								
18 Green Programs Recovery Charge	11,410,771	0.001006	11,479	11,410,771	0.001006	11,479	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Service Charge	105,315	0.00	0	105,315	0.00	0	0	0.00
21 Annual Demand	29,101	0.0000	0	29,101	0.0000	0	0	0.00
22 Summer Demand, June-September	10,418	0.0000	0	10,418	0.0000	0	0	0.00
23 Distribution	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
24 BRDKA	11,410,771	0.000000	0	11,410,771	0.000000	0	0	0.00
25								
26 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	127		\$2.22/\$3.20	127	0	0.00
27 Facilities Chg.		1.45%	247		1.45%	247	0	0.00
28 Minimum			0			0	0	0.00
29 Dist. Miscellaneous			<u>(2,188)</u>			<u>(2,187)</u>	<u>1</u>	(0.05)
30 Delivery subtotal	11,410,771		\$323,889	11,410,771		\$325,572	\$1,683	0.52
31 Unbilled Delivery			<u>272</u>			<u>273</u>	<u>1</u>	0.37
32 Delivery subtotal w unbilled			\$324,161			\$325,845	\$1,684	0.52

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Supply-BGS								
2 0-499								
3 Generation Capacity Obl - June-September	9,088	5.7899	\$52,619	9,088	5.7899	\$52,619	\$0	0.00
4 Generation Capacity Obl - October-May	18,215	5.7899	105,463	18,215	5.7899	105,463	0	0.00
5 Transmission Capacity Obl	24,836	8.0137	199,028	24,836	8.0137	199,028	0	0.00
6 BGS kWhr June-September On Peak	1,661,425	0.070182	116,602	1,661,425	0.070182	116,602	0	0.00
7 BGS kWhr June-September Off Peak	1,621,062	0.044488	72,118	1,621,062	0.044488	72,118	0	0.00
8 BGS kWhr October-May On Peak	2,794,717	0.070426	196,821	2,794,717	0.070426	196,821	0	0.00
9 BGS kWhr October-May Off Peak	2,877,649	0.048158	138,582	2,877,649	0.048158	138,582	0	0.00
10 500+								
11 Generation Capacity Obl - June-September	2,422	8.4260	20,408	2,422	8.4260	20,408	0	0.00
12 Generation Capacity Obl - October-May	5,066	8.4260	42,686	5,066	8.4260	42,686	0	0.00
13 Transmission Capacity Obl	6,826	8.0137	54,702	6,826	8.0137	54,702	0	0.00
14 BGS kWhr June-September	900,240	0.037238	33,523	900,240	0.037238	33,523	0	0.00
15 Spare	-	0.037238	-	-	0.037238	-	0	0.00
16 BGS kWhr October-May	1,555,678	0.035603	55,387	1,555,678	0.035603	55,387	0	0.00
17 Spare	-	0.035603	-	-	0.035603	-	0	0.00
18								
19 BGS Reconciliation-FP	8,954,853	0.000000	0	8,954,853	0.000000	0	0	0.00
20 BGS Reconciliation-CIEP	2,455,918	0.000000	0	2,455,918	0.000000	0	0	0.00
21 BGS Miscellaneous			(117)			(117)	0	0.00
22 Supply subtotal	11,410,771		\$1,087,822	11,410,771		\$1,087,822	\$0	0.00
23 Unbilled Supply			12,884			12,884	0	0.00
24 Supply w Unbilled			\$1,100,706			\$1,100,706	\$0	0.00
25								
26 Total Delivery + Supply	11,410,771		<u>\$1,424,867</u>	11,410,771		<u>\$1,426,551</u>	<u>\$1,684</u>	0.12

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	9,241	347.77	\$3,214	9,241	347.77	\$3,214	\$0	0.00
3 Service Charge-Alternate	0.475	17.88	8	0.475	17.88	8	0	0.00
4 Distrib. KW Annual	7,855	1.6878	13,258	7,855	1.7014	13,364	106	0.80
5 Distrib. KW June - September	2,769	9.3698	25,945	2,769	9.4456	26,155	210	0.81
6 Distribution kWhr On Peak June-September	612,105	0.000000	0	612,105	0.000000	0	0	0.00
7 Distribution kWhr Off Peak June-September	700,645	0.000000	0	700,645	0.000000	0	0	0.00
8 Distribution kWhr On Peak October-May	1,056,389	0.000000	0	1,056,389	0.000000	0	0	0.00
9 Distribution kWhr Off Peak October-May	1,238,422	0.000000	0	1,238,422	0.000000	0	0	0.00
10 SBC	3,607,561	0.007241	26,122	3,607,561	0.007241	26,122	0	0.00
11 NGC	3,607,561	-0.000091	-328	3,607,561	-0.000091	-328	0	0.00
12 STC-TBC	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
13 STC-MTC-Tax	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
14 BRDKA	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
15 System Control Charge	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
16 Solar Pilot Recovery Charge	3,607,561	0.000068	245	3,607,561	0.000068	245	0	0.00
17 CIEP Standby Fee	3,607,561	0.000150	541	3,607,561	0.000150	541	0	0.00
18								
19 Green Programs Recovery Charge	3,607,561	0.001006	3,629	3,607,561	0.001006	3,629	0	0.00
20 <u>Capital Adjustment Charge (CIP I)</u>								
21 Service Charge	9,241	0.00	0	9,241	0.00	0	0	0.00
22 Service Charge-Primary Alternate	0.475	0.00	0	0.475	0.00	0	0	0.00
23 Annual Demand	7,855	0.0000	0	7,855	0.0000	0	0	0.00
24 Summer Demand, June-September	2,769	0.0000	0	2,769	0.0000	0	0	0.00
25 Distribution	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
26 BRDKA	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
27								
28 Duplicate Svc (Same Sub/Different Sub)		\$2.22/\$3.20	647		\$2.22/\$3.20	647	0	0.00
29 Facilities Chg.		1.45%	471		1.45%	471	0	0.00
30 Minimum			3			3	0	0.00
31 Dist. Miscellaneous			(655)			(654)	1	-0.15
32 Delivery subtotal	3,607,561		\$73,100	3,607,561		\$73,417	\$317	0.43
33 Unbilled Delivery			100			100	0	0.00
34 Delivery subtotal w unbilled			\$73,200			\$73,517	\$317	0.43

