



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)	DECISION AND ORDER
SERVICE ELECTRIC AND GAS COMPANY FOR)	APPROVING STIPULATION
APPROVAL OF CHANGES IN ITS ELECTRIC AND)	FOR FINAL RATES
GAS SOCIETAL BENEFITS CHARGE RATES FOR A)	
CHANGE IN ITS ELECTRIC NON-UTILITY)	
GENERATION CHARGE RATE, AND FOR CHANGES)	
IN THE TARIFF FOR ELECTRIC SERVICE B.P.U.N.J.)	
NO. 15 ELECTRIC AND CHANGES IN THE TARIFF)	
FOR GAS SERVICE B.P.U.N.J. NO. 15 GAS)	
PURSUANT TO <u>N.J.S.A. 48:2-21</u> , <u>N.J.S.A. 48:2-21.1</u>)	
AND <u>N.J.S.A. 48:3-60</u>)	DOCKET NO. ER12030207

Parties of Record:

Martin C. Rothfelder, Esq., for Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

BACKGROUND

Pursuant to the Electric Discount and Energy Competition Act, specifically, N.J.S.A. 48:3-60, the New Jersey Board of Public Utilities ("Board") established Public Service Electric and Gas Company's ("PSE&G or "the Company") electric Societal Benefits Charge ("SBC") and Non-Utility Generation Charge ("NGC") in 1999, and the associated cost recovery mechanisms. PSE&G's gas SBC was established in August 2000. The Board requires each energy utility to file a request for recovery of deferred expenses pertaining to un-recovered balances in the SBC, NGC, and any transition period purchased power costs.

The Company's NGC rate is intended to recover the difference between the contract-set prices at which PSE&G purchases generation from non-utility generators ("NUGs") under contracts entered into pursuant to 16 U.S.C.A. §§ 791-828c, also known as the Public Utilities Regulatory Policies Act of 1978 ("PURPA"), and the market ("day-ahead" or "real-time") price that the energy is sold through PJM Interconnection, LLC ("PJM")¹.

¹ PJM is a regional transmission organization, or RTO, that coordinates the movement of wholesale electricity in all or parts of thirteen states and the District of Columbia.

The Company sells purchased NUG power in the PJM market. Contractual purchase power agreement (“PPA”) payments may differ from the market value of that power. The net revenues that the Company receives from PJM for the power sales are used to offset payments due to the NUG under the PPA , with the difference (positive or negative) reflected in the NGC.

The SBC components addressed in this proceeding relate to 1) the recovery of electric and gas Energy Efficiency and Renewable Energy (“EE&RE”) program costs administered through the Office of Clean Energy, and 2) the value of electric customer receivables expected to be written-off as uncollectible (i.e. bad debts) by the Company.

In accordance with the Board’s March 9, 2011 Order in Docket No. ER 10080550, the Company’s current SBC and NGC rates have been in effect since April 1, 2011.

Original Filing

On March 2, 2012, the Company filed a petition requesting that the Board find that PSE&G’s proposed changes in the rates associated with the electric Bad Debt and ER&RE components of its SBC, its NGC rates, and its gas EE&RE rates were just and reasonable. A comparison of the rates currently in effect with those proposed in the March filing, reflecting actual and estimated data through December 2011 and May 2013, respectively, are as follows:

Original Filing - Proposed Rates v. Current Rates						
	ELECTRIC [⊕]				GAS [‡]	
	NGC	SBC		Total ELECTRIC	Total GAS [EE&RE]	
		Bad Debt Provision	EE&RE			Total SBC
Proposed Rate	0.4789	0.2223	0.3609		3.3286	
Current Rate	0.5859	0.1755	0.2900		2.2843	
Difference	(0.1070)	0.0468	0.0709		1.0443	
KWH Output (000s)	45,933,960	45,933,960	45,933,960			
Therm Sales (000s)					2,751,041	
Revenue Change (\$000s)	(\$49,149)	\$21,497	\$32,567	\$54,064	\$4,915	\$28,729
	⊕ Rates are ¢ per KWH			‡ Rates are ¢ per therm		

Public hearings were conducted in Hackensack, New Brunswick and Mount Holly on September 10, 12, and 13, 2012, respectively. At the September 10 hearing, the Company marked into the record copies of the affidavits of public notice of the proposed rate changes. Five members of the public appeared, and four of them spoke in opposition to the proposed SBC/NGC increases at the New Brunswick hearing. No members of the public appeared at the Hackensack or Mount Holly hearings.

