
IN THE MATTER OF THE PROVISION OF :
BASIC GENERATION SERVICE FOR BASIC :
GENERATION SERVICE REQUIREMENTS :
EFFECTIVE JUNE 1, 2015 :

Docket No. ER14040370

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PROPOSAL FOR

BASIC GENERATION SERVICE REQUIREMENTS

TO BE PROCURED EFFECTIVE JUNE 1, 2015

COMPANY SPECIFIC ADDENDUM

Compliance Filing

November 26, 2014

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Pursuant to the Board’s directive, BGS-FP (Basic Generation Service – Fixed Price) will now be referred to as BGS-RSCP (Basic Generation Service – Residential Small Commercial Pricing).

I. USE OF COMMITTED SUPPLY AND CONTINGENCY PLANS

COMMITTED SUPPLY

“Committed Supply,” means non-utility generation power supplies to which PSE&G has an existing physical or financial entitlement. In prior auctions, PSE&G provided renewable attributes from non-utility generation contracts on a pro-rata basis to BGS-RSCP Suppliers. Since PSE&G’s last non-utility generation contract was terminated in 2014, no renewable attributes will be available going forward.

CONTINGENCY PLANS

While not every contingency can be anticipated, we can differentiate three time periods of concern:

- (a) There are an insufficient number of bids to provide for a fully subscribed Auction Volume either for the BGS-RSCP auction or the BGS-CIEP auction;
- (b) A default by one of the winning bidders prior to June 1, 2015;
- (c) A default during the June 1, 2015 – May 31, 2018 supply period.

(a) Insufficient Number of Bids in Auction

In order to ensure that the Auction Process achieves the best price for customers, the degree of competition in the auction must be sufficient. To ensure a sufficient degree of competition, the target volume of BGS-RSCP and BGS-CIEP Load purchased at each auction will be decided after the first round bids are received. Provided that there are sufficient bids at the starting prices, the auctions will be held for 100 percent of BGS-RSCP and BGS-CIEP Load.

It is possible that the amount of initial bids will not result in a competitive auction for 100 percent of the BGS-RSCP or BGS-CIEP Load. This determination will be made by the Auction Manager in consultation with the EDCs and the Board Advisor.

In the event that the auction volume is reduced to less than 100 percent of BGS-RSCP or BGS-CIEP Load, PSE&G will implement a contingency plan for the remaining tranches. Under that plan, PSE&G, at its option, will purchase necessary services for the remaining tranches through PJM-administered markets until May 31, 2016, and may retain Committed Supply to serve these tranches. After May 31, 2016 any unfilled tranches may be included in a subsequent auction or treated as in Contingency Plans Part (c) below. This Contingency Plan will alert bidders that in order to secure BGS-RSCP or BGS-CIEP prices from New Jersey BGS customers for their supply, it will be necessary to bid in the auctions. Failure to bid will mean that the BGS market faced by suppliers will be a spot market with volatility and related risks.

Since the contingency plan calls for the purchase of BGS supply in PJM-administered markets, it is considered a strong feature of the auction proposal because it provides bidders a strong incentive to participate in the Auction Process. If bidders were to believe that a less than fully subscribed auction would lead to a negotiation or a secondary market in which PSE&G, on behalf of its customers, would seek to acquire fixed priced supplies, the incentive to participate in the auction and the incentive to offer the best prices in the auction would be diminished.

(b) Defaults prior to June 1st 2015.

If a winning bidder defaults prior to the beginning of the BGS service, then, at the option of the EDC, the open tranches may be offered to the other winning bidders or these tranches may be bid out or procured in PJM-administered markets, and Committed Supply may be retained to serve

these tranches. Additional costs incurred by PSE&G in implementing this Contingency Plan will be assessed against the defaulting supplier's credit security.

(c) Defaults during the Supply Period

If a default occurs during the June 1, 2015 through May 31, 2018 period, at the option of PSE&G, the available tranches may be offered to other winning bidders, bid out, or procured in PJM administered markets and Committed Supply may be retained to serve these tranches. Additional costs incurred by PSE&G in implementing this Contingency Plan will be assessed against the defaulting supplier's credit security.

II. ACCOUNTING AND COST RECOVERY

The accounting and cost recovery that PSE&G proposes for its BGS service is summarized in this section. These provisions are intended to be applicable to PSE&G only. Each EDC will provide individual BGS cost recovery proposals.