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Supply-BGS								
2 Generation Capacity Obl June-September	2,767	8.4260	23,315	2,767	8.4260	\$23,315	\$0	0.00
3 Generation Capacity Obl October-May	5,546	8.4260	46,731	5,546	8.4260	46,731	0	0.00
4 Transmission Capacity Obl	7,584	8.0137	60,776	7,584	8.0137	60,776	0	0.00
5 BGS kWhr June-September On Peak	612,105	0.035313	21,615	612,105	0.035313	21,615	0	0.00
6 BGS kWhr June-September Off Peak	700,645	0.035313	24,742	700,645	0.035313	24,742	0	0.00
7 BGS kWhr October-May On Peak	1,056,389	0.034105	36,028	1,056,389	0.034105	36,028	0	0.00
8 BGS kWhr October-May Off Peak	1,238,422	0.034105	42,236	1,238,422	0.034105	42,236	0	0.00
9 BGS Reconciliation-CIEP	3,607,561	0.000000	0	3,607,561	0.000000	0	0	0.00
10 BGS Miscellaneous			0			0	0	0.00
11 Supply subtotal	3,607,561		\$255,443	3,607,561		\$255,443	\$0	0.00
12 Unbilled Supply			572			572	0	0.00
13 Supply w Unbilled			\$256,015			\$256,015	\$0	0.00
14								
15 Total Delivery + Supply	3,607,561		<u>\$329,215</u>	3,607,561		<u>\$329,532</u>	<u>\$317</u>	0.10

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	2,260	1,911.39	\$4,320	2,260	1,911.39	\$4,320	\$0	0.00
3 Distrib. KW Annual	13,072	1.0751	14,054	13,072	1.0844	14,175	121	0.86
4 Distrib. KW June - September	3,073	3.8870	11,945	3,073	3.9206	12,048	103	0.86
5 Distribution kWhr On Peak	1,613,843	0.000000	0	1,613,843	0.000000	0	0	0.00
6 Spare	0	0.000000	0	0	0.000000	0	0	0.00
7 Distribution kWhr On Peak	2,852,948	0.000000	0	2,852,948	0.000000	0	0	0.00
8 Spare	0	0.000000	0	0	0.000000	0	0	0.00
9 SBC	4,466,791	0.007137	31,879	4,466,791	0.007137	31,879	0	0.00
10 NGC	4,466,791	-0.000089	-398	4,466,791	-0.000089	-398	0	0.00
11 STC-TBC	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
12 STC-MTC-Tax	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
13 BRDKA	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
14 System Control Charge	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
15 Solar Pilot Recovery Charge	4,466,791	0.000068	304	4,466,791	0.000068	304	0	0.00
16 CIEP Standby Fee	4,466,791	0.000150	670	4,466,791	0.000150	670	0	0.00
17								
18 Green Programs Recovery Charge	4,466,791	0.001006	4,494	4,466,791	0.001006	4,494	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Service Charge	2,260	0.00	0	2,260	0.00	0	0	0.00
21 Annual Demand	13,072	0.0000	0	13,072	0.0000	0	0	0.00
22 Summer Demand, June-September	3,073	0.0000	0	3,073	0.0000	0	0	0.00
23 Distribution	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
24 BRDKA	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
25								
26 Duplicate Svc (Same Sub/Different Sub)		\$1.83/\$2.20	4		\$1.83/\$2.20	4	0	0.00
27 Facilities Chg.		1.45%	393		1.45%	393	0	0.00
28 Minimum			0			0	0	0.00
29 Dist. Miscellaneous			(289)			(288)	1	-0.35
30 Delivery subtotal	4,466,791		\$67,376	4,466,791		\$67,601	\$225	0.33
31 Unbilled Delivery			6			6	0	0.00
32 Delivery subtotal w unbilled			\$67,382			\$67,607	\$225	0.33

