



June 30, 2014

In The Matter of the Petition of
Public Service Electric And Gas Company
for Approval of Changes in its
Electric Solar Pilot Recovery Charge ("SPRC")
for its Solar Loan I Program

BPU Docket No. _____

VIA ELECTRONIC MAIL & OVERNIGHT MAIL DELIVERY

Kristi Izzo, Secretary
Board of Public Utilities
44 South Clinton Avenue
CN 350
Trenton, New Jersey 08625-0350

Dear Secretary Izzo:

Enclosed please find an original and ten copies of Public Service Electric and Gas Company's (PSE&G, the Company) filing in the above-referenced matter.

A CD containing electronic workpapers is being provided to your office and those shown below.

Very truly yours,

A handwritten signature in blue ink that reads "Alexander C. Stern".

Attachment

C Elizabeth Ackerman
Jerome May
Alice Bator
Stacy Peterson
Michael Winka
Caroline Vachier
Stefanie Brand (2)

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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) **PETITION**
APPROVAL OF CHANGES IN ITS ELECTRIC)
SOLAR PILOT RECOVERY CHARGE (SPRC)) BPU Docket No. _____
FOR ITS SOLAR LOAN I PROGRAM)

Public Service Electric and Gas Company (“Public Service,” “PSE&G,” the “Company,” “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. 48:3:98.1, *et seq.*, as follows:

INTRODUCTION

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 of approximately 6 million persons, and which 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. 48:2-21 *et seq.*

3. On April 19, 2007, PSE&G filed a Petition with the Board seeking approval of an innovative solar energy initiative. Under this initiative, PSE&G proposed to implement a solar photovoltaic (“PV”) program (the “Program” or “Solar Loan I”) across all customer classes within its electric service territory, with segments for residential, residential low-income, municipal/public entities, and commercial/industrial (“C&I”) and not-for-profit customers. The Company also proposed a comprehensive cost recovery mechanism.

4. On March 19, 2008, the parties to the Solar Loan I matter executed a Settlement (“Settlement”). The Settlement fully resolved the issues in the Solar Loan I proceeding.

5. By Order dated April 16, 2008, the Board issued an Order approving the Settlement and authorizing the Company to implement the Solar Loan I Program and associated cost recovery mechanism (“Order”). In regard to cost recovery, the Board’s Order and the Settlement state:

The parties agree that PSE&G will recover the net monthly revenue requirements associated with this Program through a new charge of the Company’s electric tariff called the SPRC. The SPRC will be a new charge in the Company’s electric tariff, applicable to all electric Rate Schedules on an equal cents per kilowatthour. The SPRC rates will not be implemented at this time. PSE&G will defer costs and net monthly revenue requirements it incurs for the Program to the SPRC for future recovery, consistent with the terms of this Settlement Agreement. Interest on the deferred SPRC balance (both on under- and over-recovered balances) will be calculated at the same rate and methodology as PSE&G currently uses for the electric Societal Benefits Charge.

The Order similarly specifies the revenue requirements methodology and other associated elements of the cost recovery mechanism. *See* Order, Paragraph 75.

6. The Board's Order also states

The parties agree that the Cost of Capital for this Program is 11.11%, including a return on Common Equity of 9.75%, which is the most recent Return On Equity established by the Board for PSE&G electric in Docket No, ER02050303, and including income tax effects. The resulting monthly Cost of Capital used for calculating the Net Monthly Revenue Requirements is 0.92583%. Net Plant equals the original loan amounts booked less the accumulated amortization through the SPRC. The Amortization is equal to the sum of the amortizations of all of the outstanding loans for each month until the total amount is recovered (Net Plant equals zero). Any cash payments received by PSE&G from the Project Owner for early termination of a contract will be credited against the Net Plant for the specific project. [Order, Paragraph 76].

7. The Board also approved a mechanism under which PSE&G recovers certain administrative costs associated with the Program. Specifically, the Order provides that the Company "shall recover 50% of the administrative costs of the Solar Program through the SPRC, based on the annual grand total amounts set forth in Attachment D. Administrative costs are defined as reasonable and incremental costs incurred by the Company to implement the Program. The maximum administrative cost recovery through the SPRC in any year is \$1.0 million." Order, Paragraph 77.

8. PSE&G has successfully implemented the Program and is now filing this Petition, which is similar to petitions the Company has annually filed in recent years related to the Solar Loan I Program, to implement the cost recovery provisions of the Order and

Settlement and revise rates for the SPRC. To be consistent with the Board's Order in the Solar Loan III Program, PSE&G no longer plans to exercise the Call Option for loans that have been paid prior to the end of their term.

9. In support of this Petition, the Company is presenting the Direct Testimony of Jess E. Melanson, the Director of Energy Services in the Customer Solutions Group at Public Service Electric and Gas Company. Mr. Melanson's Direct Testimony is attached hereto as Attachment A. Mr. Melanson describes the status of the Solar Loan I Program. Mr. Melanson's testimony and schedules also discuss and quantify the administrative costs the Company seeks to recover through the SPRC pursuant to the Order and Settlement.

10. PSE&G also presents the Direct Testimony of Stephen Swetz, Director-Corporate Rates and Revenue Requirements. Mr. Swetz's testimony and schedules, attached hereto as Attachment B, develop the revenue requirements and proposed SPRC rates.

11. Based on the Company's actual collections through March 31, 2014 and its projected collections through September 30, 2015, the total SPRC revenue to be collected from ratepayers is forecasted to be \$10,366,572. The \$10.4 million revenue to be collected from ratepayers is comprised of a forecasted under-collected balance through September 2014 of \$2,146,872, including interest, and a forecasted revenue requirement from October 2014 through September 2015 of \$8,219,700. Dividing the \$10.4 million target revenue by the Company's kWh sales forecast for October 2014 through September 2015 results in a proposed rate of \$0.000250 without Sales and Use Tax ("SUT") for the period October 1, 2014 through September 30, 2015. Since the SPRC rate is currently set at \$0.000454 without

SUT, the proposed rate will result in a net annual revenue decrease to the Company's electric customers of \$8.5 million. The Company is proposing to implement the proposed SPRC rate on or before October 1, 2014.

12. Attached to Mr. Swetz's testimony are the following schedules in support of the Company's request:

- Schedule SS-SLI-1 are Mr. Swetz's Credentials
- Schedule SS-SLI-2 is a summary sheet setting forth the proposed rate calculations for the applicable period.
- Schedule SS-SLI-3 sets forth the electric revenue requirements summary.
- Schedule SS-SLI-3a sets forth the details of the electric revenue requirements.
- Schedule SS-SLI-4 sets forth the electric (over) / under recovered balance and associated interest rate calculations.

13. Public Service has proposed tariff sheets (redlined and "clean"), effective October 1, 2014 reflecting the SPRC rate in the Electric Tariff (*see* Attachment C). The proposed change in the SPRC is a decrease from \$0.000454 per kWh (\$0.000486 including SUT) to \$0.000250 per kWh without SUT (\$0.000268 per kWh including SUT). The proposed rates are designed to recover the Program costs, which includes carrying charges on PSE&G's expenditures.

14. As a result of the proposed SPRC rate set forth in Attachment B, Public Service's class average residential electric customers using 780 kWh in a summer month and 7,360 kWh annually would experience a decrease in their annual bill from \$1,366.88 to \$1,365.24, a decrease of \$1.64 or approximately 0.12%. This is based upon current Delivery

Rates and Basic Generation Service Fixed Pricing (“BGS-FP”) charges in effect June 1, 2014, and assumes that the customer receives BGS-FP service from PSE&G. The residential customer bill impacts comparing the current and proposed delivery charges are contained in Attachment D for the aforementioned class average customers as well as other typical customer usage patterns.

15. The proposed rates, as set forth in the tariff sheets in Attachment C, are just and reasonable and PSE&G should be authorized to implement the proposed rates as set forth herein, on October 1, 2014, upon issuance of a written BPU Order.

16. Notice of this filing and two copies of the Petition will be served upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07101 and upon the Director, Division of Rate Counsel, 140 East Front Street, 4th Floor, Trenton, New Jersey 08625. Copies of the Petition and supporting testimony and attachments will also be sent to the persons identified on the service list provided with this filing.

17. Public Service requests that the Board issue an Order approving the proposed rates on or before October 1, 2014.

18. It is understood that any final rate relief found by the Board to be just and reasonable may be allocated by the Board for consistency with the provisions of N.J.S.A. 48:2-21 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 based upon the Board’s decision.

COMMUNICATIONS

Communications and correspondence related to the Petition should be sent as

follows:

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CONCLUSION AND REQUESTS FOR APPROVAL

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

1. PSE&G is authorized to recover all costs requested herein associated with the Solar Loan I Program;
2. The proposed rates and charges set forth in the proposed Tariff for Electric Service, Public Service Electric and Gas Company, B.P.U.N.J. No. 15, Electric, referred to herein as Attachment C, are just and reasonable and PSE&G is authorized to implement the rates proposed herein on or about October 1, 2014.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY



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DATED: June 30, 2014
Newark, New Jersey

STATE OF NEW JERSEY)
 :
COUNTY OF ESSEX)

JESS E. MELANSON, of full age, being duly sworn according to law, on his oath deposes and says:

1. I am the Director of Energy Services in the Customer Solutions Group of Public Service Electric and Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, and the matters and things contained therein are true to the best of my knowledge and belief.
3. Copies of the Petition have been overnight mailed and emailed to the NJBPU, the Department of Law & Public Safety and the Division of Rate Counsel.