BGS-RSCP AND BGS-CIEP RECONCILIATION CHARGES

PSE&G's BGS accounting will account for BGS-RSCP revenues and BGS-CIEP revenues individually as follows:

1. BGS-RSCP and BGS-CIEP revenues will be tracked using established accounting procedures and recorded separately as BGS-RSCP revenue and BGS-CIEP revenue;
2. As previously established for PSE&G, uncollectible revenues are recovered through a component of PSE&G's Societal Benefits Charge.

PSE&G will account for BGS-RSCP and BGS-CIEP costs individually as the sum of the following:

1. Payments made to winning BGS bidders for the provision of BGS-RSCP or BGS-CIEP service;
2. Any administrative costs associated with the provision of BGS-RSCP and BGS-CIEP service;
3. The cost of any procurement of necessary services including capacity, energy, ancillary services, transmission and other expenses related to the Contingency Plan less any payments recovered from defaulting bidders.

Adjustment type charges are necessary in order to balance out the difference between (1) the monthly amount paid to the BGS-RSCP and BGS-CIEP supplier(s) for BGS-RSCP and BGS-CIEP supply and (2) the total revenue from customers for BGS-RSCP and BGS-CIEP services, respectively.

These reconciliation charge rates are calculated separately each month for BGS-RSCP and BGS-CIEP on a monthly dollars per kWh basis and the respective rates applied to all BGS-RSCP and BGS-CIEP kWh billed. These charges are combined with BGS-RSCP and hourly BGS-CIEP charges for billing although they are published in separate BGS-RSCP reconciliation charge and BGS-CIEP reconciliation charge tariff sheets that are revised monthly to reflect adjustments made based on actual costs. These tariff sheets are filed with the Board approximately 1 day prior to the first day of the effective month.

The BGS-RSCP reconciliation charge and BGS-CIEP reconciliation charge are subject to deferred accounting with interest at the NGC rate previously set by the Board and are determined individually as set forth below:

The reconciliation charges are used in both BGS-RSCP and BGS-CIEP to true up the differences

between BGS payments to suppliers and BGS revenues from customers. Differences in costs and cost recovery for a month “x” are computed in month x+1 and applied to BGS rates for month x+2. Two of these differences are shown below:

1. The difference between BGS Costs (as defined above) essentially amounts paid to suppliers for month “x” (this amount is known and paid to suppliers in month x+1) and the calendar month “x” BGS revenue, which is also determined in month x+1. This difference is calculated in month x+1 for recovery in month x+2.
2. The difference between the total adjustment charge revenue intended to be recovered in month “x” and the actual adjustment charge revenue recovered in month “x”. This difference is driven by differences between actual kWh in month “x” and the kWh used to calculate the charge. This amount is known in month x+1.

The reconciliation charges to be applied in month x+2 are calculated as the net of the two differences described above for month “x” (plus or minus any cumulative under or over recovery from prior months) divided by the forecast of BGS kWh in month “x+2”.

III. DESCRIPTION OF BGS TARIFF SHEETS AND OTHER TARIFF ITEMS

GENERAL

As described in the generic section of this filing, two different methods will continue to be utilized for the pricing of BGS default supply service to customers: Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) for residential and small commercial customers and Basic Generation Service – Commercial and Industrial Energy Pricing (BGS-CIEP), a variable hourly energy pricing for large commercial and industrial customers.

The Company is not proposing any modification of the criteria for BGS-CIEP eligibility from the current peak load share of 500kW. Thus BGS-CIEP is proposed to continue to be the default service for all customers served under delivery rate schedules HTS-High Voltage, HTS-Subtransmission, and LPL-Primary and for LPL-Secondary customers with a peak load share (PLS) of 500 kW or higher.

As in prior years, all other non-residential customers also have the option of electing BGS- CIEP as their default supply service. All non-residential customers with BGS-CIEP as their optional default service will be notified of their option to switch to BGS-CIEP through PSE&G's website and tariffs. Annually, customers eligible for this option must notify PSE&G no later than the second business day of January of any given year to have BGS-CIEP as their default supply service option for the annual period beginning June 1st of that year. The BGS-RSCP default service will be available to residential and small and medium sized non-residential customers, specifically those served on Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF, PSAL, GLP and LPL-Secondary (PLS less than 500 kW).