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Supply-BGS								
2 Generation Capacity Obl June-September	2,820	8.4260	\$23,761	2820	8.4260	\$23,761	\$0	0.00
3 Generation Capacity Obl October-May	5,825	8.4260	49,081	5825	8.4260	49,081	0	0.00
4 Transmission Capacity Obl	7,904	8.0137	63,340	7904	8.0137	63,340	0	0.00
5 BGS kWhr June-September	1,613,843	0.031507	50,847	1,613,843	0.031507	50,847	0	0.00
6 Spare	0	0.031507	0	0	0.031507	0	0	0.00
7 BGS kWhr October-May	2,852,948	0.033628	95,939	2,852,948	0.033628	95,939	0	0.00
8 Spare	0	0.033628	0	0	0.033628	0	0	0.00
9 BGS Reconciliation-CIEP	4,466,791	0.000000	0	4,466,791	0.000000	0	0	0.00
10 BGS Miscellaneous			-14			-14	0	0.00
11 Supply subtotal	4,466,791		\$282,954	4,466,791		\$282,954	\$0	0.00
12 Unbilled Supply			(3,516)			(3,516)	0	0.00
13 Supply w Unbilled			\$279,438			\$279,438	\$0	0.00
14								
15 Total Delivery + Supply	4,466,791		<u>\$346,820</u>	4,466,791		<u>\$347,045</u>	<u>\$225</u>	0.06

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 Service Charge	0.097	1,720.25	\$167	0.097	1,720.25	\$167	\$0	0.00
3 Distrib. KW Annual	2,424	0.6878	1,667	2,424	0.6932	1,680	13	0.78
4 Distrib. KW June - September	0	0.000000	0	0	0.0000	0	0	0.00
5 Distribution kWhr June - September	85,014	0.000000	0	85,014	0.000000	0	0	0.00
6 Spare	0	0.000000	0	0	0.000000	0	0	0.00
7 Distribution kWhr October - May	247,172	0.000000	0	247,172	0.000000	0	0	0.00
8 Spare	0	0.000000	0	0	0.000000	0	0	0.00
9 SBC	332,186	0.007068	2,348	332,186	0.007068	2,348	0	0.00
10 NGC	332,186	-0.000087	-29	332,186	-0.000087	-29	0	0.00
11 STC-TBC	332,186	0.000000	0	332,186	0.000000	0	0	0.00
12 STC-MTC-Tax	332,186	0.000000	0	332,186	0.000000	0	0	0.00
13 BRDKA	332,186	0.000000	0	332,186	0.000000	0	0	0.00
14 System Control Charge	332,186	0.000000	0	332,186	0.000000	0	0	0.00
15 Solar Pilot Recovery Charge	332,186	0.000068	23	332,186	0.000068	23	0	0.00
16 CIEP Standby Fee	332,186	0.000150	50	332,186	0.000150	50	0	0.00
17								
18 Green Programs Recovery Charge	332,186	0.001006	334	332,186	0.001006	334	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Service Charge	0.097	0.00	0	0.097	0.00	0	0	0.00
21 Annual Demand	2,424	0.0000	0	2,424	0.0000	0	0	0.00
22 Distribution	332,186	0.000000	0	332,186	0.000000	0	0	0.00
23 BRDKA	332,186	0.000000	0	332,186	0.000000	0	0	0.00
24								
25 Facilities Chg.			34			34	0	0.00
26 Minimum			0			0	0	0.00
27 Dist. Miscellaneous			<u>11</u>			<u>11</u>	<u>0</u>	0.00
28 Delivery subtotal	332,186		\$4,605	332,186		\$4,618	\$13	0.28
29 Unbilled Delivery			<u>(148)</u>			<u>(148)</u>	<u>0</u>	0.00
30 Delivery subtotal w unbilled			\$4,457			\$4,470	\$13	0.29

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Supply-BGS								
2 Generation Capacity Obl June-September	139	8.4260	\$1,171	139	8.4260	\$1,171	\$0	0.00
3 Generation Capacity Obl October-May	280	8.4260	2,359	280	8.4260	2,359	0	0.00
4 Transmission Capacity Obl	380	8.0137	3,045	380	8.0137	3,045	0	0.00
5 BGS kWhr June-September	85,014	0.031588	2,685	85,014	0.031588	2,685	0	0.00
6 Spare	0	0.031588	0	0	0.031588	0	0	0.00
7 BGS kWhr October-May	247,172	0.035113	8,679	247,172	0.035113	8,679	0	0.00
8 Spare	0	0.035113	0	0	0.035113	0	0	0.00
9 BGS Reconciliation-CIEP	332,186	0.000000	0	332,186	0.000000	0	0	0.00
10 BGS Miscellaneous			0			0	0	0.00
11 Supply subtotal	332,186		\$17,939	332,186		\$17,939	\$0	0.00
12 Unbilled Supply			0			0	0	0.00
13 Supply w Unbilled			\$17,939			\$17,939	\$0	0.00
14								
15 Total Delivery + Supply	332,186		<u>\$22,396</u>	332,186		<u>\$22,409</u>	<u>\$13</u>	0.06