Updated Filing

The Company responded to discovery requests propounded by Board Staff and Rate Counsel concerning the Company’s March filing. On November 16, 2012, the Company, in response to

discovery request RCR-30, up-dated the March filing to reflect actual and estimated data through August 2012 and December 2013, respectively, with amounts to be (credited) or recovered as follows:

Updated Filing - Proposed Rates v. Current Rates						
ELECTRIC [◆]					GAS [‡]	
	SBC			Total ELECTRIC	Total GAS [EE&RE]	
	Bad Debt Provision	EE&RE	Total SBC			
NGC						
Proposed Rate	0.3395	0.1325	0.4090		3.5613	
Current Rate	0.5859	0.1755	0.2900		2.2843	
Difference	(0.2464)	(0.0430)	0.1190		1.2770	
KWH Output (000s)	45,204,034	45,204,034	45,204,034			
Therm Sales (000s)					2,800,867	
Revenue Change (\$000s)	(\$111,383)	(\$19,438)	\$53,793	\$34,355	(\$77,028)	
	◆ Rates are ¢ per KWH			‡ Rates are ¢ per therm		

Stipulation of Settlement²

On January 11, 2013, the Parties executed a Stipulation of Settlement ("Stipulation"), agreeing that:

1. The Company's actual electric and gas costs and expenditures through August 2012 are reasonable, prudent, and appropriately recovered through the SBC/NGC.
2. Forecasts of costs and revenues from September 1, 2012 forward will be reviewed in the Company's next SBC/NGC filing.
3. The "Proposed" electric SBC/NGC rates reflected in the above "Updated Filing" table are appropriate at this time. These rates are expected to generate a decrease in electric revenues of \$77.028 million on an annual basis.
4. The "Proposed" gas EE&RE revenue increase will be capped for this filing at \$28.729 million, and a rate change to 3.3286 cents per therm. This represents the change called for in the Company's "Original" filing, and what was communicated in public notices.

DISCUSSION AND FINDING

The Board, having carefully reviewed the Stipulation in this proceeding, **HEREBY FINDS** that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest and in accordance with the law as it appropriately balances the needs of the Company and its ratepayers. Accordingly, the Board **HEREBY ADOPTS** its terms and conditions as though fully set forth herein, and **HEREBY ORDERS** that, effective for service rendered on the later of February 1, 2013 or the date on which this Order is served in accordance with N.J.S.A. 48:2-40, the cents per kWh and cents per therm rates are as stipulated:

² Although described in this Order, should there be a conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions of this Order.

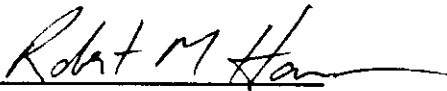
ELECTRIC			GAS
NGC	Bad Debts	EE&RE	EE&RE
0.3395	0.1325	0.4090	3.3286

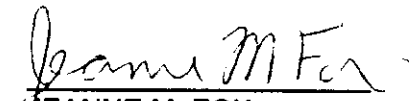
A typical residential electric customer using 7,800 kWh per year will see an annual bill decrease of \$15.38 or 1.09%, while a typical residential gas heating customer using 1,200 therms per year will see an annual bill increase of \$13.44 or 1.07%.