Jess E. Melanson

Sworn and subscribed to)
before me this 30th day)
of June 2014)

MICHELE D. FALCAO Commission # 2414516 Notary Public, State of New Jersey My Commission Expires November 14, 2016

**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 Solar Pilot Recovery Charge (“SPRC”)
for its Solar Loan I Program**

BPU Docket No. _____

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
JESS E. MELANSON
DIRECTOR OF ENERGY SERVICES**

ATTACHMENT A

June 30, 2014

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
JESS E. MELANSON
DIRECTOR OF ENERGY SERVICES**

7 My name is Jess E. Melanson and I am the Director of Energy Services for
8 Public Service Electric and Gas Company (“PSE&G,” the “Company”). I have
9 primary management and oversight responsibility for the design and planning of
10 PSE&G’s renewable energy, energy efficiency, and demand response programs. My
11 credentials are included as Schedule JEM-SLI-1. The purpose of this testimony is to
12 support the Company’s request for recovery of costs incurred implementing PSE&G’s
13 Solar Loan I Program.

14

Description

15 As approved by a Board of Public Utilities (“Board”) Order dated April
16 16, 2008 in Docket No. EO07040278, the Solar Loan I Program was originally
17 designed as a 30 megawatt (“MW”) distributed photovoltaic solar initiative in which
18 customers or developers install solar photovoltaic systems on customers’ premises
19 “behind the meter,” using PSE&G as a source of capital. The program consists of
20 three segments: Municipal/Non-Profit; Residential and Multi-family/Affordable
21 Housing; and Commercial & Industrial. Subsequent to PSE&G’s Solar Loan II
22 Program being approved by Board Order dated, November 10, 2009, 7.83 MW of
23 Solar Loan I capacity was transferred to the Solar Loan II Program, and the current

1 capacity of Solar Loan I is 22.17 MW. The Program is intended to reduce the overall
2 cost of project development, installation, financing and maintenance, while providing
3 the best solar energy value for all stakeholders.

4 Under Solar Loan I, PSE&G provides loans to solar photovoltaic
5 developers or customers for a portion of a project's cost. The residential borrowers
6 will repay the loan over a 10-year period by providing Solar Renewable Energy
7 Certificates ("SRECs") (or an equivalent amount of cash) to PSE&G. For
8 commercial loans the repayment period is 15 years.

9 The SRECs, for purposes of this Program, have an established floor
10 value of \$475 for the loan repayment period. The higher of the \$475 floor price or the
11 Market Value at the time the SREC is transferred to PSE&G is applied toward loan
12 repayment. For purposes of loan repayment, the SREC Market Value means the
13 average monthly cumulative weighted price of SRECs as published on the New Jersey
14 Clean Energy Program ("NJCEP") website bulletin board during the calendar month
15 preceding the month the SREC payment is credited to the loan.

16 If loans are paid off early, PSE&G retains the right to purchase SRECs
17 through a call option. The call option price is 75% of the then current Market Value
18 of SRECs.

19 The interest rate for loans in the commercial and industrial ("C&I")
20 segment is 11.11%, and the interest rate for loans in the residential segment is 6.5%.

1 There are two caps imposed on any individual developer/customer.
2 First, an individual developer/customer cannot be awarded capacity in excess of 25%
3 of the total Program capacity (i.e., 30 MW). Additionally, an individual
4 developer/customer cannot be awarded capacity in excess of 25% of the capacity of
5 an individual segment.

6 For the first year of the Program there were hard caps of 9 MW (30%)
7 for the Municipal/Not-for Profit segment, 9 MW (30%) for the Residential segment
8 and the Multi-Family/Affordable Housing segment combined, and 12 MW (40%) for
9 the C&I segment. Based on market conditions and the status of projects accepted into
10 each segment, PSE&G removed these caps starting in the second year of the Program.

11 **Solar Loan I Program Status**

12 The Program website was activated on April 17, 2008 and the first
13 applications were received on April 22, 2008. The last loan was closed on May 15,
14 2012 and the Program is now maintaining the existing loans and processing SRECs
15 received from the borrowers.

16 The Solar Loan I Program issued 169 loans for a total amount of \$82.8
17 million representing 22.17 MW.¹ This includes \$79.5 million representing 44 closed
18 loans totaling 21.2 MW of non-residential projects, and \$3.3 million totaling 125
19 closed loans representing 0.9 MW of residential projects.

¹ This quantity includes one large commercial loan that was funded in two phases and is reported as two separate loans.

1 Through March 31, 2014, 95,256 SRECs have been received by
2 PSE&G under the Solar Loan I Program.

3 Upon the issuance of the final written Order approving the Solar Loan II
4 Program on November 10, 2009, the Solar Loan I Program was closed and no new
5 applications were being accepted into Solar Loan I. The Program waiting list
6 remained active until April 17, 2010, after which any remaining capacity was
7 transferred to the Solar Loan II Program.

8 **Solar Loan I Administrative Costs**

9 The Solar Loan I Program actual monthly administrative costs from
10 October 1, 2013 through March 31, 2014 along with projections through September
11 2015 are shown on Schedule JEM-SLI-2. This Schedule details Solar Loan I
12 Program, Solar Loan II Program, and Solar Loan III Program Total Common Costs
13 (column 1), Solar Loan I Program's allocated share of Common Costs (column 2),
14 Solar Loan I Program Volume Costs (column 3), Fees Collected from Borrowers
15 (column 4), Total Solar Loan I Administrative Costs (column 5), and the SPRC
16 Recoverable Program Administrative Costs (column 6). The SPRC Recoverable
17 Program Administrative Costs, per the Board Order, are 50 percent of the Total Solar
18 Loan I Administrative Costs.

19 Certain administrative costs are common to Solar Loan I, Solar Loan II,
20 and Solar Loan III. Such costs are allocated to the Solar Loan I Program, Solar Loan

1 II Program, and Solar Loan III Program in accordance with the formula established in
2 the Solar Loan III Program Settlement. As specified in the Solar Loan III Program
3 Board Order (Docket No. EO12080726), Common Costs shared by all three of
4 PSE&G's solar loan programs will be allocated based on forecasted MW capacity
5 installed for the upcoming year, and the ratio of the forecasted installed capacity for
6 each program to total forecasted installed capacity for all of the solar loan programs
7 will be applied to all common costs for the following year starting on January 1.
8 Currently the Solar Loan I Program is allocated 25.36% (22.17MW/87.39MW) of the
9 total Common Costs which, for the period from October 1, 2013 through March 31,
10 2014 were \$100,887. There were no Volume Costs incurred and no Application and
11 Administration Fees collected during this same period. Therefore the Total Solar
12 Loan I Administrative Costs for the period from October 1, 2013 through March 31,
13 2014 were \$100,887. The SPRC Recoverable Administrative Costs for the same
14 period were \$50,443.

15 Schedule JEM-SLI-3 shows the Program administrative cost details
16 allocated to the categories used by the BPU for the NJ Clean Energy Program
17 ("NJCEP"). Administration and Program Development Expenditures (Column 1)
18 includes the costs to manage the program once loans are closed and includes SREC
19 processing, loan maintenance and program tracking and reporting. For the period
20 from October 1, 2013 through March 31, 2014, Administration and Program

1 Developments Expenditures were \$100,887. Rebate Processing, Inspections and
2 Other Quality Control Expenditures (Column 3) include the costs to initiate a loan,
3 including loan application processing, the cost of credit information through Experian,
4 program reporting and tracking, along with other costs associated with program
5 administration. During the recovery period, there were no Rebate Processing,
6 Inspections and Other QC, Evaluation and Related Research, Marketing and Sales,
7 Training Expenditures, or Application and Administrative Fees. Therefore, the net
8 total administration expenditures for the period were \$100,887.

9 In accord with the Board-approved Settlement for this Program, 50% of
10 the approved annual total administrative cost for the Solar Loan I Program is
11 recoverable through the SPRC up to a maximum of \$1,000,000 per year. Schedule
12 JEM-SLI-4 shows the annual maximum recoverable administrative costs from
13 Attachment D of the Board Order along with the actual and forecasted total annual
14 administrative costs for the years 2008 – 2014. The actual recoverable administrative
15 costs from October 1, 2013 through March 31, 2014 and projected costs through 2015
16 are significantly below the allowed cap primarily due to cost sharing with the Solar
17 Loan II and Solar Loan III Programs and the continued leveraging of utility
18 infrastructure and personnel. Accordingly, the SPRC Recoverable Administrative
19 Costs shown in Schedule JEM-SLI-2 have been incorporated into the revenue
20 requirements contained in Schedule SS-SLI-3a.

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Loans Closed by Segment

Schedule JEM-SLI-5 shows the number of Solar Loan I loans closed by segment.

Capacity of Solar Systems by Segment

Schedule JEM-SLI-6 shows the capacity of solar systems supported by Solar Loan I loans by segment.

Energy Generated

Schedule JEM-SLI-7 shows the actual kWh generated by solar systems supported by Solar Loan I by segment, through March 31, 2014.

Loans Closed by Quarter

Schedule JEM-SLI-8 shows the number of loans closed by quarter.