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 High Pressure Sodium	2,310.120	0	\$26,297	2,310.120	0	\$26,297	\$0	0.00
3 Metal Halide	246.612	0	5,549	246.612	0	\$5,549	0	0.00
4 Filament	173.868	0	678	173.868	0	\$678	0	0.00
5 Mercury Vapor	1,671.252	0	14,445	1,671.252	0	\$14,445	0	0.00
6 Fluorescent	0.216	0	3	0.216	0	\$3	0	0.00
7								
8 Distribution June-September	80,289	0.022354	1,795	80,289	0.023778	\$1,909	114	6.35
9 Distribution October-May	206,197	0.022354	4,609	206,197	0.023778	\$4,903	294	6.38
10 SBC	286,486	0.007363	2,109	286,486	0.007363	\$2,109	0	0.00
11 NGC	286,486	-0.000093	-27	286,486	-0.000093	-\$27	0	0.00
12 STC-TBC	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
13 STC-MTC-Tax	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
14 BRDKA	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
15 System Control Charge	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
16 Solar Pilot Recovery Charge	286,486	0.000068	19	286,486	0.000068	\$19	0	0.00
17								
18 Green Programs Recovery Charge	286,486	0.001006	288	286,486	0.001006	\$288	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Distribution June-September	80,289	0.000000	0	80,289	0.000000	\$0	0	0.00
21 Distribution October-May	206,197	0.000000	0	206,197	0.000000	\$0	0	0.00
22 BRDKA	286,486	0.000000	0	286,486	0.000000	\$0	0	0.00
23								
24 Pole Charges	418.856		1,604	418.856		1,604	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			291			291	0	0.00
27 Delivery Subtotal			\$57,660			\$58,068	\$408	0.71
28 Unbilled Delivery			32			32	0	0.00
29 Delivery Subtotal w unbilled			\$57,692			\$58,100	\$408	0.71
30								
31 Supply-BGS								
32 BGS June-September	80,289	0.046936	3,768	80,289	0.046936	3,768	0	0.00
33 BGS October-May	206,197	0.051712	10,663	206,197	0.051712	10,663	0	0.00
34 BGS Reconciliation-FP	286,486	0.000000	0	286,486	0.000000	0	0	0.00
35 Miscellaneous			147			147	0	0.00
36 Supply subtotal			\$14,578			\$14,578	\$0	0.00
37 Unbilled Supply			-44			-44	0	0.00
38 Supply subtotal w unbilled			\$14,534			\$14,534	\$0	0.00
39								
40 Total Delivery + Supply	286,486		\$72,226	286,486		\$72,634	\$408	0.56

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 High Pressure Sodium	126.756	0	\$183.000	126.756	0	\$183.000	\$0.000	0.00
3 Metal Halide	1.476	0	\$5.000	1.476	0	\$5.000	\$0.000	0.00
4 Filament	5.952	0	\$23.000	5.952	0	\$23.000	\$0.000	0.00
5 Mercury Vapor	4.260	0	\$4.000	4.260	0	\$4.000	\$0.000	0.00
6 Fluorescent	0.024	0	\$0.000	0.024	0	\$0.000	\$0.000	0.00
7								
8 Distribution June-September	4,011	0.007584	\$30.419	4,011	0.007751	31.089	\$0.670	2.20
9 Distribution October-May	10,301	0.007584	\$78.123	10,301	0.007751	79.843	\$1.720	2.20
10 SBC	14,312	0.007363	\$105.379	14,312	0.007363	105.379	\$0.000	0.00
11 NGC	14,312	-0.000093	-\$1.331	14,312	-0.000093	-1.331	\$0.000	0.00
12 STC-TBC	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
13 STC-MTC-Tax	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
14 BRDKA	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
15 System Control Charge	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
16 Solar Pilot Recovery Charge	14,312	0.000068	\$0.973	14,312	0.000068	0.973	\$0.000	0.00
17								
18 Green Programs Recovery Charge	14,312	0.001006	\$14.398	14,312	0.001006	14.398	\$0.000	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Distribution June-September	4,011	0.000000	\$0.000	4,011	0.000000	0.000	\$0.000	0.00
21 Distribution October-May	10,301	0.000000	\$0.000	10,301	0.000000	0.000	\$0.000	0.00
22 BRDKA	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
23								
24 Pole Charges			\$0.000			0.000	\$0.000	0.00
25 Minimum			\$0.000			0.000	\$0.000	0.00
26 Miscellaneous			\$1.000			1.000	\$0.000	0.60
27 Delivery Subtotal			\$443.961			446.357	\$2.396	0.54
28 Unbilled Delivery			\$0.000			0.000	\$0.000	0.00
29 Delivery Subtotal w unbilled			\$443.961			446.357	\$2.396	0.54
30								
31 Supply-BGS								
32 BGS June-September	4,011	0.046936	\$188.260	4,011	0.046936	188.260	\$0.000	0.00
33 BGS October-May	10,301	0.051712	\$532.685	10,301	0.051712	532.685	\$0.000	0.00
34 BGS Reconciliation-FP	14,312	0.000000	\$0.000	14,312	0.000000	0.000	\$0.000	0.00
35 Miscellaneous			\$1.000			1.000	\$0.000	0.00
36 Supply subtotal			\$721.945			721.945	\$0.000	0.00
37 Unbilled Supply			\$0.000			0.000	\$0.000	0.00
38 Supply subtotal w unbilled			\$721.945			721.945	\$0.000	0.00
39								
40 Total Delivery + Supply	14,312		\$1,165.906	14,312		1,168.302	\$2.396	0.21

Notes: All customers assumed to be on BGS.
 WH, WHS & BPL-POF revenues shown to 3 decimals.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