The following sections describe the tariff sheets that would implement Public Service's BGS service effective June 1, 2015.

BGS-RSCP

Pursuant to the Board's directive, BGS-FP (Basic Generation Service – Fixed Price) will now be referred to as BGS-RSCP (Basic Generation Service – Residential Small Commercial Pricing). The tariff sheets impacted by this change are included in Attachment 1 and are indicated as Sheet Nos. 2, 75, 76, 79, 81, 94, 100, 106, 112, 118, 124, 131, 145, 185, 198 and 208.

Public Service is not proposing any change in the structure of the BGS-RSCP default supply service. The form of the BGS-RSCP tariff sheets are included in Attachment 1 and are indicated as Sheet Nos. 75, 76, and 79. Once the results of the BGS-RSCP Bid are finalized, the values on these tariff sheets will be updated reflecting the results of the bid.

As indicated on these form of tariff sheets, the BGS-RSCP default service is made up of several components: BGS Energy Charges, BGS Capacity Charges, BGS Transmission Charges, and the BGS Reconciliation Charges. These charges will apply for usage in the calendar months of June through September, or October through May, as applicable.

BGS Energy Charges

The values of the BGS Energy charges applicable to Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF and PSAL include the costs related to energy, ancillary services and generation capacity and transmission-related costs. This overall approach is a continuation of the current approved methodology of recovering all electric supply service costs in the kilowatt-hour charges for these rate schedules. The generation capacity and transmission related costs will continue to be recovered through separate charges for customers on Rates GLP and LPL-Secondary (less than 500 kW) based on the customer specific assigned generation capacity and transmission obligation values. The resulting BGS Energy Charges applicable to this latter set of customers thus do not include the costs related to generation capacity and transmission service.

In order to more accurately reflect the costs of providing energy and other electric services when relying on the day-ahead PJM verses the real-time markets, the Company will apply two ancillary services costs, one applied to BGS-RSCP service and the other applied to BGS-CIEP

service. A continuation of the \$3.00 per MWh ancillary services rate that was used in the calculation of the BGS-RSCP rates for the June 2014 to May 2015 is used since it is more reflective of costs borne in the day-ahead market. A BGS-CIEP ancillary services cost of \$6.00 per MWh is applied since it is more reflective of costs borne in the real-time market. The transmission related costs included in the BGS Energy Charges for Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF, and PSAL are based on the then effective transmission rate for network service for the PSE&G zone, as stated in PJM's Open Access Transmission Tariff (OATT). These BGS Energy charges will change from time to time as FERC approves changes in the PJM OATT and related charges and the BPU approves the corresponding changes in the BGS tariff sheets.

The specific values that will be utilized for the BGS Energy Charges will be calculated from the winning BGS-RSCP bid prices for the Public Service zone. It is the intent of the EDCs that the factors in the tables will be applied to the tranche-weighted average winning bid prices adjusted for seasonal payment factors resulting from the auctions for BGS-RSCP with terms covering the period from June 1, 2015 to May 31, 2016. For example, for Public Service, for the period beginning June 1, 2015, the weighting will be based on the load (i.e. successfully bid tranches) at the 36-month prices from the 2013, 2014, and 2015 BGS-RSCP auctions, and the seasonal payment factors calculated in Attachment 2.

The tables will be updated annually prior to future BGS auctions and utilized to develop customer charges for a related annual period in a similar manner as discussed above. The updates will reflect then current factors such as updated futures prices, factors based on 12-month data, and any changes in the customer groups and loads eligible for the BGS-RSCP class.

BGS Capacity Charges

These charges are the separate charges previously mentioned that are designed to recover the costs associated with generation capacity for customers served on Rate Schedules GLP and LPL-Secondary (less than 500 kW). These charges are expressed on a per kW of generation capacity obligation basis.

The generation capacity costs designed to be used in the development of the BGS-RSCP rates are the relevant current wholesale market prices for capacity based on the average, 2015/2016, 2016/2017, and 2017/2018 Base Residual Auction for RPM (Reliability Pricing Model) results applicable to load served in the PSEG zone.

Should PJM make changes to the Reliability Pricing Model that results in significant increases in the capacity charges assessed to BGS Suppliers, the payments to BGS Suppliers will increase by the difference between the PJM RPM Zonal Net Load Price established in the RPM IA (or BRA) already held by PJM as of the date of this filing and the actual or revised PJM RPM Net Load Price charged to BGS Suppliers times the BGS Supplier's actual capacity obligation.