Emission Reductions

Schedule JEM-SLI-9 shows the estimated emissions reductions attributed to solar systems supported by Solar Loan I loans by segment.

SREC's Received Through the Program

Schedule JEM-SLI-10 shows the SRECs received by PSE&G through the Solar Loan I Program.

1

Issues & Discussion

2

Loan Defaults

3

As of March 31, 2014 there have been no defaults by any borrower in

4

the Solar Loan I Program.

5

Call Option

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To be consistent with the Board's Order in the Solar Loan III Program,

7

PSE&G no longer plans to exercise the Call Option for loans that have been paid prior

8

to the end of their term.

9

PSE&G witness Stephen Swetz has incorporated the administrative

10

costs (both actual and projected) into his testimony and exhibits, which are included

11

as Attachment B to this filing.

12

This concludes my testimony at this time.

SCHEDULE INDEX

1	Schedule JEM-SLI-1	Credentials of Jess E. Melanson
2	Schedule JEM-SLI-2	Recoverable Administrative Costs
3	Schedule JEM-SLI-3	Administrative Costs (O&M) Detail by BPU Categories
4	Schedule JEM-SLI-4	Administrative Costs Cap
5	Schedule JEM-SLI-5	Number of Loans Closed by Segment
6	Schedule JEM-SLI-6	Capacity of Solar System for Loans Closed by Segment
7	Schedule JEM-SLI-7	Actual kWh Generated by Segment for Closed Loans
8	Schedule JEM-SLI-8	Number of Loans Closed by Quarter
9	Schedule JEM-SLI-9	Emission Reduction by Segment
10	Schedule JEM-SLI-10	SRECs by Segment

ELECTRONIC WORKPAPER INDEX

11	WP-JEM-SLI-1.xlsx	Administrative Costs
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**CREDENTIALS
OF
JESS E. MELANSON
DIRECTOR OF ENERGY SERVICES**

My name is Jess E. Melanson and I am employed by Public Service Electric and Gas Company (PSE&G, the Company) as the Director of Energy Services. In this role, I have primary management and oversight responsibility for the market strategy, development and implementation of the Company’s energy efficiency and demand response programs.

EDUCATIONAL BACKGROUND

I have a Bachelor of Arts degree in Government from Cornell University, and a Masters of Public Affairs degree from Princeton University. I also received an Executive Certificate in Financial Management and Accounting from the University of Pennsylvania, Wharton School of Business.

WORK EXPERIENCE

I have worked for PSE&G for over six years in various positions, as well as for eight years in New Jersey government and politics and three years doing public affairs and advocacy work in Washington, D.C. Prior to being named Director of Energy Services in October 2012, I worked for PSEG as Director of Corporate Strategy and was responsible for that function since September 2009. Prior to that, I was Manager of Public Policy for PSEG starting in January 2008. My professional experience includes a broad background in both the public and private sector, with a

1 specialization in energy and energy policy. Areas of expertise include federal and
2 state policy relating to renewables, energy efficiency and utility regulation; corporate
3 strategy; and energy efficiency program administration. I have also served as the lead
4 staff person on multiple governmental task forces relating to energy policy, and have
5 served as PSEG's representative on numerous public policy working groups and
6 advisory committees.

SCHEDULE JEM-SLI-2

SOLAR LOAN I: ADMINISTRATIVE COST								
		(1)	(2)	(3)	(4)	(5) = (2+3+4)	(6)	
Month	Yr	Solar Loan I, Solar Loan II, and Solar Loan III Total Common Costs	Solar Loan I Allocation of Common Costs	Solar Loan I Volume Costs	Application and Administrative Fee	Total Solar Loan I Administrative Costs	SPRC Recoverable Administrative Costs	
October	2013	85,057	23,238	-	-	23,238	11,619	Actual
November	2013	48,607	13,279	-	-	13,279	6,640	
December	2013	62,307	17,022	-	-	17,022	8,511	
January	2014	70,935	18,278	-	-	18,278	9,139	
February	2014	59,394	15,143	-	-	15,143	7,571	
March	2014	54,915	13,927	-	-	13,927	6,963	
April	2014	69,917	17,731	-	-	17,731	8,865	Forecast
May	2014	69,917	17,731	-	-	17,731	8,865	
June	2014	69,917	17,731	-	-	17,731	8,865	
July	2014	69,917	17,731	-	-	17,731	8,865	
August	2014	69,917	17,731	-	-	17,731	8,865	
September	2014	69,917	17,731	-	-	17,731	8,865	
October	2014	69,917	17,731	-	-	17,731	8,865	
November	2014	69,917	17,731	-	-	17,731	8,865	
December	2014	69,917	17,731	-	-	17,731	8,865	
January	2015	72,014	14,087	-	-	14,087	7,044	
February	2015	72,014	14,087	-	-	14,087	7,044	
March	2015	72,014	14,087	-	-	14,087	7,044	
April	2015	72,014	14,087	-	-	14,087	7,044	
May	2015	72,014	14,087	-	-	14,087	7,044	
June	2015	72,014	14,087	-	-	14,087	7,044	
July	2015	72,014	14,087	-	-	14,087	7,044	
August	2015	72,014	14,087	-	-	14,087	7,044	
September	2015	72,014	14,087	-	-	14,087	7,044	
Total		1,658,593	387,250	-	-	387,250	193,625	

SCHEDULE JEM-SLI-3

SOLAR LOAN I: ADMINISTRATIVE COST DETAIL BY BPU CATEGORY

Month	Yr	Administration and Program Development Expenditures	Evaluation and Related Research Expenditures	Rebate Processing, Inspections and Other QC Expenditures	Marketing & Sales	Training Expenditures	Application and Administrative Fee	Total	
October	2013	23,238	-	-	-	-	-	23,238	Actual
November	2013	13,279	-	-	-	-	-	13,279	
December	2013	17,022	-	-	-	-	-	17,022	
January	2014	18,278	-	-	-	-	-	18,278	
February	2014	15,143	-	-	-	-	-	15,143	
March	2014	13,927	-	-	-	-	-	13,927	
April	2014	17,731	-	-	-	-	-	17,731	
May	2014	17,731	-	-	-	-	-	17,731	
June	2014	17,731	-	-	-	-	-	17,731	
July	2014	17,731	-	-	-	-	-	17,731	
August	2014	17,731	-	-	-	-	-	17,731	
September	2014	17,731	-	-	-	-	-	17,731	
October	2014	17,731	-	-	-	-	-	17,731	
November	2014	17,731	-	-	-	-	-	17,731	
December	2014	17,731	-	-	-	-	-	17,731	
January	2015	14,087	-	-	-	-	-	14,087	
February	2015	14,087	-	-	-	-	-	14,087	
March	2015	14,087	-	-	-	-	-	14,087	
April	2015	14,087	-	-	-	-	-	14,087	
May	2015	14,087	-	-	-	-	-	14,087	
June	2015	14,087	-	-	-	-	-	14,087	
July	2015	14,087	-	-	-	-	-	14,087	
August	2015	14,087	-	-	-	-	-	14,087	
September	2015	14,087	-	-	-	-	-	14,087	
Total		387,250	-	-	-	-	-	387,250	

Solar Loan I
Program Administrative Costs Cap

Year	Total Approved Administrative Cost*	Maximum Recoverable Administrative Cost (50%)*	Requested SPRC Recovery
	(000's)	(000's)	
2008	1,830	915	425
2009	2,615	1,000 ⁽¹⁾	506
2010	1,493	747	259
2011	1,539	770	127
2012	1,586	793	68
2013	1,624	812	95
2014	1,674	837	103 ⁽²⁾
2015	1,726	863	85 ⁽²⁾
2016	1,779	890	
2017	1,834	917	
2018	967	484	
2019	998	499	
2020	1,029	515	
2021	1,062	531	
2022	1,096	548	
2023	1,131	566	

* "Total Approved Administrative Cost" and "Maximum Recoverable Administrative Cost (50%)" from Attachment D in the Board Order approving Solar Loan I (Docket No. E007040278)

(1) Note: Per agreement with the parties to the stipulation the maximum administrative cost recovery through the SPRC in any year is \$1.0 million.