	Annualized Weather Normalized			Proposed with ESAM Rollin			Difference	
	Units (1)	Rate (2)	Revenue (3=1*2)	Units (4)	Rate (5)	Revenue (6=4*5)	Revenue (7=6-3)	Percent (8=7/3)
1 Delivery								
2 High Pressure Sodium	864.576	0	\$16,257	864.576	0	\$16,257	\$0	0.00
3 Metal Halide	234.132	0	6,259	234.132	0	6,259	0	0.00
4 Filament	1.104	0	6	1.104	0	6	0	0.00
5 Mercury Vapor	104.196	0	1,249	104.196	0	1,249	0	0.00
6 Fluorescent	0.012	0	0	0.012	0	0	0	0.00
7								
8 Distribution June-September	47,328	0.023384	1,107	47,328	0.024728	1,170	63	5.69
9 Distribution October-May	121,547	0.023384	2,842	121,547	0.024728	3,006	164	5.77
10 SBC	168,875	0.007363	1,243	168,875	0.007363	1,243	0	0.00
11 NGC	168,875	-0.000093	-16	168,875	-0.000093	-16	0	0.00
12 STC-TBC	168,875	0.000000	0	168,875	0.000000	0	0	0.00
13 STC-MTC-Tax	168,875	0.000000	0	168,875	0.000000	0	0	0.00
14 BRDKA	168,875	0.000000	0	168,875	0.000000	0	0	0.00
15 System Control Charge	168,875	0.000000	0	168,875	0.000000	0	0	0.00
16 Solar Pilot Recovery Charge	168,875	0.000068	11	168,875	0.000068	11	0	0.00
17								
18 Green Programs Recovery Charge	168,875	0.001006	170	168,875	0.001006	170	0	0.00
19 <u>Capital Adjustment Charge (CIP I)</u>								
20 Distribution Summer	47,328	0.000000	0	47,328	0.000000	0	0	0.00
21 Distribution Winter	121,547	0.000000	0	121,547	0.000000	0	0	0.00
22 BRDKA	168,875	0.000000	0	168,875	0.000000	0	0	0.00
23								
24 Pole Charges	443.616		3,883	443.616		3,883	0	0.00
25 Minimum			0			0	0	0.00
26 Miscellaneous			(944)			(945)	(1)	0.11
27 Delivery Subtotal			\$32,067			\$32,293	\$226	0.70
28 Unbilled Delivery			75			76	1	1.33
29 Delivery Subtotal w unbilled			\$32,142			\$32,369	\$227	0.71
30								
31 Supply-BGS								
32 BGS June-September	47,328	0.046936	2,221	47,328	0.046936	2,221	0	0.00
33 BGS October-May	121,547	0.051712	6,285	121,547	0.051712	6,285	0	0.00
34 BGS Reconciliation-FP	168,875	0.000000	0	168,875	0.000000	0	0	0.00
35 Miscellaneous			(55)			(55)	0	0.00
36 Supply subtotal			\$8,451			\$8,451	\$0	0.00
37 Unbilled Supply			(42)			(42)	0	0.00
38 Supply subtotal w unbilled			\$8,409			\$8,409	\$0	0.00
39								
40 Total Delivery + Supply	168,875		\$40,551	168,875		\$40,778	\$227	0.56

Notes: All customers assumed to be on BGS.
 Annualized Weather Normalized Revenue reflects Delivery rates in effect 9/1/2017

		<u>Present</u>		<u>Proposed</u>		<u>Difference</u> <u>w/out SUT</u>
		<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>including</u> <u>SUT</u>	<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>including</u> <u>SUT</u>	
Rate Schedules						
RS	Service Charge	\$2.27	\$2.43	\$2.27	\$2.43	\$0.00
	Distribution 0-600 Sum	\$0.039603	\$0.042326	\$0.040317	\$0.043089	\$0.000714
	Distribution 0-600 Win	\$0.033344	\$0.035636	\$0.033344	\$0.035636	\$0.000000
	Distribution over 600 Sum	\$0.043424	\$0.046409	\$0.044138	\$0.047172	\$0.000714
	Distribution over 600 Win	\$0.033344	\$0.035636	\$0.033344	\$0.035636	\$0.000000
RHS	Service Charge	\$2.27	\$2.43	\$2.27	\$2.43	\$0.00
	Distribution 0-600 Sum	\$0.050748	\$0.054237	\$0.051155	\$0.054672	\$0.000407
	Distribution 0-600 Win	\$0.032813	\$0.035069	\$0.033076	\$0.035350	\$0.000263
	Distribution over 600 Sum	\$0.056487	\$0.060370	\$0.056940	\$0.060855	\$0.000453
	Distribution over 600 Win	\$0.012204	\$0.013043	\$0.012302	\$0.013148	\$0.000098
	Common Use	\$0.056487	\$0.060370	\$0.056940	\$0.060855	\$0.000453
RLM	Service Charge	\$13.07	\$13.97	\$13.07	\$13.97	\$0.00
	Distrib. kWhr Summer On	\$0.061333	\$0.065550	\$0.061934	\$0.066192	\$0.000601
	Distrib. kWhr Summer Off	\$0.014413	\$0.015404	\$0.014554	\$0.015555	\$0.000141
	Distrib. kWhr Winter On	\$0.014413	\$0.015404	\$0.014554	\$0.015555	\$0.000141
	Distrib. kWhr Winter Off	\$0.014413	\$0.015404	\$0.014554	\$0.015555	\$0.000141
WH	Distribution	\$0.046408	\$0.049599	\$0.046751	\$0.049965	\$0.000343
WHS	Service Charge	\$0.52	\$0.56	\$0.52	\$0.56	\$0.00
	Distribution	\$0.000157	\$0.000168	\$0.000158	\$0.000169	\$0.000001
HS	Service Charge	\$3.11	\$3.32	\$3.11	\$3.32	\$0.00
	Distribution June-September	\$0.086995	\$0.092976	\$0.087675	\$0.093703	\$0.000680
	Distribution October-May	\$0.032093	\$0.034299	\$0.032344	\$0.034568	\$0.000251
GLP	Service Charge	\$3.96	\$4.23	\$3.96	\$4.23	\$0.00
	Service Charge-unmetered	\$1.83	\$1.96	\$1.83	\$1.96	\$0.00
	Service Charge-Night Use	\$347.77	\$371.68	\$347.77	\$371.68	\$0.00
	Distrib. KW Annual	\$4.2820	\$4.5764	\$4.3150	\$4.6117	\$0.0330
	Distrib. KW Summer	\$7.9469	\$8.4932	\$8.0081	\$8.5587	\$0.0612
	Distribution kWhr, June-September	\$0.010057	\$0.010748	\$0.010134	\$0.010831	\$0.000077
	Distribution kWhr, October-May	\$0.003536	\$0.003779	\$0.003563	\$0.003808	\$0.000027
	Distribution kWhr, Night use, June-September	\$0.003536	\$0.003779	\$0.003563	\$0.003808	\$0.000027
	Distribution kWhr, Night use, October-May	\$0.003536	\$0.003779	\$0.003563	\$0.003808	\$0.000027