BGS Transmission Charges

Similar to the BGS Capacity Charges, the BGS Transmission Charges recover the customer specific costs associated with network transmission service for customers on Rates GLP and LPL-Secondary (less than 500 kW). The charge is based on the annual transmission rate for network service for the PSE&G zone, as stated in PJM's Open Access Transmission Tariff (OATT), and as approved by the BPU for inclusion in the BGS Transmission Charge. Bids should be based on the BGS Transmission Charges in effect on January 1, 2015. The winning

bid prices will be adjusted for any changes in the BPU-approved BGS Transmission Charges as they occur subsequent to January 1, 2015 and following the procedures in Section 15.9 of the BGS-RSCP Supplier Master Agreements.

Transmission Cost Adjustment

In compliance with the BGS-RSCP Supplier Master Agreement, PSE&G will file with the BPU to change the transmission cost components of the BGS charges to customers as FERC approves changes in the Network Integration Transmission Service rates for the PSE&G zone in the PJM OATT, or the FERC approves other network transmission-related charges in the PJM OATT. PSE&G will review and verify the basis for any BGS transmission charge adjustment and will file supporting documentation from the OATT, as well as any rate translation spreadsheets used.

For the BGS-RSCP energy only rates (Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF and PSAL), upon BPU approval, changes in the OATT rate (per kW of transmission obligation) will be implemented by multiplying such change in the OATT rate by each rate class' ratio of the kW of transmission load of that class divided by the expected annual kWh of that class, and then adjusted for applicable losses. The results, in dollars per kWh, will then be added to all BGS-RSCP Energy charges for each class.

In the event that PJM institutes a charge for transmission network service on an energy basis (per kWh), this charge, corrected for applicable losses, will be added to the BGS-RSCP Energy charges for all kWhs for all rate schedules.

BGS Reconciliation Charge

The BGS Reconciliation Charge for the BGS-RSCP default service is explained in the prior Section II - Accounting and Cost Recovery and will be combined with the BGS-RSCP energy charge for billing on a monthly basis.

BGS-CIEP

The bid product in the 2015 BGS-CIEP auction will continue to be the Generation Capacity Cost, as it was in last year's BGS-CIEP auction. Public Service will continue the use of a value for the CIEP Standby Fee equal to 0.000150 dollars per kWh.

The form of tariff sheets for the Basic Generation Service – Commercial and Industrial Energy - Pricing (BGS-CIEP) are included in Attachment 1 and are indicated as Sheet Nos. 73, 82 and 83.

Similar to the BGS-RSCP, the charges for BGS-CIEP are comprised of several components: BGS Energy Charges, BGS Capacity Charges, BGS Transmission Charges and the BGS Reconciliation Charges.

BGS Energy Charges

The primary component of this charge will be the actual PJM load weighted average real-time Locational Marginal Price (LMP) of energy for the Public Service Transmission Zone. To this will be added an ancillary service cost (including PJM Administrative Costs) for the Public Service zone of \$6.00 dollars per MWh that was estimated as being reflective of ancillary service costs in the PSEG zone for energy purchased in the real time market. This sum will then be adjusted for losses. Because the LMPs are calculated to include a marginal loss component for the transmission system, a loss correction is performed. This is done by removing the mean hourly marginal transmission loss factor for the PSE&G transmission zone (equal to 0.84082%)

from the BPU approved PSE&G delivery tariff loss factors. The result is reflective of losses from the customer meter to the transmission nodes (at which the LMPs are calculated).

BGS Capacity Charges

These charges will recover the costs associated with generation capacity. The BGS Capacity Charge component of the BGS-CIEP bid is set equal to the BGS-CIEP auction clearing price. These charges are expressed on a per kW of generation capacity obligation basis.

Should PJM make changes to the Reliability Pricing Model that results in significant increases in the capacity charges assessed to BGS Suppliers, the payments to BGS Suppliers will increase by the difference between the PJM RPM Zonal Net Load Price established in the RPM IA (or BRA) already held by PJM as of the date of this filing and the actual or revised PJM RPM Net Load Price charged to BGS Suppliers times the BGS Supplier's actual capacity obligation.

