

Matthew M. Weissman
General Regulatory Counsel - Rates

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



July 6, 2012

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 Program; and for Changes
in the Tariff for Electric Service,
B.P.U.N.J. No. 14 Electric, Pursuant to
N.J.S.A. 48:2-21 and 2-21.1

BPU Docket No. ER10030220

VIA ELECTRONIC MAIL & OVERNIGHT DELIVERY

Kristi Izzo, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Fl
Post Office Box 350
Trenton, NJ 08625-0350

Dear Secretary Izzo:

Enclosed for filing please find the original and ten copies of Public Service Electric and Gas Company's ("Public Service," "PSE&G" or "the Company") fully executed Stipulation of Settlement and attachments with respect to the above-referenced matter.

If you have any questions or require additional information, please call me at (973) 430-7052.

Thank you for your consideration.

Very truly yours,

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

C Attached Service List (E-Mail Only)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
SOLAR PILOT RECOVERY CHARGE (SPRC)
BPU DOCKET NO. ER10030220

BPU

Alice Bator, Bureau Chief
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Floor
 P.O. Box 359
 Trenton, NJ 08625-0350
 PHONE: (609) 943-5805
 FAX: () - -
 alice.bator@bpu.state.nj.us

Mark Beyer, Chief Economist
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-2637
 FAX: () - -
 mark.beyer@bpu.state.nj.us

Scott Hunter
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1956
 FAX: () - -
 B.Hunter@bpu.state.nj.us

Kristi Izzo, Secretary
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1599
 FAX: () - -
 kristi.izzo@bpu.state.nj.us

Christine Lin
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-2956
 FAX: () - -
 christine.lin@bpu.state.nj.us

Jerome May, Director
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-3960
 FAX: () - -
 Jerome.may@bpu.state.nj.us

Jacqueline O'Grady
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-2947
 FAX: () - -
 jackie.ogrady@bpu.state.nj.us

Stacy Peterson
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-4517
 FAX: () - -
 stacy.peterson@bpu.state.nj.us

Nnajindu Ugoji
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 777-1694
 FAX: () - -
 Nnajindu.ugoji@bpu.state.nj.us

Michael Winka, Director
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 777-3312
 FAX: () - -
 m.winka@bpu.state.nj.us

DAG

Jenique Jones
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 PO Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-7159
 FAX: (973) 648-3555
 jenique.jones@dol.lps.state.nj.us

Alex Moreau, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P. O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3762
 FAX: (973) 648-3555
 Alex.Moreau@dol.lps.state.nj.us

Babette Tenzer, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 PO Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-7811
 FAX: (973) 648-3555
 babette.tenzer@dol.lps.state.nj.us

Caroline Vachier, DAG, Assistant Section
 Chief, Deputy Attorney General
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3709
 FAX: (973) 648-3555
 caroline.vachier@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Director
 The Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 sbrand@rpa.state.nj.us

Paul Flanagan, Litigation Manager
 The Division of Rate Counsel
 31 Clinton Street - 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 642-1047
 pflanagan@rpa.state.nj.us

Lisa Gurkas
 The Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07102
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 lgurkas@rpa.state.nj.us

Kurt Lewandowski, Esq.
 Assistant Deputy Public Advocate
 The Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 klewando@rpa.state.nj.us

Shelly Massey
 The Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07102
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 smassey@rpa.state.nj.us

Susan McClure, Esq.
 Division of the Ratepayer Advocate
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07102
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 smcclure@rpa.state.nj.us

Ami Morita
 The Division of Rate Counsel
 Division of Rate Counsel
 31 Clinton Street - 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 amorita@rpa.state.nj.us

Diane Schulze, Esq.
 Division of Rate Counsel
 31 Clinton Street - 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 648-2193
 dschulze@rpa.state.nj.us

Sarah Steindel
 The Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 ssteinde@rpa.state.nj.us

Felicia Thomas-Friel, Managing
 Attorney - Gas
 The Division of Rate Counsel
 31 Clinton Street, 11th Floor
 P.O. Box 46005
 Newark, NJ 07101
 PHONE: (973) 648-2690
 FAX: (973) 624-1047
 fthomas@rpa.state.nj.us

RC CONSULTANTS

Andrea Crane
 The Columbia Group, Inc.
 90 Grove Street, Suite 211
 Ridgefield, CT 06877
 PHONE: (203) 438-2999
 FAX: () - -
 ctcolumbia@aol.com