The Company's electric and gas costs remain subject to audit by the Board. This decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

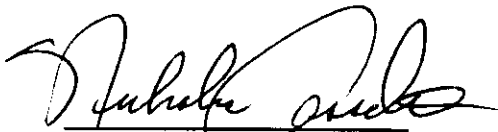
DATED: 1/23/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

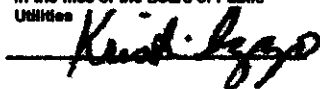

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


In the Matter of the Petition of Public Service Electric and Gas Company
For Approval of Changes in its Electric and Gas Societal Benefits Charge Rates,
for a Change in its Electric Non-Utility Generation Charge Rate, and
For Changes in the Tariff for Electric Service B.P.U.N.J.
No. 15 Electric and Changes in the Tariff for Gas Service B.P.U.N.J.
No. 15 Gas Pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1 and N.J.S.A. 48:3-60
Docket No. ER12030207

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January 11, 2013

In The Matter of the Petition of
Public Service Electric and Gas Company
For Approval of Changes in its Electric And Gas
Societal Benefits Charge Rates, for a Change in its
Electric Non-Utility Generation Charge Rate,
and for Changes in the Tariff for Electric Service
B.P.U.N.J. No.15 Electric and Changes in the
Tariff for Gas Service B.P.U.N.J. No.15 Gas Pursuant
to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1 and N.J.S.A. 48:3-60

BPU Dkt. No. ER12030207

VIA ELECTRONIC & REGULAR MAIL

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625

Dear Secretary Izzo:

Attached is a copy of the fully executed Stipulation of Settlement in the above-referenced matter.

Respectfully submitted

A handwritten signature in cursive script that reads "Martin C. Rothfelder".

C Attached Service List

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF CHANGES)
IN ITS ELECTRIC AND GAS SOCIETAL)
BENEFITS CHARGE RATES, FOR A CHANGE)
IN ITS ELECTRIC NON-UTILITY GENERATION)
CHARGE RATE, AND FOR CHANGES IN THE)
TARIFF FOR ELECTRIC SERVICE B.P.U.N.J.)
NO.15 ELECTRIC AND CHANGES IN THE)
TARIFF FOR GAS SERVICE B.P.U.N.J. NO.15)
GAS PURSUANT TO N.J.S.A. 48:2-21,)
N.J.S.A. 48:2-21.1 AND N.J.S.A. 48:3-60)

**STIPULATION OF
SETTLEMENT**

BPU Docket No. ER12030207

APPEARANCES:

Martin C. Rothfelder, Esq., Associate General Regulatory Counsel for the Petitioner, Public Service Electric and Gas Company

Stefanie A. Brand, Esq., Director, Paul Flanagan, Esq., Litigation Manager, Ami Morita, Esq. Managing Attorney – Electric, Diane Schulze, Assistant Deputy Rate Counsel, New Jersey for the Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau and T. David Wand, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey)

On March 2, 2012, Public Service Electric and Gas Company (“PSE&G” or the “Company”) filed a petition with the Board of Public Utilities (the “Board or “BPU”) seeking approval of changes in the Social Programs and Energy Efficiency and Renewable Energy (“EE&RE”) components of its electric Societal Benefits Charge (SBC) and its electric Non-utility Generation Charge (NGC). The Company is also seeking approval of a change in the EE&RE component of its gas SBC.

The rates proposed for the electric SBC components (excluding RAC, USF, and Lifeline) were designed to increase revenues approximately \$54.064 million from electric customers beginning on June 1, 2012. The rates proposed for the NGC were designed to

decrease revenues by approximately \$49.149 million on an annual basis beginning on June 1, 2012. The resultant net annual revenue impact on the electric customer would have been a \$4.915 million increase.

The rate proposed for the gas SBC component (excluding RAC, USF, and Lifeline) was designed to increase annual revenues from gas customers by \$28.729 million on an annual basis beginning on June 1, 2012.

Public hearings were conducted in Hackensack, New Brunswick and Mount Holly on September 10, 12, 13, 2012 respectively. At the September 10, 2012 hearing, the Company marked into the record copies of the affidavits of public notice of the proposed rate increase and the certification of mailing of the required notice to the clerks of municipalities and of the Boards of Chosen Freeholders in the Company's electric and gas service territories (Exhibit P-1). Five members of the public appeared and four members spoke in opposition to the proposed SBC/NGC increase at the New Brunswick hearing. No members of the public spoke at the hearings held in Hackensack or Mount Holly.

The Company has responded to discovery requests propounded by BPU Staff and Rate Counsel. In addition, the undersigned parties have conducted discussions concerning the Company's filing.