(2) Actuals through March 31, 2014, forecast thereafter

Solar Loan I
Number of Loans Closed by Segment
(Through March 31, 2014)

Segment	Loans
Residential	125
Multi-Family/Affordable	-
Municipal/Not-for-Profit	7
Commercial/Industrial	37
Total	169

Solar Loan I
Capacity of Solar System for Loans Closed by Segment
(Through March 31, 2014)

Segment	kW Closed
Residential	935.99
Multi-Family/Affordable	-
Municipal/Not-for-Profit	2,264.04
Commercial/Industrial	18,966.74
Total	22,166.77

Solar Loan I
Actual kWh Generated by Segment for Closed Loans
(Through March 31, 2014)

Segment	kWh
Residential	4,100,994
Multi-Family/Affordable	-
Municipal/Not-for-Profit	10,453,446
Commercial/Industrial	82,972,664
Total	97,527,104

Solar Loan I
 Number of Loans Closed by Quarter
 (Through March 31, 2014)

2009	Loans
Quarter 1	3
Quarter 2	5
Quarter 3	7
Quarter 4	38
2009 Total	53

2010	Loans
Quarter 1	25
Quarter 2	23
Quarter 3	34
Quarter 4	12
2010 Total	94

2011	Loans
Quarter 1	10
Quarter 2	4
Quarter 3	3
Quarter 4	4
2011 Total	21

2012	Loans
Quarter 1	-
Quarter 2	1
Quarter 3	-
Quarter 4	-
2012 Total	1

2013	Loans
Quarter 1	-
Quarter 2	-
Quarter 3	-
Quarter 4	-
2013 Total	-

2014	Loans
Quarter 1	-
Quarter 2	-
Quarter 3	-
Quarter 4	-
2014 Total	-

Program Total	169
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Solar Loan I
Emission Reduction by Segment
(Through March 31, 2014)

(Metric Tons)

Segment	CO2	NOx	S02
Residential	2,827	5	12
Multi-Family/Affordable	-	-	-
Municipal/Not-for-Profit	7,207	13	31
Commercial/Industrial	57,206	105	245
Total	67,241	124	287

Solar Loan I
SRECs by Segment
(Through March 31, 2014)

Segment	# of SRECs
Residential	3,886
Multi-Family/Affordable	-
Municipal/Not-for-Profit	9,578
Commercial/Industrial	81,792
Total	95,256

**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 Solar Pilot Recovery Charge (“SPRC”)
for its Solar Loan I Program**

BPU Docket No. _____

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
STEPHEN SWETZ
DIRECTOR CORPORATE RATES
AND
REVENUE REQUIREMENTS**

ATTACHMENT B

June 30, 2014

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

6
7 My name is Stephen Swetz and I am the Director – Corporate Rates and
8 Revenue Requirements, PSEG Services Corporation. My credentials are included as
9 Schedule SS-SLI-1.

10
11 **SCOPE OF TESTIMONY**

12 The purpose of my testimony is to support the filing of Public Service
13 Electric and Gas Company (“PSE&G,” the “Company”) for recovery of the costs
14 related to PSE&G’s Solar Loan I Program (“Solar Loan I” or “Program”). The period
15 includes actual costs incurred from October 2013 through March 2014 and forecasted
16 costs through September 2015. My testimony provides the detailed calculations and
17 recovery mechanisms, including projected rate and bill impacts.

18
19 **COST RECOVERY MECHANISM**

20 General

21 PSE&G is filing to recover the revenue requirements associated with the
22 direct costs of the Program. Direct costs include all costs related to: loans issued
23 under the Program and 50 percent of the administrative costs of running the Program.

1 These costs are offset by the net benefits derived from the net proceeds from the sale
2 of SRECs, cash payments in lieu of SRECs, as well as the SREC call option net
3 benefit. Based on the Company's actual collections through March 31, 2014 and its
4 projected collections through September 30, 2015, the total Solar Pilot Recovery
5 Charge ("SPRC") revenue to be collected from ratepayers is forecasted to be
6 \$10,366,572. The \$10.4 million revenue to be collected from ratepayers is comprised
7 of a forecasted under-collected balance through September 2014 of \$2,146,872,
8 including interest, and a forecasted revenue requirement from October 2014 through
9 September 2015 of \$8,219,700. Dividing the \$10.4 million target revenue by the
10 Company's kWh sales forecast for October 2014 through September 2015 results in a
11 proposed rate of \$0.000250 without Sales and Use Tax ("SUT") for the period
12 October 1, 2014 through September 30, 2015. Since the SPRC rate is currently set at
13 \$0.000454 without SUT, the proposed rate will result in a net annual revenue decrease
14 to the Company's electric customers of \$8.5 million. The rate proposed for the SPRC
15 would be effective October 1, 2014 through September 30, 2015 and is designed to
16 recover \$10.4 million over the twelve month period as shown on Schedule SS-SLI-2.
17 PSE&G is proposing that the Board authorize the recovery of the revenue
18 requirements of the Program in accordance with the Board's Order approving the
19 Solar Loan I Program in Docket No. EO07040278. The details of the costs proposed

1 to be recovered, as well as the mechanism for such recovery, are described in the
2 following sections of this testimony.

3

4 Calculation of the Revenue Requirements of Direct Costs

5 The Program investments are to be treated as separate utility assets, and
6 depending on the type of investment, either depreciated or amortized as described in
7 the corresponding section below. Paragraph 75 of the Board Order approving the
8 Program established the following methodology for calculating the revenue
9 requirements associated with the direct costs of the Program:

10
$$\text{Net Monthly Revenue Requirements} = (\text{Cost of Capital} * \text{Net Plant}) +$$

11
$$\text{Amortization} + \text{Recoverable Administrative Costs} - \text{Net Proceeds from the}$$

12
$$\text{Sale of SRECs} - \text{Cash Payments Received in lieu of SRECs}$$

13 The revenue requirements formula for Solar Loan I was established at a broad level
14 without a supporting schedule showing the detailed calculations. As a result, the
15 Solar Loan I revenue requirement formula was modified to the more detailed
16 calculation used in PSE&G's SPRC cost recovery filing in Docket No. ER10030220.
17 The Board-approved revenue requirement formula is:

18
$$\text{Revenue Requirements} = (\text{Pre-Tax Cost of Capital} * \text{Net Investment}) - \text{Net}$$

19
$$\text{Loan Accrued Interest} + \text{Amortization and/or Depreciation} + \text{Operation and}$$

1 *Maintenance (Recoverable Administrative) Costs – Net Proceeds from the Sale*
2 *of SRECs – Cash Payments in lieu of SRECs*

3 The details of each of the above terms are described as follows:

4 Pre-Tax Cost of Capital – The weighted average cost of capital (“WACC”) for
5 the Program was set at 7.8406%. For calculating Revenue Requirements, the
6 corresponding Pre-Tax WACC of 11.11% per year, or 0.92583% per month, is
7 used in accordance with paragraph 75 of the Order approving the Program.

8 Net Investment – The net investment for the Program is comprised of the
9 following:

- 10 • Total Loan Outstanding Balances
- 11 • SREC Inventory

12 The assumptions supporting the loans and associated amortization schedules
13 and SREC Inventory are found in workpaper WP-SS-SLI-2.xlsx.

14 Net Loan Accrued Interest – This amount is subtracted from revenue
15 requirements. It is defined as (*Loan Accrued Interest – Loan Interest Paid*). It
16 accounts for timing differences from when loan interest is accrued and loan
17 interest is paid. Over the life of each loan, the Loan Accrued Interest is equal
18 to the Loan Interest Paid.

19 Depreciation/Amortization – This is composed of Loan Principal Paid /
20 Amortized

1 Operations and Maintenance (Recoverable Administrative) Costs – Operations
2 and Maintenance Costs include labor and other on-going costs required to
3 manage and administer the Program. The assumptions supporting the
4 estimated Operations and Maintenance costs are described in the direct
5 testimony and workpapers of Jess E. Melanson. Only 50 percent of the
6 administrative costs are included in the revenue requirements calculation.

7 Net Proceeds from the Sale of SRECs – The net SREC proceeds reduce
8 revenue requirements and are defined as:

9 *(SREC Value Credited to Loans + Gain/(Loss) on Sale of SRECs*

10 + *SREC Call Option Net Benefit*

11 Cash Payments in lieu of SRECs – This includes when the borrower chooses to
12 repay the loan with cash and any required true up cash payments.

13 The total revenue requirements are based on actual costs incurred
14 through March 31, 2014 and projected costs through September 30, 2015. All loans,
15 principal and interest, will be repaid by providing the Company with SRECs or cash.
16 For the forecasted period, SREC prices for the months of April 2014 through
17 September 2015 are assumed to be \$155 based on the weighted average result of the
18 last three SREC auctions prior to May 2014. The summary monthly calculations of
19 the actual revenue requirements through March 2014 and the forecasted revenue
20 requirements from April 2014 through September 2015 are shown in Schedule SS-

1 SLI-3. The detailed monthly calculations of the revenue requirements through
2 September 2015 are shown in Schedule SS-SLI-3a. The calculation of the (over) /
3 under recovered balance along with the associated interest rate calculations is shown
4 in Schedule SS-SLI-4. As summarized on Schedule SS-SLI-2, the expected revenue
5 requirement through September 2015 is \$10,366,572, which includes an expected
6 under-recovery of \$2,146,872 through September 2014 (including interest), and a
7 forecasted revenue requirement of \$8,219,700 from October 2014 through September
8 2015.

9 Method for Recovery of Direct Cost

10 PSE&G will recover the net Revenue Requirements associated with this Program
11 through the SPRC based on paragraph 75 of the Order approving Solar Loan I. The
12 SPRC was approved as the recovery mechanism for Solar Loan I revenue
13 requirements in paragraph 39 of the Order and is applicable to all electric rate
14 schedules on an equal cents per kilowatt-hour basis. The Company is requesting
15 Board approval of an effective date of October 1, 2014. If Board approval is received
16 prior to October 1, 2014, rates would still go into effect October 1, 2014 as filed. All
17 Program costs incurred prior to October 1, 2014 will be deferred. If Board approval is
18 received after October 1, the proposed initial rate period charge would still be
19 implemented at the time of approval. In that instance, all Program costs incurred prior
20 to the rate-effective date will be deferred until rates go into effect.