David Dismukes
 Acadian Consulting Group
 5800 One Perkins Place Drive
 Suite 5F
 Baton Rouge, LA 70808
 PHONE: (225) 578-4343
 FAX: () - -
 daviddismukes@acadianconsulti

PSE&G

Connie E. Lembo
 PSEG Services Corporation
 80 Park Plaza, T-05
 Newark, NJ 07102
 PHONE: (973) 430-6273
 FAX: (973) 430-5983
 constance.lembo@pseg.com

June 13, 2012

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
SOLAR PILOT RECOVERY CHARGE (SPRC)
BPU DOCKET NO. ER10030220

Page 2 of 2

Matthew M. Weissman, Esq.
Public Service Electric & Gas Co.
80 Park Plaza
P.O. Box 570-T5G
Newark, NJ 07101
PHONE: (973) 430-7052
FAX: (973) 430-5983
matthew.weissman@pseg.com

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)) BPU Docket No.
FOR ITS SOLAR LOAN I PROGRAM; AND FOR) ER10030220
CHANGES IN THE TARIFF FOR ELECTRIC)
SERVICE, B.P.U.N.J. NO. 14 ELECTRIC,)
PURSUANT TO N.J.S.A. 48:2-21 AND 2-21.1)

STIPULATION OF SETTLEMENT

APPEARANCES:

Matthew M. Weissman, Esq., General Regulatory Counsel - Rates, and
Martin C. Rothfelder, Esq., Associate General Regulatory Counsel, for the
Petitioner Public Service Electric and Gas Company

Paul Flanagan, Esq., Litigation Manager; **Felicia Thomas-Friel, Esq.**,
Deputy Rate Counsel, **Sarah Steindel, Esq.**, Assistant Deputy Rate Counsel,
and **Kurt S. Lewandowski, Esq.**, for the New Jersey Division of Rate
Counsel (**Stefanie A. Brand, Esq.**, Director)

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

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

Introduction and Background

1. On March 26, 2010 Public Service Electric and Gas Company ("Public Service," "PSE&G," or the "Company") filed a petition to adjust its Solar Pilot Recovery Charge ("SPRC"), which is currently set at zero, but provided for in Public Service tariffs.
2. PSE&G filed a petition on April 19, 2007 for its Solar Loan I program and

associated cost recovery. Under cover letter dated March 19, 2008, the Board of Public Utilities ("Board" or "BPU") received a Settlement between the Division of Rate Counsel ("Rate Counsel"), Board Staff and PSE&G ("SPRC Settlement") addressing that petition. On April 16, 2008, the Board issued its *Decision and Order Approving Settlement* ("SPRC Order") thereby approving the PSE&G Solar Loan I program, cost recovery for that program through the SPRC, the methodology to set the SPRC, and the tariff setting forth the SPRC rate. The SPRC Order was modified via the Board's *Decision and Order Approving One Time Waiver of Rules* dated June 15, 2009.

3. The PSE&G March 26, 2010 filing requested an increase in the SPRC from zero and included a revised tariff reflecting a revised per kWh charge. The Company requested a May 1, 2010 effective date for this rate. The filing stated that, based on actual collections through December 31, 2009 and projected collections through December 31, 2010, the SPRC was expected to be under collected by \$1,726,713, including interest. The Company accordingly requested implementation of a rate increase designed to result in collection from the Company's customers of approximately \$1.7 million in revenues for the May 1 through December 1, 2010 time period requested, or \$2.5 million on an annual basis.

4. Six public hearings regarding the requested increase were held in three locations at times and specific locations as follows:

September 1, 2010
3:30 PM and 5:30 PM
Middlesex County
Administration
Building
1st Floor Meeting
Room
J.F. Kennedy Square
New Brunswick, NJ

September 2, 2010
3:30 PM and 5:30 PM
Bergen County
Administration
Building
Freeholders' Public
Meeting Room #540
1 Bergen County Plz.
Hackensack, NJ

September 7, 2010
3:30 PM and 5:30 PM
Burlington County
Administration Bldg.
Board of Chosen
Freeholders'
Boardroom, 1st Floor
49 Rancocas Road
Mt. Holly, NJ

Notice, including the date, time and place of the public hearings and the requested rate increase, was placed in newspapers of broad circulation within the Company's service territory and was served on the county executives and clerks of all municipalities within the Company's service territory. One member of the public spoke at one of the public hearings on behalf of the Central New Jersey Workers Benefit Council, regarding the difficulties that rate increases present for poor, elderly, or disabled residents.