		<u>Present</u>		<u>Proposed</u>		
		<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Difference</u>
		<u>w/out SUT</u>	<u>including</u>	<u>w/out SUT</u>	<u>including</u>	<u>w/out SUT</u>
			<u>SUT</u>		<u>SUT</u>	
<u>Rate Schedules</u>						
LPL-Secondary	Service Charge	\$347.77	\$371.68	\$347.77	\$371.68	\$0.00
	Distrib. KW Annual	\$3.5816	\$3.8278	\$3.6128	\$3.8612	\$0.0312
	Distrib. KW Summer	\$8.5207	\$9.1065	\$8.5950	\$9.1859	\$0.0743
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
LPL-Primary	Service Charge	\$347.77	\$371.68	\$347.77	\$371.68	\$0.00
	Service Charge-Alternate	\$17.88	\$19.11	\$17.88	\$19.11	\$0.00
	Distrib. KW Annual	\$1.6878	\$1.8038	\$1.7014	\$1.8184	\$0.0136
	Distrib. KW Summer	\$9.3698	\$10.0140	\$9.4456	\$10.0950	\$0.0758
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-Subtransmission	Service Charge	\$1,911.39	\$2,042.80	\$1,911.39	\$2,042.80	\$0.00
	Distrib. KW Annual	\$1.0751	\$1.1490	\$1.0844	\$1.1590	\$0.0093
	Distrib. KW Summer	\$3.8870	\$4.1542	\$3.9206	\$4.1901	\$0.0336
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
HTS-HV	Service Charge	\$1,720.25	\$1,838.52	\$1,720.25	\$1,838.52	\$0.00
	Distrib. KW Annual	\$0.6878	\$0.7351	\$0.6932	\$0.7409	\$0.0054
	Distribution kWhr	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
BPL	Distribution Sum	\$0.022354	\$0.023891	\$0.023778	\$0.025413	\$0.001424
	Distribution Winter	\$0.022354	\$0.023891	\$0.023778	\$0.025413	\$0.001424
BPL-POF	Distribution Sum	\$0.007584	\$0.008105	\$0.007751	\$0.008284	\$0.000167
	Distribution Winter	\$0.007584	\$0.008105	\$0.007751	\$0.008284	\$0.000167
PSAL	Distribution Sum	\$0.023384	\$0.024992	\$0.024728	\$0.026428	\$0.001344
	Distribution Winter	\$0.023384	\$0.024992	\$0.024728	\$0.026428	\$0.001344

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

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

Residential Electric Service					
If Your Monthly Summer kWh Use Is:	And Your Annual kWh Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
200	1,920	\$354.92	\$355.52	\$0.60	0.17%
450	4,320	762.20	763.56	1.36	0.18
750	7,200	1,259.04	1,261.32	2.28	0.18
803	7,800	1,363.49	1,365.92	2.43	0.18
1,360	13,160	2,303.60	2,307.72	4.12	0.18

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial (BGS-RSCP) charges in effect September 1, 2017 and assumes that the customer receives BGS-RSCP service from Public Service.

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

Residential Electric Service					
If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,920	200	\$37.15	\$37.30	\$0.15	0.40%
4,320	450	80.55	80.89	0.34	0.42
7,200	750	134.70	135.27	0.57	0.42
7,800	803	144.64	145.25	0.61	0.42
13,160	1,360	249.04	250.07	1.03	0.41

(3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2017 and assumes that the customer receives BGS-RSCP service from Public Service.

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

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC BASE RATE ADJUSTMENTS PURSUANT TO THE ENERGY STRONG PROGRAM (SEPTEMBER 2017 ES ELECTRIC RATES FILING)

Notice of a Filing and Notice of Public Hearings

Docket No. XXXXXXXXXX

TAKE NOTICE that, on September 29, 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) seeking Board approval for electric base rate changes to provide for cost recovery associated with the Company's Energy Strong Program (Energy Strong).