1 The annual filing will include actual revenue requirements through
2 March 31st, the projected (over) / under deferred balance as of September 30th for the
3 current year along with the corresponding cumulative interest balance, plus the
4 estimated revenue requirements for October 1 of the year of the filing through
5 September 30 of the following year. For all subsequent rate periods, an annual filing
6 will be made no later than July 1st of each year. The charges proposed in the annual
7 filings made each year are anticipated to go into effect on October 1st of that year,
8 upon issuance of a Board Order authorizing these rates.

9 The calculation of the proposed SPRC decrease is shown in Schedule
10 SS-SLI-2. The Total Target Rate Revenues are divided by the current forecasted
11 kilowatt-hours sales from October 2014 through September 2015 to determine the
12 SPRC without SUT applied. PSE&G is proposing to decrease the SPRC from a rate
13 of \$0.000454 per kWh to \$0.000250 per kWh, without SUT. The rates proposed for
14 the SPRC for the period October 1, 2014 through September 30, 2015 are designed to
15 recover approximately \$10.4 million. As a result of the proposed new SPRC rate
16 shown in Schedule SS-SLI-2, Public Service's class average residential electric
17 customers using 780 kWh in a summer month and 7,360 kWh annually would
18 experience a decrease in their annual bill from \$1,366.88 to \$1,365.24 a decrease of
19 \$1.64 or approximately 0.12%. This is based upon current Delivery Rates and Basic

1 Generation Service Fixed Pricing (“BGS-FP”) charges in effect June 1, 2014, and
2 assumes that the customer receives BGS-FP service from PSE&G.

3 The electronic version of this filing contains the supporting detailed
4 assumptions and calculations for Schedules SS-SLI-2 through SS-SLI-4 in WP-SS-
5 SLI-1.xlsx. Additional supporting work papers will be provided electronically and
6 are listed in the index below.

7 Under the Company’s proposal, any (over) / under recovery of the
8 actual revenue requirements compared to revenues would be deferred. Based on
9 paragraph 75 of the Order approving the Program, the interest rate for the deferred
10 SPRC balance will be calculated at the same rate and methodology as PSE&G
11 currently uses for the electric Societal Benefits Charge. The interest rate would be
12 applicable as the carrying charge rate on any (over) / under recovered balance on a
13 monthly basis.

14 This concludes my testimony at this time.

Schedule Index

- Schedule SS-SLI-1Credentials
- Schedule SS-SLI-2Proposed Rate Calculations
- Schedule SS-SLI-3Revenue Requirements Calculation - Summary
- Schedule SS-SLI-3a.....Revenue Requirements Calculation – Detail
- Schedule SS-SLI-4(Over) / Under Recovered Balance Calculation

Electronic Work Paper Index

- WP-SS-SLI-1.xlsx Actual and Forecasted Revenue Requirements and Rate Analysis Calculations
- WP-SS-SLI-2.xlsx Aggregate Loan Amortization Schedules and Forecasted Revenue Requirement Inputs

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

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

EDUCATIONAL BACKGROUND

I graduated from Worcester Polytechnic Institute with a Bachelor of Science degree in Mechanical Engineering. I also earned the degree of Master of Business Administration from Fairleigh Dickinson University.

WORK EXPERIENCE

I have over 20 years' experience in Rates, Analysis, and Operations for three Fortune 500 companies. Since 1991, I have worked in various positions within PSEG. I have held positions in Rates & Regulation, Pricing, Corporate Planning & Finance with over thirteen years of direct experience in Northeastern retail and wholesale electric and gas markets. I am presently the Director - Corporate Rates and Revenue Requirements and contribute to the development and implementation of PSE&G electric and gas rates.

1 I have submitted pre-filed direct cost recovery testimony as well as oral
2 testimony to the New Jersey Office of Administrative Law. A list of my prior
3 testimonies can be found in Appendix A of this document. I have also contributed to
4 other filings that the Company has made to the New Jersey Board of Public Utilities,
5 including the Capital Economic Stimulus Infrastructure Investment Programs, as well
6 as unbundling electric rates and Off-Tariff Rate Agreements. I have had a leadership
7 role in various economic analyses, asset valuations, rate design and pricing efforts and
8 participated in electric and gas marginal cost studies.

9 I am an active member of the American Gas Association's Rate and
10 Strategic Issues Committee and the Edison Electric Institute's Rates and Regulatory
11 Affairs Committee. I am also a member of the New Jersey Utility Association
12 (NJUA) Finance and Regulatory Committee.

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / 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	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
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	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
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/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	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
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	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/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	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	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	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	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER13070603/GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery

PSE&G Solar Loan I Program

Proposed Rate Calculations

(\$'s Unless Specified)

Schedule SS-SLI-2

Actual results through 3/31/2014

SUT Rate 7%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Source/Description</u>
1	Oct-14 to Sep-15	Revenue Requirements	8,219,700	SUM (Schedule SS-SLI-3, Col 20)
2	Sep-14	(Over) / Under Recovered Balance	2,121,268	Schedule SS-SLI-3, Line 4, Col 81
3	Sep-14	Cumulative Interest Exp / (Credit)	25,604	Schedule SS-SLI-3, Line 7, Col 81
4	Sep-15	Total Target Rate Revenue	10,366,572	Line 1 + Line 2 + Line 3
5	Oct-14 to Sep-15	Forecasted kWh (000)	41,470,121	
6		Proposed Rate w/o SUT (\$/kWh)	0.000250	(Line 4 / (Line 5*1,000)) [Rnd 6]
7		Proposed Rate w/ SUT (\$/kWh)	0.000268	(Line 6 * (1 + SUT Rate)) [Rnd 6]
8		Existing Rate w/o SUT (\$/kWh)	0.000454	
9		Difference in Proposed and Existing Rate	(0.000204)	(Line 6 - Line 8)
10		Resultant SPRC Revenue Increase	(8,459,905)	(Line 5 * Line 9 * 1,000)