5. PSE&G has provided semi-annual reports on the Solar Loan I program to the Board and Rate Counsel under cover letters dated July 30, 2009, January 28, 2010, July 30, 2010, February 1, 2011, July 29, 2011, and January 31, 2012, and has responded to all discovery requests in this docket. In addition to the time period covered by the Petition, the Company has responded to discovery with regard to actual SPRC expenditures and collections through October 31, 2011.

6. Based on the Company's actual collections through October 31, 2011, its projected collections through December 31, 2011, and the revenue requirement methodology provided in paragraphs 75-77 of the Order, the Company estimated that the SPRC would be undercollected by approximately \$4.8 million, including interest, as of December 31, 2011. The Company currently estimates its 2012 revenue requirements at

approximately \$0.6 million, which along with the prior underrecovery results in a total revenue requirement of approximately \$5.4 million.

Stipulated Matters

7. In PSE&G's March 26, 2010 petition to adjust its SPRC ("Petition"), based on actual results through December 2009, PSE&G credited \$91,691, representing 50 percent of the \$183,382 in loan application fees received by PSE&G, to ratepayers. See Petition, Attachment A (Direct Testimony of Susanna W. Chiu), Schedule SWC-3. Based on actual results through October 2011, the total application fees credited to ratepayers was \$91,191, representing 50% of the updated total of \$182,382 in loan application fees received by PSE&G. For purposes of this Stipulation of Settlement, the parties agree that the remaining application fees of \$91,191, less \$15,357 (the application fees associated with Solar Loan I program applications that were rejected), will be credited to ratepayers. Accordingly, an adjustment of \$75,834 will be reflected in PSE&G's next SPRC filing, which will be made in accordance with paragraph 13 below.

8. An adjustment of \$6,148 will also be reflected in PSE&G's next SPRC filing to adjust for amounts charged to administrative costs prior to the program receiving approval from the BPU.

9. While the revenue requirement as of December 31, 2012 is approximately \$5.4 million, the Parties agree to implement the SPRC requested in the March 26, 2010 filing, thereby increasing the SPRC from zero (\$0.0000 per kWh) to \$0.000058 per kWh without sales and use tax ("SUT"), or to \$0.000062 per kWh including SUT on that date. These rates have an anticipated net annual revenue impact on the Company's electric customers of \$2.5 million. Tariff sheets consistent with this rate change are set forth in

Attachment A. The Company's calculations in support of the proposed per kWh rates are set forth in Attachment B.

10. The Parties agree that the actual SPRC costs incurred prior to November 1, 2011 as shown in Attachment B have been reviewed by the parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future SPRC adjustment proceedings.

11. The Parties agree, in the interest of settlement and as a compromise, that the recovery of costs herein, as reflected in the rates and the calculations in Attachments A and B, shall be deemed in compliance with the limits on recovery of administrative costs set forth in the SPRC Settlement at paragraph 77 and in the SPRC Order. Those provisions define administrative costs as reasonable costs that are incremental costs incurred by PSE&G to implement the program. Those provisions limit recovery of those defined administrative costs to 50% of such costs and further limit recovery of such costs through the SPRC in any year to \$1,000,000.

12. The Parties further agree that the claimed costs for the Solar Loan I overall administration, program management, quality assurance/quality control evaluation and recoverable loan costs through October 31, 2011 that were reviewed in the context of this proceeding shall be deemed incremental to the level in base rates for purposes of cost recovery. In addition, the Parties agree that internal labor costs related to the Solar Loan I Program shall be included in the Company's semi-annual reports for this program. The Parties further agree that Board Staff and Rate Counsel reserve the right in the Company's next base rate case to argue that internal labor costs associated with the Solar Loan I Program should be included in base rates and removed from the SPRC.

13. PSE&G hereby agrees that it shall make its next SPRC filing concurrently with its annual N.J.S.A. 48:3-98.1 filing with actual data through March 31, 2012 as soon as such data is available, but no later than July 1, 2012.

14. As a result of the rates set forth in Attachment A, PSE&G's typical residential electric customer using 780 kilowatt-hours per summer month and 7,360 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,336.60 to \$1,337.04 or \$0.44, or approximately 0.03% based upon rates in effect June 7, 2012 and assuming that the customer receives BGS-FP service from PSE&G.