On November 16, 2012, the Company, in response to a discovery request (RCR-30), updated the filing with actual data through August 31, 2012. The updated rates proposed for the electric SBC components (excluding RAC, USF, and Lifeline) are designed to increase revenues approximately \$34.355 million from electric customers, a decrease of \$19.709 million from the March 2, 2012 filing. The updated rates proposed for the NGC are designed to decrease revenues approximately \$111.383 million on an annual basis, an additional decrease of \$62.234

million from the March 2, 2012 filing. The overall resultant net annual revenue impact on the electric customer would be a \$77.028 million decrease, an \$81.943 million decrease from the March 2, 2012 filing. The updated rate proposed for the gas SBC component (excluding RAC, USF, and Lifeline) is designed to increase annual revenues from gas customers by \$35.767 million on an annual basis, an increase of \$7.038 million from the March 2, 2012 filing.

NOW, THEREFORE, THE UNDERSIGNED PARTIES AGREE AS FOLLOWS:

1. The Parties agree that the Company's actual electric and gas costs and expenditures through August 31, 2012, as set forth in Schedule SS-2A-Settlement (attached) and Schedule SS-2B-Settlement (attached), are reasonable and prudent and appropriately recovered through the SBC/NGC. The Parties further agree that the forecasts of costs and revenues for the SBC/NGC and the actual results for these items from September 1, 2012 forward will be reviewed in the Company's next SBC/NGC filing.

2. The Parties further agree that the electric SBC/NGC rates as calculated in the response to RCR-30 (shown below) will be reflected at this time. These rates are expected to generate a decrease in electric SBC/NGC revenues of \$77.028 million on an annual basis.

3. The Parties further agree that due to the level of the revenue increase reflected in the public notice, the gas SBC rate as proposed in the original March 2, 2012 filing (shown below) will be reflected at this time. This rate is expected to generate increased gas SBC revenues of \$28.729 million on an annual basis.

4. The current and revised NGC and electric SBC rates excluding losses and New Jersey Sales and Use Tax (SUT) are stipulated as follows:

	<u>NGC</u>	<u>SOCIAL</u>	<u>EE&RE</u>
Revised Rate Per KWH	\$0.003395	\$0.001325	\$0.004090
Current Rate Per KWH	\$0.005859	\$0.001755	\$0.002900

5. The current and revised gas SBC rates excluding SUT are stipulated as follows:

EE&RE

Revised Rate Per therm	\$0.033286
Current Rate Per therm	\$0.022843

6. The Parties agree that the Company's electric SBC/NGC rates will be changed so that the total electric SBC/NGC revenues are decreased by approximately \$77.028 million on an annual basis, which corresponds to an annual bill decrease of \$15.38 or approximately 1.09% on a class average residential customer using 7,800 kWh per year and 803 kWh in a summer month.

7. The Parties also agree that the Company's gas SBC rate will be changed so that the gas SBC revenues are increased by approximately \$28.729 million on an annual basis, which corresponds to an annual bill increase of \$13.44 or 1.07% for typical residential heating customer using 1,200 therms annually and 199 therms in a winter month.

8. Also attached hereto as Exhibit C are draft tariff pages setting forth the proposed electric SBC/NGC and gas SBC rates.

9. The Parties recommend that the Board issue an Order approving this Stipulation of Settlement ("Settlement") without modification, with the rate modifications set forth herein effective for service rendered on and after the date of the Board order approving this Settlement.

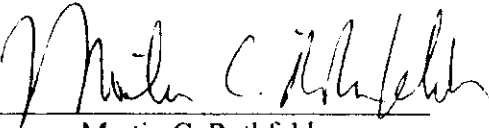
10. The undersigned Parties agree that this Settlement is being entered into exclusively for the purpose of resolving the issues in these matters.

11. The Parties agree that this Settlement was negotiated and agreed to in its entirety with each section being mutually dependent on approval of all other sections. Therefore, if the Board modifies any of the terms of this Settlement, each Party is given the option, before

implementation of any different rate or terms in this case, to accept the change or to resume the proceeding as if no agreement had been reached. If these proceedings are resumed, each Party is given the right to return to the position it was in before this Settlement was executed.