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Summary

Schedule SS-SLI-3

Actuals through March 2014

Annual Pre-Tax WACC 11.1000%
 Monthly Pre-Tax WACC 0.92583%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(17a)	(18)	(19)	(20)
	Total Loan Outstanding Balance	SREC Inventory	Total Net Loan Investment	Return Requirement On Net Loan Investments	Net Plant Investment	Return Requirement on Plant Investment	Loan Accrued Interest	Loan Interest Paid	Net Loan Accrued Interest	Loan Principal Paid / Amortized	Plant Depreciation	Depreciation / Amortization	O&M Expenses	SREC Value Credited to Loans	Gain / (Loss) on SREC Sales	SREC Disposition Expenses	SREC Call Option Net Benefit	SREC Floor Price Cost	Net Proceeds from the Sale of SRECs	Cash Payments to Loans	Revenue Requirements
Monthly Calculations																					
Sep-13	64,587,805	1,649,716	66,237,521	605,443	-	-	588,177	588,177	-	682,020	-	682,020	8,722	1,270,150	-	2,322	-	676,267	591,561	48	704,576
Oct-13	63,919,791	512,718	64,432,509	620,728	-	-	601,524	601,524	-	668,013	-	668,013	11,619	1,228,825	(415,165)	7,357	-	716,107	90,195	40,713	1,169,453
Nov-13	63,651,138	837,530	64,488,668	588,356	-	-	576,324	576,324	-	268,653	-	268,653	6,640	843,600	-	(1,240)	-	518,787	326,053	1,378	536,218
Dec-13	63,542,118	268,789	63,810,907	603,528	-	-	593,173	593,173	-	109,020	-	109,020	8,511	702,050	(191,806)	6,642	-	433,261	70,341	143	650,575
Jan-14	63,825,664	372,542	64,198,205	601,904	-	-	592,194	308,648	283,546	-	-	-	9,139	279,300	-	(1)	-	175,547	103,754	29,348	194,396
Feb-14	63,983,457	516,584	64,500,042	547,056	-	-	537,416	379,623	157,794	-	-	-	7,571	373,350	-	-	-	229,308	144,042	6,273	246,519
Mar-14	64,155,544	124,889	64,280,433	607,998	-	-	596,149	424,063	172,087	-	-	-	6,963	323,475	(1,370)	5,762	-	198,586	117,756	100,588	224,531
Apr-14	64,011,578	363,434	64,375,011	595,184	-	-	587,059	703,781	(116,723)	27,244	-	27,244	8,865	731,025	-	-	-	492,480	238,545	-	509,471
May-14	63,550,465	705,054	64,255,518	596,172	-	-	585,787	946,786	(360,999)	100,114	-	100,114	8,865	1,046,900	-	-	-	705,280	341,620	-	724,530
Jun-14	62,961,724	1,086,974	64,048,698	594,924	-	-	581,660	852,563	(270,903)	317,837	-	317,837	8,865	1,170,400	-	-	-	788,480	381,920	-	810,610
Jul-14	62,143,463	455,080	62,598,543	592,983	-	-	576,339	622,653	(46,314)	771,947	-	771,947	8,865	1,394,600	(20,264)	5,668	-	939,520	429,148	-	990,961
Aug-14	61,343,919	901,635	62,245,554	579,773	-	-	568,932	575,956	(7,024)	792,519	-	792,519	8,865	1,368,475	-	-	-	921,920	446,555	-	941,627
Sep-14	60,548,053	1,344,625	61,892,678	576,309	-	-	561,684	566,945	(5,261)	790,605	-	790,605	8,865	1,357,550	-	-	-	914,560	442,990	-	938,050
Oct-14	59,854,705	407,185	60,261,890	572,975	-	-	554,477	558,437	(3,960)	689,388	-	689,388	8,865	1,247,825	-	7,594	-	840,640	399,591	-	875,597
Nov-14	59,336,538	755,160	60,091,698	557,977	-	-	548,207	548,008	200	518,367	-	518,367	8,865	1,066,375	-	-	-	718,400	347,975	-	737,035
Dec-14	59,017,475	1,036,640	60,054,115	556,567	-	-	543,537	542,779	757	319,821	-	319,821	8,865	862,600	-	-	-	581,120	281,480	-	603,016
Jan-15	59,013,818	177,630	59,191,448	555,922	-	-	540,693	497,534	43,159	46,816	-	46,816	7,044	544,350	-	7,696	-	366,720	169,934	-	396,688
Feb-15	59,071,472	335,265	59,406,737	547,930	-	-	540,729	458,140	82,590	24,935	-	24,935	7,044	483,075	-	-	-	325,440	157,635	-	339,684
Mar-15	59,022,363	527,930	59,550,293	550,124	-	-	541,316	530,512	10,804	59,913	-	59,913	7,044	590,425	-	-	-	397,760	192,665	-	413,611
Apr-15	58,827,034	240,250	59,067,284	551,180	-	-	540,921	583,209	(42,288)	153,041	-	153,041	7,044	736,250	-	4,395	-	496,000	235,855	-	517,698
May-15	58,329,324	578,615	58,907,939	547,008	-	-	539,216	629,931	(90,716)	406,994	-	406,994	7,044	1,036,925	-	-	-	698,560	338,365	-	713,396
Jun-15	57,699,840	958,520	58,658,360	545,430	-	-	534,741	539,529	(4,788)	624,696	-	624,696	7,044	1,164,225	-	-	-	784,320	379,905	-	802,053
Jul-15	56,841,422	452,755	57,294,177	543,093	-	-	529,057	529,282	(225)	858,193	-	858,193	7,044	1,387,475	-	5,496	-	934,720	447,259	-	961,296
Aug-15	56,001,530	897,140	56,898,670	530,662	-	-	521,270	521,820	(550)	839,343	-	839,343	7,044	1,361,162	-	-	-	916,930	444,232	-	933,366
Sep-15	55,170,139	1,336,255	56,506,394	526,805	-	-	513,656	513,221	(435)	831,826	-	831,826	7,044	1,345,046	-	-	-	906,067	438,980	-	926,259
	From Sched SS-SL1-3a Col 11	From Sched SS-SL1-3a Col 15	Col 1 + Col 2	From Sched SS-SL1-3a Col 3 + Col 16	From Sched SS-SL1-3a Col 26	(Prior Col 5 + Col 5) / 2 [Monthly Pre Tax WACC]	From Sched SS-SL1-3a Col 4	From Sched SS-SL1-3a Col 7	Col 7 - Col 8	From Sched SS-SL1-3a Col 8	From Sched SS-SL1-3a Col 20	Col 9 + Col 10	From Sched SS-SL1-3a Col 28	From Sched SS-SL1-3a Col 5	From Sched SS-SL1-3a Col 14	From Sched SS-SL1-3a Col 17	From Sched SS-SL1-3a Col 18	From Sched SS-SL1-3a Col 18a	Col 14 + Col 15 - Col 16 + Col 17 - Col 17a	From Sched SS-3 Col 6	Col 4 + Col 6 - Col 9 + Col 12 + Col 13 - Col 18 - Col 19
Annual Summary																					
2009	42,055,057	1,483,481	43,538,538	1,322,954	-	-	1,267,817	1,209,191	58,626	937,413	-	937,413	505,554	2,146,604	271,256	135,091	-	3,499	2,279,270	-	428,024
2010	62,387,945	2,636,299	65,024,244	5,825,922	-	-	5,558,552	5,617,178	(58,626)	3,820,753	-	3,820,753	258,525	9,411,252	1,499,493	203,401	-	-	10,707,344	26,680	(770,198)
2011	73,099,428	1,795,218	74,894,646	7,945,123	-	-	7,473,721	7,429,658	44,062	4,927,273	-	4,927,273	127,415	12,280,358	(3,344,977)	285,220	-	559,489	8,090,672	76,574	4,788,603
2012	68,251,150	1,287,922	69,539,072	8,049,416	-	-	7,781,089	7,678,212	102,878	4,968,092	-	4,968,092	68,189	12,500,100	(5,730,793)	108,511	-	3,967,845	2,692,950	146,204	10,143,665
2013	63,542,118	268,789	63,810,907	7,490,617	-	-	7,306,211	7,453,150	(146,940)	4,562,092	-	4,562,092	95,021	11,936,750	(2,101,031)	37,127	-	7,028,218	2,770,374	78,492	9,445,803
2014	59,017,475	1,036,640	60,054,115	6,979,821	-	-	6,833,440	7,030,240	(196,800)	4,327,843	-	4,327,843	103,463	11,221,875	(21,634)	19,023	-	7,505,841	3,675,376	136,208	7,796,342
2015	53,511,476	1,030,905	54,542,381	6,434,932	-	-	6,301,497	6,301,691	(194)	5,505,805	-	5,505,805	81,912	11,807,496	-	24,273	-	7,954,182	3,829,040	-	8,193,801
Total				69,124,254			67,026,452	67,225,998	(199,547)	82,229,452		82,229,452	1,860,950	148,991,292	(9,427,686)	916,532		79,345,511	59,301,564	464,158	93,648,481
Total Oct-14 - Sep-15				6,585,672			6,452,401	(4,581)	5,373,333			5,373,333	89,989	11,825,734	-	25,182		7,966,677	3,833,875		8,219,700