15. The residential customer bill impacts comparing the current and proposed delivery charges and Typical Residential Bill Impacts are set forth in Attachment C for the aforementioned class average customers, as well as for other typical customer usage patterns.

16. The Parties hereby agree that PSE&G should be authorized to implement the proposed rates as set forth herein in accordance with a written BPU Order of approval.

17. The parties agree that the costs recoverable through the SPRC are subject to audit by the Board. Such audit may be through a review of the Company's internal audits or any other audit mechanism determined to be appropriate by the Board. This Stipulation is not intended to affect in any way the Board's authority in connection with any Board-ordered audit, nor is it intended to affect the rights of the Board's Staff, Rate Counsel or any other party to seek any relief that may be appropriate as part of proceedings concerning any Board-ordered audit.

18. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, or modified by the Board, each party that is affected by the modification can either accept the modification or declare this Settlement to be null and void, and the Parties shall be placed in the same position that they were in immediately prior to its execution. More particularly, in the event this Stipulation is not adopted in its entirety by the Board then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

19. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

20. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

21. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, Public Service, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way

binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation in BPU Docket No. ER10030220 and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BY: Matthew M. Weissman
Matthew M. Weissman, Esq.
General Regulatory Counsel - Rates

DATED: July 6, 2012

**NEW JERSEY DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR**

BY: Sarah H. Steindel
Paul E. Flanagan, Esq. Sarah H. Steindel
Litigation Manager Asst Deputy Rate Counsel

DATED: July 6, 2012

JEFFREY S. CHIESA, ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

BY: T. David Wand
T. David Wand
Deputy Attorney General

DATED: 07/06/2012

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

First Revised Sheet No. 64
Superseding
Original Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

Charge
(per kilowatthour)

SOLAR PILOT RECOVERY CHARGE:

Charge \$ 0.000058

Charge including New Jersey Sales and Use Tax (SUT)..... \$ 0.000062

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 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. ER10030220

Effective:

RESPONSE TO STAFF
REQUEST: S-PSEG-SLI-15
WITNESS(S): SWETZ
PAGE 1 OF 12
SOLAR PILOT RECOVERY CHARGE (SPRC)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
REVENUE REQUIREMENT UPDATE THROUGH OCTOBER 2011

QUESTION:

Please update Schedules SS-1 through SS-4 for actual results through June 2011.

ANSWER:

Please see the attached for the update to Schedules SS-1 through SS-4. Because this proceeding has exceeded the initial recovery period of April 2010 through December 2010, the forecasted revenue requirements were extended for a rate recovery period from January 2012 through December 2012. In addition, rather than providing forecast data when actual results are known, the updated schedules include actual results through October 2011 rather than June 2011.

**PSE&G Solar Loan I Program
Proposed Rate Calculations**
(\$'s Unless Specified)

Schedule SS - 1 (Update)
Actual results through 10/31/2011
SUT Rate 7%

Line	Date(s)	Electric	Source/Description
1	Jan-12 to Dec-12	629,486	SUM (Schedule SS-2 (Update), Col 20)
2	Dec-11	4,734,860	Schedule SS-4 (Update), Line 4, Col 48
3	Dec-11	24,691	Schedule SS-4 (Update), Line 7, Col 48
4	Dec-11	5,389,037	Line 1 + Line 2 + Line 3
5	Jan-12 to Dec-12	43,140,604	
6		0.000125	(Line 4 / (Line 5 * 1,000)) [Rnd 6]
7		0.000058	
8		0.000058	MIN (Line 6, Line 7)
9		0.000062	(Line 8 * (1 + SUT Rate)) [Rnd 6]
10		2,502,155	(Line 5 * Line 8 * 1,000)
11		0.000000	
12		2,502,155	(Line 10 - Line 11)

1	Revenue Requirements	
2	Under / (Over) Recovered Balance	
3	Cumulative Interest Exp / (Credit)	
4	Total Target Rate Revenue	
5	Forecasted kWh (000)	
6	Updated Calculated Rate w/o SUT (\$/kWh)	
7	Original Public Notice Rate w/o SUT (\$/kWh)	
8	Proposed Rate w/o SUT (\$/kWh)	
9	Proposed Rate w/ SUT (\$/kWh)	
10	Proposed Annual SPRC Revenue w/o SUT (\$/kWh)	
11	Existing Annual SPRC Revenue w/o SUT (\$/kWh)	
12	Resultant Annual SPRC Revenue Increase w/o SUT (\$/kWh)	