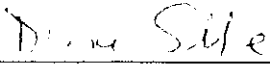
12. The undersigned Parties hereby agree that this Settlement has been made exclusively for the purpose of this proceeding and that this Settlement, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Settlement.

Public Service Electric and Gas Company

By: 
Martin C. Rothfelder
Associate General Regulatory Counsel

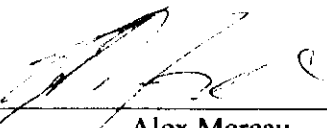
DATED: 1/11/13

Stefanie A. Brand, Director
Division of Rate Counsel

By: 
Diane Schulze
Assistant Deputy Rate Counsel

DATED: 1/11/13

Jeffrey S. Chiesa,
Attorney General of New Jersey
Attorney for the Staff of the
Board of Public Utilities

By: 
Alex Moreau
Deputy Attorney General

DATED: 04/11/13

	(\$000's)					
	NGC	1	SOCIAL	EE&RE	TOTAL ELECTRIC SBC*	TOTAL INCLUDING NGC
BEGINNING BALANCE AS OF 07/31/10	(\$87,419)		(\$42,789)	\$14,971	(\$27,818)	(\$115,237)
ACTUAL REVENUES (08/01/10 - 08/31/12)	\$534,269		\$140,363	\$278,812	\$419,175	\$953,444
ACTUAL EXPENSES (08/01/10 - 08/31/12)	(\$437,391)		(\$134,086)	(\$303,361)	(\$437,447)	(\$874,838)
ADJUSTMENTS:						
INTEREST ADJUSTMENT	(\$12)	2				(\$12)
MTC BALANCE TRANSFERRED	(481)	3				(\$481)
BALANCE AS OF AUGUST 31, 2012	\$8,966		(\$36,512)	(\$9,578)	(\$46,090)	(\$37,124)
INTEREST FOR AUGUST 1, 2010 THROUGH AUGUST 31, 2012	(\$355)		(\$752)	\$62	(\$690)	(\$1,045)
BALANCE INCLUDING INTEREST AS OF AUGUST 31, 2012	\$8,611		(\$37,264)	(\$9,516)	(\$46,780)	(\$38,169)
PROJECTED REVENUES (09/01/12 - 12/31/12)	\$81,420		\$24,464	\$40,420	\$64,884	\$146,304
PROJECTED EXPENSES (09/01/12 - 12/31/12)	(\$85,192)		\$2,929	(\$61,012)	(\$58,083)	(\$143,275)
PROJECTED BALANCE @ 12/31/12	\$4,839		(\$9,871)	(\$30,108)	(\$39,979)	(\$35,140)
PROJECTED INTEREST (09/01/12 - 12/31/12)	\$5		(\$26)	(\$32)	(\$58)	(\$53)
OVER/(UNDER) RECOVERY WITH INTEREST 12/31/2012	\$4,844		(\$9,897)	(\$30,140)	(\$40,037)	(\$35,193)
ESTIMATED EXPENSES TO BE COLLECTED (01/01/13-12/31/13)	\$158,304		\$50,007	\$154,725	\$204,732	\$363,036
REVENUE INCREASE/(DECREASE)	(\$111,383)		(\$19,438)	\$53,793	\$34,355	(\$77,028)

1. For purposes of this filing, references to NGC are for the Non-Utility Generation above market cost component.

2. Interest adjustment to reflect interest on excess cost of depreciation adjustment

3. MTC balance transferred to NGC as of June 7, 2012 per Docket No. EX02060363

* Excludes RAC, Lifeline and USF.