On May 21, 2014, the Board issued an Order approving Energy Strong in Docket Nos. EO13020155 and GO13020156. The Order provided approval to invest up to \$1.0 billion, recovered through future base rate adjustments, to harden its electric infrastructure to make them less susceptible to damage from wind, flying debris and water damage in anticipation of future major storm events and to strengthen the resiliency of PSE&G's delivery system. These investments are anticipated to be made over a three-year period beginning on the effective date of the Board's order, with certain investments anticipated to be made over a five-year period.

Under the Company's proposal, PSE&G seeks Board approval to recover in base rates an estimated annual revenue increase associated with the capitalized investment costs of Energy Strong incurred through November 30, 2017 of approximately \$8.8 million from the Company's electric customers.

For illustrative purposes the estimated Base Rates effective March 1, 2018 including New Jersey Sales and Use Tax (SUT) for residential Rate Schedule RS are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to Energy Strong, if approved by the Board. The annual

percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage.

Under the Company's proposal, a typical residential electric customer using 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,259.04 to \$1,261.32, or \$2.28 or approximately 0.18%. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

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

The following dates, times and locations for public hearings have been scheduled on the Company's filing so that members of the public may present their views.

Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date 1, 2017

Time 1

Location 1

Room 1

Address 1

City 1, N.J. Zip Code 1

Date 2, 2017

Time 2

Location 2

Room 2

Address 2

City 2, N.J. Zip Code 2

Date 3, 2017

Time 3

Location 3

Room 3

Address 3

City 3, N.J. Zip Code 3

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

Customers may also file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 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 hearings. To review PSE&G's rate filing, visit <http://www.pseg.com/pseandgfilings>.

**Table #1
ELECTRIC BASE RATES
For Residential Customers
Rates if Effective March 1, 2018**

Electric			Base Rates	
			Charges in Effect September 1, 2017 Including SUT	Proposed Charges in Effect March 1, 2018 Including SUT
RS	Service Charge	per month	\$2.43	\$2.43
	Distribution 0-600, June-September	\$/kWh	0.042326	0.043089
	Distribution 0-600, October-May	\$/kWh	0.035636	0.035636
	Distribution over 600, June-September	\$/kWh	0.046409	0.047172
	Distribution over 600, October-May	\$/kWh	0.035636	0.035636

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

Electric		
	Rate Class	Percent Change
Residential	RS	0.18%
Residential Heating	RHS	0.18
Residential Load Management	RLM	0.15
Water Heating	WH	0.32
Water Heating Storage	WHS	0.04
Building Heating	HS	0.23
General Lighting & Power	GLP	0.16
Large Power & Lighting- Sec.	LPL-S	0.12
Large Power & Lighting- Pri.	LPL-P	0.10
High Tension-Subtr.	HTS-S	0.06
High Tension-HV	HTS-HV	0.06
Body Politic Lighting	BPL	0.56
Body Politic Lighting-POF	BPL-POF	0.21
Private Street & Area Lighting	PSAL	0.56
Overall		0.16

The percent increases noted above are based upon September 1, 2017 Delivery Rates, the applicable Basic Generation Service (BGS) charges, and assumes that customers receive commodity service from Public Service Electric and Gas Company.

**Table #3
Residential Electric Service For Rates if Effective March 1, 2018**

If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Summer Percent Increase Would Be:
1,920	200	\$37.15	\$37.30	\$0.15	0.40%
4,320	450	80.55	80.89	0.34	0.42
7,200	750	134.70	135.27	0.57	0.42
7,800	803	144.64	145.25	0.61	0.42
13,160	1,360	249.04	250.07	1.03	0.41

- (1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2017 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the proposed change for the Energy Strong Program.

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

INCOME ACCOUNT

	<u>YTD 2016 *</u> '(\$000)
400 Electric Operating Revenues	3,372,834
Electric Operating Expenses:	
401 Operation Expense	2,429,564
402 Maintenance Expense	123,045
403 Depreciation Expense	240,246
404 Amortization of Limited Term Plant	7,498
407 Amortization of Property Losses	4,146
408.1 Taxes Other Than Income Taxes	23,462
409.1 Income Taxes - Federal	75,769
410.1 Provision for Deferred Income Taxes	312,579
411.1 Provision for Deferred Income Taxes - Credit	(256,626)
411.103 Accretion Expense-Electric	41
411.4 Investment Tax Credit Adjustments (Net)	<u>1,203</u>
Total Electric Utility Operating Expenses	<u>2,960,926</u>
Electric Utility Operating Income	<u>\$ 411,908</u>

* Electric Distribution only

	<u>March YTD 2016</u>
400 Gas Operating Revenues	1,637,774
Gas Operating Expenses:	
401 Operation Expense	1,101,538
402 Maintenance Expense	39,605
403 Depreciation Expense	123,362
404 Amortization of Limited Term Plant	6,330
407 Amortization of Property Losses	25,751
407.4 Amortization of Excess cost of removal	(13,200)
408.1 Taxes Other Than Income Taxes	18,556
409.1 Income Taxes - Federal	(78,656)
410.1 Provision for Deferred Income Taxes	270,731
411.1 Provision for Deferred Income Taxes - Cr	(78,156)
411.4 Investment Tax Credit Adjustments (Net)	(1,268)
Total Gas Utility Operating Expenses	<u>1,414,592</u>
Gas Utility Operating Income	<u>\$ 223,181</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET
\$ (In Thousands)