ATTACHMENT B PAGE 4 OF 12

S-PSEG-SLI-15 PAGE 4 OF 12

Schedule SS-1 (Update)
Page 1 of 2

Annual Production
Monthly Production

PSE&G Solar Loan Program
Electric Revenue Requirements Calculation - Detail
Month through October 2011

Month	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual Summary																																																																																																																																																																																																																																																																																																																																																	
Loan Amount	1,507,004	4,475	25,748	72,183	149,440	230,846	312,224	393,599	474,974	556,349	637,724	719,099	800,474	881,849	963,224	1,044,599	1,125,974	1,207,349	1,288,724	1,370,099	1,451,474	1,532,849	1,614,224	1,695,599	1,776,974	1,858,349	1,939,724	2,021,099	2,102,474	2,183,849	2,265,224	2,346,599	2,427,974	2,509,349	2,590,724	2,672,099	2,753,474	2,834,849	2,916,224	3,000,000																																																																																																																																																																																																																																																																																																																																														
Loan Balance	1,507,004	1,502,529	1,498,054	1,493,579	1,489,104	1,484,629	1,480,154	1,475,679	1,471,204	1,466,729	1,462,254	1,457,779	1,453,304	1,448,829	1,444,354	1,439,879	1,435,404	1,430,929	1,426,454	1,421,979	1,417,504	1,413,029	1,408,554	1,404,079	1,399,604	1,395,129	1,390,654	1,386,179	1,381,704	1,377,229	1,372,754	1,368,279	1,363,804	1,359,329	1,354,854	1,350,379	1,345,904	1,341,429	1,336,954	1,332,479	1,328,004	1,323,529	1,319,054	1,314,579	1,310,104	1,305,629	1,301,154	1,296,679	1,292,204	1,287,729	1,283,254	1,278,779	1,274,304	1,269,829	1,265,354	1,260,879	1,256,404	1,251,929	1,247,454	1,242,979	1,238,504	1,234,029	1,229,554	1,225,079	1,220,604	1,216,129	1,211,654	1,207,179	1,202,704	1,198,229	1,193,754	1,189,279	1,184,804	1,180,329	1,175,854	1,171,379	1,166,904	1,162,429	1,157,954	1,153,479	1,149,004	1,144,529	1,140,054	1,135,579	1,131,104	1,126,629	1,122,154	1,117,679	1,113,204	1,108,729	1,104,254	1,099,779	1,095,304	1,090,829	1,086,354	1,081,879	1,077,404	1,072,929	1,068,454	1,063,979	1,059,504	1,055,029	1,050,554	1,046,079	1,041,604	1,037,129	1,032,654	1,028,179	1,023,704	1,019,229	1,014,754	1,010,279	1,005,804	1,001,329	996,854	992,379	987,904	983,429	978,954	974,479	970,004	965,529	961,054	956,579	952,104	947,629	943,154	938,679	934,204	929,729	925,254	920,779	916,304	911,829	907,354	902,879	898,404	893,929	889,454	884,979	880,504	876,029	871,554	867,079	862,604	858,129	853,654	849,179	844,704	840,229	835,754	831,279	826,804	822,329	817,854	813,379	808,904	804,429	799,954	795,479	791,004	786,529	782,054	777,579	773,104	768,629	764,154	759,679	755,204	750,729	746,254	741,779	737,304	732,829	728,354	723,879	719,404	714,929	710,454	705,979	701,504	697,029	692,554	688,079	683,604	679,129	674,654	670,179	665,704	661,229	656,754	652,279	647,804	643,329	638,854	634,379	629,904	625,429	620,954	616,479	612,004	607,529	603,054	598,579	594,104	589,629	585,154	580,679	576,204	571,729	567,254	562,779	558,304	553,829	549,354	544,879	540,404	535,929	531,454	526,979	522,504	518,029	513,554	509,079	504,604	500,129	495,654	491,179	486,704	482,229	477,754	473,279	468,804	464,329	459,854	455,379	450,904	446,429	441,954	437,479	433,004	428,529	424,054	419,579	415,104	410,629	406,154	401,679	397,204	392,729	388,254	383,779	379,304	374,829	370,354	365,879	361,404	356,929	352,454	347,979	343,504	339,029	334,554	330,079	325,604	321,129	316,654	312,179	307,704	303,229	298,754	294,279	289,804	285,329	280,854	276,379	271,904	267,429	262,954	258,479	254,004	249,529	245,054	240,579	236,104	231,629	227,154	222,679	218,204	213,729	209,254	204,779	200,304	195,829	191,354	186,879	182,404	177,929	173,454	168,979	164,504	160,029	155,554	151,079	146,604	142,129	137,654	133,179	128,704	124,229	119,754	115,279	110,804	106,329	101,854	97,379	92,904	88,429	83,954	79,479	75,004	70,529	66,054	61,579	57,104	52,629	48,154	43,679	39,204	34,729	30,254	25,779	21,304	16,829	12,354	7,879	3,404	-11,079	-16,604	-22,129	-27,654	-33,179	-38,704	-44,229	-49,754	-55,279	-60,804	-66,329	-71,854	-77,379	-82,904	-88,429	-93,954	-99,479	-105,004	-110,529	-116,054	-121,579	-127,104	-132,629	-138,154	-143,679	-149,204	-154,729	-160,254	-165,779	-171,304	-176,829	-182,354	-187,879	-193,404	-198,929	-204,454	-210,000