SBC GAS CLAUSE COMPONENTS: ENERGY EFFICIENCY AND RENEWABLE ENERGY

	(\$000's)	TOTAL * GAS SBC
	<u>EE&RE</u>	
BEGINNING BALANCE AS OF 07/31/10	(\$13,690)	(\$13,690)
ACTUAL REVENUES (08/01/10 - 08/31/12)	\$133,244	\$133,244
ACTUAL EXPENSES (08/01/10 - 08/31/12)	(\$148,282)	(\$148,282)
BALANCE AS OF AUGUST 31, 2012	(\$28,728)	(\$28,728)
INTEREST FOR AUGUST 1, 2010 THROUGH AUGUST 31, 2012	(\$28)	(\$28)
BALANCE INCLUDING INTEREST AS OF AUGUST 31, 2012	(\$28,756)	(\$28,756)
PROJECTED REVENUES (09/01/12 - 12/31/12)	\$19,883	\$19,883
PROJECTED EXPENSES (09/01/12 -12/31/12)	(\$14,338)	(\$14,338)
PROJECTED BALANCE @ 12/31/13	(\$23,211)	(\$23,211)
PROJECTED INTEREST (09/01/12 -12/31/12)	(\$47)	(\$47)
OVER/(UNDER) RECOVERY WITH INTEREST 12/31/2012	(\$23,258)	(\$23,258)
ESTIMATED EXPENSES TO BE COLLECTED (01/01/13-12/31/13)	\$76,490	\$76,490
REVENUE INCREASE/(DECREASE)	\$28,729	\$28,729

* Excludes RAC, Lifeline and USF.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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

XXX Revised Sheet No. 57
Superseding
XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs	\$ 0.001325
Energy Efficiency and Renewable Energy Programs	0.004090
Manufactured Gas Plant Remediation	<u>0.000349</u>
Sub-total per kilowatthour	\$ 0.005764

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	7.5377%	\$ 0.006234	\$ 0.002269	\$ 0.000596	\$ 0.009099
LPL Primary	5.1232%	0.006075	0.002269	0.000596	0.008940
HTS Subtransmission	2.9402%	0.005939	0.002269	0.000596	0.008804
HTS High Voltage	1.4590%	0.005849	0.002269	0.000596	0.008714

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service	\$0.009736
LPL Primary	0.009566
HTS Subtransmission	0.009420
HTS High Voltage	0.009324

SOCIETAL BENEFITS CHARGE

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

Date of Issue:

Issued by ROSE M. CHERNICK, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 15 ELECTRIC

XXX Revised Sheet No. 60
Superseding
XXX Revised Sheet No. 60

NON-UTILITY GENERATION CHARGE

	Cost Recovery (per kilowatthour)		
	St Lawrence NYPA Credit RS, RHS and RLM	Non-Utility Generation above market costs	Total
Total Cost per kilowatthour		\$ 0.003395	
Amount per kilowatthour of cost recovery after application of losses:			
RS, RHS & RLM (Loss Factor =7.5377%)	(\$ 0.000124)	\$ 0.003672	\$0.003548
Other Secondary (Loss Factor =7.5377%)		0.003672	0.003672
LPL Primary (Loss Factor =5.1232%)		0.003578	0.003578
HTS Subtransmission (Loss Factor =2.9402%)		0.003498	0.003498
HTS High Voltage (Loss Factor =1.4590%)		0.003445	0.003445
Charges including New Jersey Sales and Use Tax (SUT)			
RS, RHS & RLM	(\$ 0.000133)	\$ 0.003929	\$0.003796
Other Secondary Service		0.003929	0.003929
LPL Primary		0.003828	0.003828
HTS Subtransmission		0.003743	0.003743
HTS High Voltage		0.003686	0.003686

NON-UTILITY GENERATION CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. This charge shall recover: 1) above market costs associated with non-regulated generation costs which are related to long-term contractual power purchase arrangements approved by the Board and/or established under requirements of the Public Utility Regulatory Policies Act of 1978 and 2) other generation costs as may be approved by the Board. Actual costs incurred by the Company will be subject to deferred accounting. The St. Lawrence New York Power Authority (NYPA) Annual Benefit Allocation credit reflects the annual Economic Benefit allocation for New Jersey's investor owned utilities to supply residential customers' load.

Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered Non-utility Generation above market cost balances. This interest rate shall change each August 1.

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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**XXX Revised Sheet No. 41
Superseding**

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

XXX Revised Sheet No. 41

SOCIETAL BENEFITS CHARGE

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

Social Programs.....	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.033286
Manufactured Gas Plant Remediation.....	0.008673
Universal Service Fund - Permanent.....	0.012700
Universal Service Fund - Lifeline.....	<u>0.004500</u>
Societal Benefits Charge	\$ 0.059159
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.063300</u>

Societal Benefits Charge

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

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

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