BGS Transmission Charges

BGS-CIEP Transmission Charges recover the customer specific costs associated with Transmission service for customers on BGS-CIEP. The charges are based on the annual transmission rate for network transmission service for the PSE&G zone, in PJM's Open Access Transmission Tariff (OATT), and as approved by the BPU for inclusion in the BGS-CIEP Transmission Charges. This charge is expressed as a monthly charge on a per kW of transmission obligation basis. In compliance with the BGS-CIEP Supplier Master Agreement, PSE&G will file with the BPU to change the transmission cost components of the BGS charges to customers as FERC approves changes in the Network Integration Transmission Service rates for the PSE&G zone in the PJM OATT, or the FERC approves other network transmission-related charges in the PJM OATT. PSE&G will review and verify the basis for any BGS

transmission charge adjustment and will file supporting documentation from the OATT, as well as any rate translation spreadsheets used.

BGS Reconciliation Charge

The BGS Reconciliation Charge for the BGS-CIEP default service is explained in the prior Section II - Accounting and Cost Recovery and will be combined with the BGS-CIEP energy charge for billing on a monthly basis.

OTHER ITEMS

CIEP STANDBY FEE

PSE&G will continue to pay each BGS-CIEP supplier a CIEP Standby Fee which is set at 0.000150 dollars per kWh times their pro-rata share of the total energy usage measured at the meters of all of PSE&G's customers whose default service option is limited to BGS-CIEP and those customers who have elected BGS-CIEP as their default supply.

A tariff sheet, included in Attachment 1 and indicated as Sheet No. 73, shows the CIEP Standby Fee as a Delivery Charge that is applicable to all customers having BGS-CIEP as their sole default supply service option and those customers who have elected BGS-CIEP as their default supply. This includes all customers served on Rate Schedules LPL-Secondary (peak load share of 500 kW or greater), LPL-Primary, HTS-Subtransmission, HTS-High Voltage, and all customers on Rate Schedules HS, GLP, and LPL-Secondary (less than 500 kW) that have elected the BGS-CIEP default supply option. Specific sections of Tariff sheet 73 as well as Tariff Sheets 123, 130, 144 and 157 were modified in order to clarify the applicability of the Standby Fee and are also attached.

DESCRIPTION OF BGS PRICING SPREADSHEETS

As described in the generic write-up, the resulting charge for each BGS rate element (i.e. Rate RS summer charge, winter charge, etc.) for the non-hourly BGS supply service will generally be based on factors applied to the tranche weighted average winning bid prices adjusted for seasonal payments. These factors have been developed based on the ratios of the estimated underlying market costs of each rate element (for each rate class) to the overall all-in BGS cost. The tables included in Attachments 2 and 3 present all of the input data, intermediate calculations, and the final results in the calculation of these factors.

The following is a description of the calculations shown in the spreadsheet titled “Development of BGS-RSCP Cost and Bid Factors for the 2015/2016 BGS Filing”, and included as Attachment 2.

Table #1 (% Usage during PJM On-Peak Period) contains the percentage of on-peak load, inputted by month, for each rate schedule. The on-peak period as used in this table (referred to as PJM periods) is defined as the 16-hour period from 7 AM to 11 PM, Monday through Friday. All remaining weekday hours and all hours on weekends and holidays recognized by the National Electric Reliability Council (NERC) are considered the off-peak period. This is consistent with the time periods used in the forwards market for trading of bulk power. The values in this table for each month are the average on-peak percentages from the years 2011 and 2012 and 2013, as calculated from the same load research data used for retail settlement for current customers that have chosen to be supplied by a Third Party Supplier (TPS). The average for a three-year period was used to reduce the variability of weather effects on the percentage from any single year.

Table #2 (% Usage During PSE&G On-Peak Billing Period) contains the percentage of on-peak load, by month, for each applicable rate schedule based on the definitions of time periods as contained in Public Service's delivery rate schedules. Since, excluding the hourly price BGS rates, only Rate Schedule RLM and LPL-Sec are billed on a time-of-day basis utilizing time periods, these are the only two columns in this table where data has been inputted. These are the percentage of actual on-peak kWh usage for the years 2011, 2012, and 2013. As was done with Table #1, the three-year average was used to reduce the effects of weather in a particular year.