Loan Interest	4,475	25,748	72,183	149,440	230,846	312,224	393,599	474,974	556,349	637,724	719,099	800,474	881,849	963,224	1,044,599	1,125,974	1,207,349	1,288,724	1,370,099	1,451,474	1,532,849	1,614,224	1,695,599	1,776,974	1,858,349	1,939,724	2,021,099	2,102,474	2,183,849	2,265,224	2,346,599	2,427,974	2,509,349	2,590,724	2,672,099	2,753,474	2,834,849	2,916,224	3,000,000																																																																																																																																																																																																																																																																																																																																															
Loan Balance	1,507,004	1,502,529	1,498,054	1,493,579	1,489,104	1,484,629	1,480,154	1,475,679	1,471,204	1,466,729	1,462,254	1,457,779	1,453,304	1,448,829	1,444,354	1,439,879	1,435,404	1,430,929	1,426,454	1,421,979	1,417,504	1,413,029	1,408,554	1,404,079	1,399,604	1,395,129	1,390,654	1,386,179	1,381,704	1,377,229	1,372,754	1,368,279	1,363,804	1,359,329	1,354,854	1,350,379	1,345,904	1,341,429	1,336,954	1,332,479	1,328,004	1,323,529	1,319,054	1,314,579	1,310,104	1,305,629	1,301,154	1,296,679	1,292,204	1,287,729	1,283,254	1,278,779	1,274,304	1,269,829	1,265,354	1,260,879	1,256,404	1,251,929	1,247,454	1,242,979	1,238,504	1,234,029	1,229,554	1,225,079	1,220,604	1,216,129	1,211,654	1,207,179	1,202,704	1,198,229	1,193,754	1,189,279	1,184,804	1,180,329	1,175,854	1,171,379	1,166,904	1,162,429	1,157,954	1,153,479	1,149,004	1,144,529	1,140,054	1,135,579	1,131,104	1,126,629	1,122,154	1,117,679	1,113,204	1,108,729	1,104,254	1,099,779	1,095,304	1,090,829	1,086,354	1,081,879	1,077,404	1,072,929	1,068,454	1,063,979	1,059,504	1,055,029	1,050,554	1,046,079	1,041,604	1,037,129	1,032,654	1,028,179	1,023,704	1,019,229	1,014,754	1,010,279	1,005,804	1,001,329	996,854	992,379	987,904	983,429	978,954	974,479	970,004	965,529	961,054	956,579	952,104	947,629	943,154	938,679	934,204	929,729	925,254	920,779	916,304	911,829	907,354	902,879	898,404	893,929	889,454	884,979	880,504	876,029	871,554	867,079	862,604	858,129	853,654	849,179	844,704	840,229	835,754	831,279	826,804	822,329	817,854	813,379	808,904	804,429	799,954	795,479	791,004	786,529	782,054	777,579	773,104	768,629	764,154	759,679	755,204	750,729	746,254	741,779	737,304	732,829	728,354	723,879	719,404	714,929	710,454	705,979	701,504	697,029	692,554	688,079	683,604	679,129	674,654	670,179	665,704	661,229	656,754	652,279	647,804	643,329	638,854	634,379	629,904	625,429	620,954	616,479	612,004	607,529	603,054	598,579	594,104	589,629	585,154	580,679	576,204	571,729	567,254	562,779	558,304	553,829	549,354	544,879	540,404	535,929	531,454	526,979	522,504	518,029	513,554	509,079	504,604	500,129	495,654	491,179	486,704	482,229	477,754	473,279	468,804	464,329	459,854	455,379	450,904	446,429	441,954	437,479	433,004	428,529	424,054	419,579	415,104	410,629	406,154	401,679	397,204	392,729	388,254	383,779	379,304	374,829	370,354	365,879	361,404	356,929	352,454	347,979	343,504	339,029	334,554	330,079	325,604	321,129	316,654	312,179	307,704	303,229	298,754	294,279	289,804	285,329	280,854	276,379	271,904	267,429	262,954	258,479	254,004	249,529	245,054	240,579	236,104	231,629	227,154	222,679	218,204	213,729	209,254	204,779	200,304	195,829	191,354	186,879	182,404	177,929	173,454	168,979	164,504	160,029	155,554	151,079	146,604	142,129	137,654	133,179	128,704	124,229	119,754	115,279	110,804	106,329	101,854	97,379	92,904	88,429	83,954	79,479	75,004	70,529	66,054	61,579	57,104	52,629	48,154	43,679	39,204	34,729	30,254	25,779	21,304	16,829	12,354	7,879	3,404	-11,079	-16,604	-22,129	-27,654	-33,179	-38,704	-44,229	-49,754	-55,279	-60,804	-66,329	-71,854	-77,379	-82,904	-88,429	-93,954	-99,479	-105,004	-110,529	-116,054	-121,579	-127,104	-132,629	-138,154	-143,679	-149,204	-154,729	-160,254	-165,779	-171,304	-176,829	-182,354	-187,879	-193,404	-198,929	-204,454	-210,000
Loan Interest	4,475	25,748	72,183	149,440	230,846	312,224	393,599	474,974	556,349	637,724	719,099	800,474	881,849	963,224	1,044,599	1,125,974	1,207,349	1,288,724	1,370,099	1,451,474	1,532,849	1,614,224	1,695,599	1,776,974	1,858,349	1,939,724	2,021,099	2,102,474	2,183,849</																																																																																																																																																																																																																																																																																																																																																									