Dec 31, 2016

Assets and Other Debits

Utility Plant

Electric Utility Plant

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

Gas Utility Plant

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

Common Utility Plant

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

Total Utility Plant

26,445,887

Accumulated Provisions for Depreciation and Amortization of
Electric Utility Plant

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

Gas Utility Plant

108 & 111	Gas Utility Plant in Service		(2,227,924)
-----------	------------------------------	--	-------------

Common Utility Plant		
108 & 111	Common Utility Plant in Service	(119,612)
	Total Accumulated Provisions for Depreciation and Amortization of Utility Plant	<u>(5,663,139)</u>
	Net Utility Plant Excluding Nuclear Fuel	20,782,748
Nuclear Fuel		
120.1	120.1 In Process	-
120.2	120.2 Materials and Assemblies Stock	-
120.3	120.3 In Reactor	-
120.4	120.4 Spent	-
Accumulated Provisions for Amortization		
120.5	120.5 Nuclear Fuel	-
	Net Nuclear Fuel	-
	Net Utility Plant	<u>20,782,748</u>
Other Property and Investments		
121	Nonutility Property	3,079
122	Accumulated Provision for Depreciation & Amortization of Nonutility Property	(600)
123 & 123.1	Investments in Associated & Subsidiary Companies	66,709
124	Other Investments	298,556
125-8	Special Funds	42,956
175	Long-Term Portion of Derivative Assets	-
	Total Other Property and Investments	<u>410,700</u>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

Dec 31, 2016

Current and Accrued Assets		
131	Cash	\$ 19,831
132-4	Special Deposits	2,742
135	Working Funds	-
136	Temporary Cash Investments	365,000
141-3	Notes and Accounts Receivable	872,482
144	Accumulated Provision for Uncollectible Accounts - Credit	(67,619)
145-6	Receivables from Associated Companies	175,259
151-5	Materials and Supplies (incl. 163)	179,674
158	Allowances	-
164	Gas Stored Underground - Current	-
165	Prepayments	8,281
171	Interest and Dividends Receivable	-
172	Rents Receivable	7,803
173	Accrued Utility Revenues	260,355
174	Miscellaneous Current and Accrued	3,386
175	Current Portion of Derivative Instrument Assets	-
	Total Current and Accrued Assets	1,827,193
Deferred Debits		
181	Unamortized Debt Expense	44,819
182	Unrec'd Plt and Reg Costs and Other Reg Assets	3,530,993
183	Preliminary Survey and Investigation Charges	12,785
184	Clearing Accounts	421
185	Temporary Facilities	-
186	Miscellaneous Deferred Debits	41,909
188	Research and Development Expenditures	-
189	Unamortized Loss on Reacquired Debt	61,094
190	Accumulated Deferred Income Taxes	218,740
	Total Deferred Debits	<u>3,910,761</u>
	Total Assets and Other Debits	<u>\$ 26,931,402</u>
		(0)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BALANCE SHEET

Dec 31, 2016

Liabilities and Other Credits		
Proprietary Capital		
201	Common Stock Issued	\$ 892,260
204	Preferred Stock Issued	-
207	Premium on Capital Stock	-
208	Donations from Stockholders	1,930,903
210	Gain on Resale or Cancellation of Required Capital Stock	-
211	Miscellaneous Paid-In Capital	-
215	Appropriated Retained Earnings	-
216	Unappropriated Retained Earnings	5,947,221
216.1	Unappropriated Undistributed Subsidiary Earnings	3,188
219	Other Comprehensive Income	816
	Total Proprietary Capital	<u>8,774,389</u>
Long-Term Debt		
221	221 Bonds	7,883,381
223	223 Advances from Assoc. Co.	-
225	225 Unamortized Premium on Long-Term Debt	-
226	226 Unamortized Discount on Long-Term Debt	(20,683)
	Total Long-Term Debt	<u>7,862,697</u>
Other Non-Current Liabilities		
227-9	Other Non-current Liabilities	1,292,025
244	Long-Term Portion of Derivative Instrument Liabilities	-
230	Asset Retirement Obligation	212,713
	Total Other Non-Current Liabilities	<u>1,504,739</u>
Current and Accrued Liabilities		
231	Notes Payable	-
232	Accounts Payable	718,132
233-4	Payables to Associated Companies	354,816
235	Customer Deposits	93,992
236	Taxes Accrued	3,226
237	Interest Accrued	96,183
238	Dividends Declared	-
239	Matured Long-Term Debt	-
241	Tax Collections Payable	500
242	Miscellaneous Current and Accrued Liabilities	439,717
243	Obligations Under Capital leases	-
244	Current Portion of Derivative Instrument Liabilities	5,447
	Total Current and Accrued Liabilities	<u>1,712,013</u>
Deferred Credits		
252	Customer Advances for Construction	48,815
253	Other Deferred Credits	416,089
254	Other Regulatory Liabilities	328,646
255	Accumulated Deferred Investment Tax Credits	151,618
281-3	Accumulated Deferred Income Taxes	6,132,397
	Total Deferred Credits	<u>7,077,565</u>
	Total Liabilities and Other Credits	<u>\$ 26,931,402</u>