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Detail

Actuals through March 2014

Annual Pre-Tax WACC 11.1100%
 Monthly Pre-Tax WACC 0.92583%

(1)	(2)	(3)	(3a)	(3b)	(4)	4a	4b	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Loan Amount Issued	Capitalized Plant	Return On Total Outstanding Loan Balance	Loan Interest	Loan Interest	Loan Accrued Interest - Commercial	Loan Accrued Interest - Residential	SREC Value Credited to Loans	Cash Payments to Loans	Loan Interest Paid	Loan Principal Paid / Amortized	Loan Accrued Interest Balance	Loan Principal Balance	Total Loan Outstanding Balance	Value of SREC Transferred to PSE&G	SREC Auction Sales	Gain / (Loss) on SREC Sales		
			Rate to WACC Differential	Rate to WACC Differential													Cost - Commercial	Cost - Residential
Sep-13	-	-	595,625	-	7,448	588,177	577,676	10,501	1,270,150	48	588,177	682,020	-	64,587,805	64,587,805	593,883	-	
Oct-13	-	-	609,028	-	7,504	601,524	590,944	10,580	1,228,825	40,713	601,524	668,013	-	63,919,791	63,919,791	512,718	1,234,551	
Nov-13	-	-	583,423	-	7,099	576,324	566,314	10,010	843,600	1,378	576,324	268,653	-	63,651,138	63,651,138	324,813	-	
Dec-13	-	-	600,391	-	7,219	593,173	582,995	10,178	702,050	143	593,173	109,020	-	63,542,118	63,542,118	268,789	645,724	
Jan-14	-	-	599,341	-	7,147	592,194	582,116	10,078	279,300	29,348	308,648	-	283,546	63,542,118	63,825,664	103,753	-	
Feb-14	-	-	543,841	-	6,425	537,416	528,357	9,059	373,350	6,273	379,623	-	441,339	63,542,118	63,983,457	144,042	-	
Mar-14	-	-	603,247	-	7,098	596,149	586,141	10,008	323,475	100,588	424,063	-	613,426	63,542,118	64,155,544	124,889	515,214	
Apr-14	-	-	593,971	-	6,913	587,059	577,312	9,747	731,025	-	703,781	27,244	696,255	63,315,322	64,011,578	238,545	-	
May-14	-	-	592,638	-	6,852	585,787	576,126	9,661	1,046,900	-	946,786	100,114	335,256	63,215,208	63,550,465	341,620	-	
Jun-14	-	-	588,369	-	6,710	581,660	572,199	9,461	1,170,400	-	852,563	317,837	64,353	62,897,371	62,961,724	381,920	-	
Jul-14	-	-	582,919	-	6,580	576,339	567,061	9,278	1,394,600	-	622,653	771,947	18,039	62,125,424	62,143,463	455,080	1,066,710	
Aug-14	-	-	575,343	-	6,411	568,932	559,892	9,040	1,368,475	-	575,956	792,519	11,014	61,332,905	61,343,919	446,555	-	
Sep-14	-	-	567,940	-	6,256	561,684	552,863	8,821	1,357,550	-	566,945	790,605	5,754	60,542,300	60,548,053	442,990	-	
Oct-14	-	-	560,572	-	6,095	554,477	545,883	8,594	1,247,825	-	558,437	689,388	1,794	59,852,911	59,854,705	407,185	1,344,625	
Nov-14	-	-	554,153	-	5,946	548,207	539,824	8,383	1,066,375	-	548,008	518,367	1,994	59,334,544	59,336,538	347,975	-	
Dec-14	-	-	549,356	-	5,819	543,537	535,332	8,205	862,600	-	542,779	319,821	2,752	59,014,723	59,017,475	281,480	-	
Jan-15	-	-	546,402	-	5,708	540,693	532,645	8,048	544,350	-	497,534	46,816	45,911	58,967,907	59,013,818	177,630	1,036,640	
Feb-15	-	-	546,368	-	5,639	540,729	532,778	7,951	483,075	-	458,140	24,935	128,500	58,942,972	59,071,472	157,635	-	
Mar-15	-	-	546,902	-	5,585	541,316	533,441	7,875	590,425	-	530,512	59,913	139,304	58,883,059	59,022,363	192,665	-	
Apr-15	-	-	546,447	-	5,526	540,921	533,129	7,792	736,250	-	583,209	153,041	97,016	58,730,018	58,827,034	240,250	527,930	
May-15	-	-	544,638	-	5,423	539,216	531,569	7,646	1,036,925	-	629,931	406,994	6,300	58,323,024	58,329,324	338,365	-	
Jun-15	-	-	540,030	-	5,290	534,741	527,282	7,459	1,164,225	-	539,529	624,696	1,512	57,698,328	57,699,840	379,905	-	
Jul-15	-	-	534,203	-	5,145	529,057	521,803	7,255	1,387,475	-	529,822	858,193	1,287	56,840,135	56,841,422	452,755	958,520	
Aug-15	-	-	526,255	-	4,985	521,270	514,241	7,029	1,361,162	-	521,820	839,343	738	56,000,792	56,001,530	444,385	-	
Sep-15	-	-	518,479	-	4,823	513,656	506,856	6,800	1,345,046	-	513,221	831,826	1,173	55,168,966	55,170,139	439,115	-	
Program Assumption	Program Assumption	Col 3a + Col 3b + Col 4	WP-SS-SL1-2.xlsx 'LoansC' wksht Col 32	WP-SS-SL1-2.xlsx 'LoansR' wksht Col 32	WP-SS-SL1-2.xlsx 'Loans' wksht Col 11	WP-SS-SL1-2.xlsx 'LoansC' wksht Col 11	WP-SS-SL1-2.xlsx 'LoansR' wksht Col 11	WP-SS-SL1-2.xlsx 'Loans' wksht Col 13	WP-SS-SL1-2.xlsx 'Loans' wksht Col 14	WP-SS-SL1-2.xlsx 'Loans' wksht Col 16	WP-SS-SL1-2.xlsx 'Loans' wksht Col 17	WP-SS-SL1-2.xlsx 'Loans' wksht Col 18	WP-SS-SL1-2.xlsx 'Loans' wksht Col 19	Col 9 + Col 10	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 23	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 25	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 26	
Annual Summary																		
2009	42,933,844	-	1,272,374	-		1,267,817			2,146,604	-	1,209,191	937,413	58,626	41,996,431	42,055,057	2,143,104	930,880	271,256
2010	24,212,268	-	5,633,081	-		5,558,552			9,411,252	26,680	5,617,178	3,820,753	-	62,387,945	62,387,945	9,412,632	9,759,306	1,499,493
2011	15,594,694	-	7,594,846	-		7,473,721			12,280,358	76,574	7,429,658	4,927,273	44,062	73,055,366	73,099,428	11,724,979	9,221,084	(3,344,977)
2012	16,936	-	7,893,123	-		7,781,089			12,500,100	146,204	7,678,212	4,968,092	146,940	68,104,210	68,251,150	8,533,307	3,309,809	(5,730,793)
2013	-	-	7,400,847	-		7,306,211			11,936,750	78,492	7,453,150	4,562,092	-	63,542,118	63,542,118	4,908,532	3,826,635	(2,101,031)
2014	-	-	6,911,692	-		6,833,440			11,221,875	136,208	7,030,240	4,327,843	2,752	59,014,723	59,017,475	3,716,034	2,926,549	(21,634)
2015	-	-	6,363,166	-		6,301,497			11,807,496	-	6,301,691	5,505,805	2,558	53,508,918	53,511,476	3,853,610	3,859,345	-
Total Oct-14 - Sep-15	-	-	6,513,804	-		6,447,820			11,825,734	-	6,452,401	5,373,333				3,859,345	3,867,715	-

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Detail

Actuals through March 2014

Annual Pre-Tax WACC 11.1100%
 Monthly Pre-Tax WACC 0.92583%

	(15)	(16)	(17)	(18)	(18a)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
	SREC Inventory	Return on SREC Inventory	SREC Disposition Expenses	SREC Call Option Net Benefit	SREC Floor Price Cost	Gross Plant	Plant Depreciation	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Income Tax	Accumulated Deferred Income Tax	Net Plant Investment	Return Requirement on Plant Investment	O&M Expenses	Revenue Requirements	Alternative Revenue Requirements Calculation
Sep-13	1,649,716	9,818	2,322	-	676,267	-	-	-	-	-	-	-	-	-	8,722	704,576	704,576
Oct-13	512,718	11,701	7,357	-	716,107	-	-	-	-	-	-	-	-	-	11,619	1,169,453	1,169,453
Nov-13	837,530	4,932	(1,240)	-	518,787	-	-	-	-	-	-	-	-	-	6,640	536,218	536,218
Dec-13	268,789	3,136	6,642	-	433,261	-	-	-	-	-	-	-	-	-	8,511	650,575	650,575
Jan-14	372,542	2,563	(1)	-	175,547	-	-	-	-	-	-	-	-	-	9,139	194,396	194,396
Feb-14	516,584	3,215	-	-	229,308	-	-	-	-	-	-	-	-	-	7,571	246,519	246,519
Mar-14	124,889	4,750	5,762	-	198,586	-	-	-	-	-	-	-	-	-	6,963	224,531	224,531
Apr-14	363,434	1,213	-	-	492,480	-	-	-	-	-	-	-	-	-	8,865	509,471	509,471
May-14	705,054	3,533	-	-	705,280	-	-	-	-	-	-	-	-	-	8,865	724,530	724,530
Jun-14	1,086,974	6,554	-	-	788,480	-	-	-	-	-	-	-	-	-	8,865	810,610	810,610
Jul-14	455,080	10,064	5,668	-	939,520	-	-	-	-	-	-	-	-	-	8,865	990,961	990,961
Aug-14	901,635	4,430	-	-	921,920	-	-	-	-	-	-	-	-	-	8,865	941,627	941,627
Sep-14	1,344,625	8,368	-	-	914,560	-	-	-	-	-	-	-	-	-	8,865	938,050	938,050
Oct-14	407,185	12,402	7,594	-	840,640	-	-	-	-	-	-	-	-	-	8,865	875,597	875,597
Nov-14	755,160	3,824	-	-	718,400	-	-	-	-	-	-	-	-	-	8,865	737,035	737,035
Dec-14	1,036,640	7,211	-	-	581,120	-	-	-	-	-	-	-	-	-	8,865	603,016	603,016
Jan-15	177,630	9,520	7,696	-	366,720	-	-	-	-	-	-	-	-	-	7,044	396,688	396,688
Feb-15	335,265	1,562	-	-	325,440	-	-	-	-	-	-	-	-	-	7,044	339,684	339,684
Mar-15	527,930	3,222	-	-	397,760	-	-	-	-	-	-	-	-	-	7,044	413,611	413,611
Apr-15	240,250	4,733	4,395	-	496,000	-	-	-	-	-	-	-	-	-	7,044	517,698	517,698
May-15	578,615	2,370	-	-	698,560	-	-	-	-	-	-	-	-	-	7,044	713,396	713,396
Jun-15	958,520	5,399	-	-	784,320	-	-	-	-	-	-	-	-	-	7,044	802,053	802,053
Jul-15	452,755	8,891	5,496	-	934,720	-	-	-	-	-	-	-	-	-	7,044	961,296	961,296
Aug-15	897,140	4,407	-	-	916,930	-	-	-	-	-	-	-	-	-	7,044	933,366	933,366
Sep-15	1,336,255	8,326	-	-	906,067	-	-	-	-	-	-	-	-	-	7,044	926,259	926,259
	Prior Col 15 + Col 12 - Col 13 - Col 14	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 28	WP-SS-SL1-2.xlsx 'SREC Inv.' wksht Col 29	Included in Col 14	WP-SS-SL1-2.xlsx 'Loans' wksht Col 36	Prior Month Col 19 + Col 2	1/120 of Each Prior 120 Months of Col 2 (10 year amortization)	Prior Col 21 + Col 20	Col 19 - Col 21	See WP-SS-SL1-1.xlsx 'AmortE' wksht	(Col 23 - Col 20) * Income Tax Rate	Prior Col 25 + Col 24	Col 22 - Col 25	(Prior Col 26 + Col 26) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 - Col 4 - Col 5 - Col 6 + Col 7 + Col 8 - Col 14 + Col 16 + Col 17 - Col 18 + Col 27 + Col 28	3a + 3b - 14 + 16 + 17 - 18 + 18a + 20 + 27 + 28
Annual Summary																	
2009	1,483,481	50,579	135,091	-	3,499	-	-	-	-	-	-	-	-	-	505,554	428,024	428,024
2010	2,636,299	192,841	203,401	-	-	-	-	-	-	-	-	-	-	-	258,525	(770,198)	(770,198)
2011	1,795,218	350,277	285,220	-	559,489	-	-	-	-	-	-	-	-	-	127,415	4,788,503	4,788,503
2012	1,287,922	156,293	108,511	-	3,967,845	-	-	-	-	-	-	-	-	-	68,189	10,143,665	10,143,665
2013	268,789	89,770	37,127	-	7,028,218	-	-	-	-	-	-	-	-	-	95,021	9,445,803	9,445,803
2014	1,036,640	68,129	19,023	-	7,505,841	-	-	-	-	-	-	-	-	-	103,463	7,796,342	7,796,342
2015	1,030,905	71,765	24,273	-	7,954,182	-	-	-	-	-	-	-	-	-	81,912	8,193,801	8,193,801
Total Oct-14 - Sep-15		71,868	25,182	-	7,966,677	-	-	-	-	-	-	-	-	-	89,989	8,219,700	8,219,700