PSEG Solar Loan Program
Under/Over Calculation

Existing SLI Rate w/o SUT \$/MWh (Total Row 2, Total Row 9, (Find 6))

Schedule SS-4 (Update)
Page 1 of 7

(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$37,235	\$33,486	\$37,295	\$110,354	\$31,966	\$42,736	\$31,858	\$56,451	\$43,911
\$37,235	\$33,486	\$37,295	\$110,354	\$31,966	\$42,736	\$31,858	\$56,451	\$43,911
\$37,235	\$70,721	\$108,016	\$218,370	\$250,336	\$293,072	\$324,931	\$381,382	\$425,293
0.4300%	0.4300%	0.4300%	0.4300%	0.2592%	0.2592%	0.2592%	0.2592%	0.2592%
\$47	\$137	\$226	\$413	\$358	\$415	\$472	\$538	\$616
\$47	\$184	\$410	\$824	\$1,182	\$1,596	\$2,068	\$2,608	\$3,223
\$37,282	\$70,905	\$108,426	\$219,194	\$251,518	\$294,669	\$326,999	\$383,989	\$428,516

SLI Under/Over Calculation

- (1) Solar Loan (SPRC Revenue)
- (2) Revenue Requirements
- (3) Monthly Under/(Over) Recovery
- (4) Deferred Balance
- (5) Monthly Interest Rate
- (6) After Tax Monthly Interest Expense (Credit)
- (7) Cumulative Interest
- (8) Balance Added to Subsequent Year's Revenue Requirements
- (9) Net Sales - kWh (000)