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000454	0.000454	0.000454	0.000454	0.000454	0.000454	0.000454
	(69)	(70)	(71)	(72)	(73)	(74)	(75)
<u>SLI (Over)/Under Calculation</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>
(1) Solar Loan I SPRC Revenue	1,517,420	1,432,157	1,422,547	1,521,019	1,629,839	1,499,432	1,536,884
(2) Revenue Requirements	<u>704,576</u>	<u>1,169,453</u>	<u>536,218</u>	<u>650,575</u>	<u>194,396</u>	<u>246,519</u>	<u>224,531</u>
(3) Monthly (Over)/Under Recovery	(812,843)	(262,703.5)	(886,329.0)	(870,443.6)	(1,435,443.1)	(1,252,913.6)	(1,312,352.9)
(4) Deferred Balance	13,079,797	12,817,093.4	11,930,764.4	11,060,320.9	9,668,041.6	8,415,128.0	7,102,775.1
(5) Monthly Interest Rate	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%
(6) After Tax Monthly Interest Expense/(Credit)	6,290.2	6,039.4	5,771.4	5,361.7	4,834.0	4,217.2	3,618.9
(7) Cumulative Interest Balance Added to Subsequent Year's Revenue	25,991.3	32,030.7	37,802.1	43,163.9	4,834.0	9,051.2	12,670.1
(8) Requirements	13,105,788	12,849,124.1	11,968,566.6	11,103,484.7	9,672,875.6	8,424,179.2	7,115,445.2
(9) Net Sales - kWh (000)							
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000454	0.000454	0.000454	0.000454	0.000454	0.000454	0.00025
	(76)	(77)	(78)	(79)	(80)	(81)	(82)
<u>SLI (Over)/Under Calculation</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>
(1) Solar Loan I SPRC Revenue	1,367,500	1,342,322	1,675,714	2,032,377	1,897,451	1,581,393	829,718
(2) Revenue Requirements	<u>509,471</u>	<u>724,530</u>	<u>810,610</u>	<u>990,961</u>	<u>941,627</u>	<u>938,050</u>	<u>875,597</u>
(3) Monthly (Over)/Under Recovery	(858,028.6)	(617,791.9)	(865,104.2)	(1,041,415.6)	(955,824.5)	(643,342.6)	45,879.0
(4) Deferred Balance	6,244,746.5	5,626,954.6	4,761,850.4	3,720,434.8	2,764,610.3	2,121,267.8	2,192,750.9
(5) Monthly Interest Rate	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%
(6) After Tax Monthly Interest Expense/(Credit)	3,112.8	2,768.6	2,422.8	1,978.1	1,512.4	1,139.4	1,006.1
(7) Cumulative Interest Balance Added to Subsequent Year's Revenue	15,782.9	18,551.5	20,974.2	22,952.4	24,464.8	25,604.2	1,006.1
(8) Requirements	6,260,529.4	5,645,506.1	4,782,824.6	3,743,387.2	2,789,075.1	2,146,872.0	2,193,757.0
(9) Net Sales - kWh (000)	3,012,114	2,956,657	3,691,000	4,476,601	4,179,408	3,483,243	3,318,873
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025
	(83)	(84)	(85)	(86)	(87)	(88)	(89)
<u>SLI (Over)/Under Calculation</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>
(1) Solar Loan I SPRC Revenue	748,703	807,593	903,390	796,394	820,197	734,406	768,004
(2) Revenue Requirements	<u>737,035</u>	<u>603,016</u>	<u>396,688</u>	<u>339,684</u>	<u>413,611</u>	<u>517,698</u>	<u>713,396</u>
(3) Monthly (Over)/Under Recovery	(11,667.9)	(204,577.6)	(506,702.1)	(456,710.2)	(406,585.6)	(216,708.1)	(54,607.6)
(4) Deferred Balance	2,181,083.0	1,976,505.4	1,469,803.3	1,013,093.1	606,507.5	389,799.4	335,191.8
(5) Monthly Interest Rate	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%	0.07917%
(6) After Tax Monthly Interest Expense/(Credit)	1,020.0	969.6	803.7	579.0	377.7	232.3	169.1
(7) Cumulative Interest	2,026.1	2,995.7	3,799.4	4,378.4	4,756.1	4,988.5	5,157.5
(8) Balance Added to Subsequent Year's Revenue Requirements	2,183,109.1	1,979,501.1	1,473,602.7	1,017,471.5	611,263.6	394,787.8	340,349.3
(9) Net Sales - kWh (000)	2,994,812	3,230,373	3,613,562	3,185,578	3,280,787	2,937,624	3,072,016
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh		0.00025	0.00025	0.00025	0.00025	
		(90)	(91)	(92)	(93)	
<u>SLI (Over)/Under Calculation</u>		<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Notes</u>
(1)	Solar Loan I SPRC Revenue	915,963	1,086,009	1,067,534	889,619	SL I Rate * Line 9
(2)	Revenue Requirements	<u>802,053</u>	<u>961,296</u>	<u>933,366</u>	<u>926,259</u>	From SS-SL1-3, Col 20
(3)	Monthly (Over)/Under Recovery	(113,909.9)	(124,712.8)	(134,167.9)	36,640.5	Line 2 - Line 1
(4)	Deferred Balance	221,281.9	96,569.1	(37,598.9)	(958.3)	Prev Line 4 + Line 3 + Line 10 + Line 11
(5)	Monthly Interest Rate	0.07917%	0.07917%	0.07917%	0.07917%	Annual Interest Rate / 12
(6)	After Tax Monthly Interest Expense/(Credit)	129.8	74.1	13.8	(9.0)	(Prev Line 4 + Line 4) / 2 * (1 - Tax Rate) * Line 5
(7)	Cumulative Interest	5,287.3	5,361.4	5,375.2	5,366.2	Prev Line 7 + Line 6
(8)	Balance Added to Subsequent Year's Revenue Requirements	226,569.2	101,930.5	(32,223.7)	4,407.9	Line 4 + Line 7
(9)	Net Sales - kWh (000)	3,663,851	4,344,034	4,270,137	3,558,474	
(10)	SPRC Settlement: Application Fee Credit					
(11)	SPRC Settlement: Prior to Filing Expenses Credit					

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Second Revised Sheet No. 64

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

Superseding
First Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

**Charge
(per kilowatthour)**

SOLAR PILOT RECOVERY CHARGE:

Charge.....\$ 0.000454

Charge including New Jersey Sales and Use Tax (SUT).....\$ 0.000486

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is 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. This interest rate shall change each August 1.

Date of Issue: June 5, 2013

Effective: June 1, 2013

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated May 29, 2013
in Docket No. ER12070599

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 64

Superseding

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

XXX Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

Charge
(per kilowatthour)

SOLAR PILOT RECOVERY CHARGE:

Charge.....	\$ 0.000454 <u>0.000250</u>
Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.000486 <u>0.000268</u>

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is 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. This interest rate shall change each August 1.

Date of Issue:

Issued by DANIEL J. CREGG, 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

XXX Revised Sheet No. 64

Superseding

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

XXX Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

**Charge
(per kilowatthour)**

SOLAR PILOT RECOVERY CHARGE:

Charge.....\$ 0.000250

Charge including New Jersey Sales and Use Tax (SUT).....\$ 0.000268

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is 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. This interest rate shall change each August 1.

Date of Issue:

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

Effective:

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric Solar Pilot Recovery Charge (SPRC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
170	1,600	\$317.92	\$317.56	(\$0.36)	(0.11)%
415	3,900	733.00	732.16	(0.84)	(0.11)
780	7,360	1,366.88	1,365.24	(1.64)	(0.12)
803	7,800	1,447.55	1,445.85	(1.70)	(0.12)
1,320	12,400	2,305.08	2,302.40	(2.68)	(0.12)

(1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect June 1, 2014 and assumes that the customer receives BGS-FP service from Public Service.

(2) Same as (1) except includes changes in the Solar Pilot Recovery Charge.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,600	170	\$33.08	\$33.05	(\$0.03)	(0.09)%
3,900	415	77.27	77.18	(0.09)	(0.12)
7,360	780	145.48	145.31	(0.17)	(0.12)
7,800	803	149.94	149.77	(0.17)	(0.11)
12,400	1,320	250.01	249.72	(0.29)	(0.12)

(3) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect June 1, 2014 and assumes that the customer receives BGS-FP service from Public Service.

(4) Same as (3) except includes changes in the Solar Pilot Recovery Charge.