ATTACHMENT B
PAGE 11 OF 12

S-PSEG-SLI-15
PAGE 11 OF 12

PSE&G Solar Loan I Program
Under/Over Calculation

0.000058 Proposed SLI Rate w/o SUT \$/KWh (Total Row 27 Total Row 9 [Rnd 6])

Schedule SS-4 (Update)
Page 6 of 7

	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12
(1) Solar Loan I SPROC Revenue	\$0	\$213,246	\$196,791	\$198,401	\$180,929	\$192,881	\$217,836	\$254,651
(2) Revenue Requirements	\$67,643	\$93,890	\$57,350	\$31,584	\$27,108	\$44,579	\$39,547	\$116,066
(3) Monthly Under/(Over) Recovery	\$67,643	(\$173,356)	(\$138,941)	(\$166,718)	(\$143,820)	(\$148,301)	(\$178,290)	(\$138,585)
(4) Deferred Balance	\$4,734,860	\$4,561,504	\$4,422,563	\$4,255,846	\$4,112,025	\$3,963,724	\$3,785,434	\$3,646,849
(5) Monthly Interest Rates	0.0817%	0.0817%	0.0817%	0.0817%	0.0817%	0.0817%	0.0817%	0.0817%
(6) After Tax Monthly Interest Expense/(Credit)	\$2,262	\$2,236	\$2,151	\$2,088	\$2,013	\$1,943	\$1,864	\$1,788
(7) Cumulative Interest	\$24,691	\$26,928	\$29,089	\$31,177	\$33,190	\$35,133	\$36,997	\$38,785
(8) Balance Added to Subsequent Year's Revenue Requirement	\$4,759,552	\$4,588,432	\$4,451,652	\$4,287,023	\$4,145,215	\$3,998,857	\$3,822,431	\$3,685,634
(9) Net Sales -- MWh (000)		3,675,658	3,392,941	3,420,709	3,119,453	3,325,531	3,755,802	4,390,528

**ATTACHMENT B
PAGE 12 OF 12**

S-PSEG-SLI-15
PAGE 12 OF 12

**PSEG Solar Loan 1 Program
Under/(Over) Calculation**

0.000058 Proposed SL 1 Rate w/o SUT \$/KWh (Total Row 2 / Total Row 9 (Rnd 6)) Schedule SS-4 (Update)
Page 7 of 7

	(56)	(57)	(58)	(59)	(60)	(54)	
	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total	
(1) Solar Loan 1 SPRC Revenue	\$256,897	\$215,983	\$190,099	\$183,968	\$200,473	\$2,502,155	SL 1 Rate * Line 9
(2) Revenue Requirements	\$54,345	\$48,653	\$62,199	\$53,391	\$44,174	\$5,364,346	From SS-2 (Update), Col 20
(3) Monthly Under/(Over) Recovery	(\$202,551)	(\$167,330)	(\$127,900)	(\$130,576)	(\$156,300)		Line 2 - Line 1
(4) Deferred Balance	\$3,444,297	\$3,276,967	\$3,149,067	\$3,018,491	\$2,862,191		Prev Line 4 + Line 3
(5) Monthly Interest Rate	0.0817%	0.0817%	0.0817%	0.0817%	0.0817%		Annual Interest Rate / 12
(6) After Tax Monthly Interest Expense/(Credit)	\$1,706	\$1,617	\$1,546	\$1,484	\$1,415		(Prev Line 4 + Line 4) / 2 * (1 - Tax Rate) * Line 5
(7) Cumulative Interest	\$40,491	\$42,108	\$43,664	\$45,138	\$46,552		Prev Line 7 + Line 6
(8) Balance Added to Subsequent Year's Revenue Requirement	\$3,484,788	\$3,319,075	\$3,192,721	\$3,063,628	\$2,908,743		Line 4 + Line 7
(9) Net Sales - kWh (000)	4,429,254	3,723,850	3,277,573	3,171,859	3,456,436	43,140,604	

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	\$312.12	\$312.24	\$0.12	0.04%
415	3,900	717.44	717.72	0.28	0.04
780	7,360	1,336.60	1,337.04	0.44	0.03
803	7,800	1,415.93	1,416.41	0.48	0.03
1,320	12,400	2,253.64	2,254.44	0.80	0.04

(1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect June 7, 2012 and assumes that the customer receives BGS-FP service from Public Service.

(2) Same as (1) except includes change 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	\$31.93	\$31.94	\$0.01	0.03%
3,900	415	74.32	74.35	0.03	0.04
7,360	780	139.87	139.92	0.05	0.04
7,800	803	144.17	144.22	0.05	0.03
12,400	1,320	240.57	240.65	0.08	0.03

(3) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect June 7, 2012 and assumes that the customer receives BGS-FP service from Public Service.

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