Table #3 (Class Usage @ customer) contains the total calendar month sales forecasted for the calendar year 2014 with a migration adjustment. The values in Table #3 will be updated in January 2015 to better reflect the amount by rate schedule that could be in effect starting on June 1, 2015. For Rate LPL-Secondary, these values have been reduced for the percentage of customers having a Peak Load Share of 500 kW or greater, and thus having BGS- CIEP as their default service. These monthly percentages were based on the 2013 monthly percentages of total actual sales for customers meeting this Peak Load Share threshold.

Table #4 (Forwards Prices – Energy Only @ Bulk System) contains the forward prices for energy, by time period and month for the BGS analysis period. These values are the most recent energy on-peak forwards values available for the PJM West trading hub for the period of June 2015 to May 2016 and the historical ratio of actual off-peak to on-peak PJM LMPs from June 2011 through August 2014.

An adjustment of the forwards prices contained in Table #4 is then made to correct for the effects of transmission congestion in the PJM system between the PJM West trading hub and the Public Service zone where the BGS supply will be utilized.

Table #5 (Congestion Factors) contains an estimate of the average congestion factors, by month and time period, which when multiplied by the prices at the PJM West trading hub will result in costs for power delivered into the Public Service zone. These Hub to Zone differentials are based on the average percent differences, by season, from June 2011 through August 2014.

Table #6 (Losses) The factors utilized for total average losses, including PJM losses, are inputted in the upper portion of Table #6 (Losses) by rate schedule. Delivery loss factors used are those in the Company's filed tariff. PJM losses are the average percentage PJM EHV losses plus inadvertent energy for the three-year period June 2001 through May 2004, a value equal to 0.550%.

The lower portion of this table shows the derivation of the effective losses from the customer meter to the transmission nodes at which the LMPs are calculated. The loss factors shown are the Delivery loss factors from the Company's filed tariff less the mean hourly marginal loss factors for the PSE&G transmission zone as calculated by PJM. The resulting loss factor is reflective of losses from the customer meter to the transmission nodes (at which the LMPs are calculated) and at which payments to the winning bidders are based. The marginal loss factors used above are actual marginal loss de-rating factors based May 2011 to April 2014 data adjusted for the portion of marginal losses attributed to PJM extra-high voltage.

Since the service for all of the rates indicated is at secondary voltages, the applicable loss factors are identical for all rates.

Table #7 (Summary of Average BGS Energy Only Unit Costs @ Customer – PJM Time Periods) is the calculation of the energy only costs by rate, time period and season. These values are the seasonal and time period average costs per MWh as measured at the customer billing

meter (from Table #3), based on the forwards prices (from Table #4) corrected for congestion (from Table #5), losses (from Table #6), and monthly time period weights (from Table #1). These average costs do not include the costs associated with ancillary Services, Generation Obligation or Transmission costs, which will be considered in subsequent calculations.

Table #8 (Summary of Average BGS Energy Only Costs @ Customer – PJM Time Periods) indicates the total value, in thousands of dollars, of the average BGS energy only costs. These are the results of the multiplication of the unit costs from Table #7, the monthly time period weights from Table #1 and the total sales to customers from Table #3.

Since the end result of these calculations are to be utilized in the development of retail BGS rates, the rates utilizing time of day pricing must be developed based upon the time periods as defined for billing.

Table #9 (Summary of Average BGS Energy Only Unit Costs @ Customer – PSE&G Time Periods) shows the result of the corrections for the two rates billed on a time of day basis, Rates RLM and LPL-Secondary (less than 500 kW). These values are calculated based on the assumption that the MWhs included in the PJM on-peak time period and not included in the PSE&G on-peak time periods are at the average of the on- and off-peak PJM prices.

Table #10 (Generation & Transmission Obligations and Costs and Other Adjustments) The next steps set up the values necessary for the inclusion of the costs of the Generation Capacity and Transmission obligations. The top portion of Table #10 shows the total obligations with a migration adjustment, by rate schedule, that are currently being utilized in the year 2014. The values in the top portion of Table #10 will be updated in January 2015 to better reflect the aggregate amount by rate schedule that could be in effect on June 1, 2015. Similar to the

methodology used in Table #3, the obligations for Rate LPL-Secondary have been reduced for the percentage of customers having a Peak Load Share of 500 kW or greater. The middle portion of this table shows the number of summer and winter days and months that are used in this analysis. The bottom portion of this table shows the annual cost for transmission service and the average price of generation capacity for the three relevant RPM auctions. The cost of transmission service is equal to the rate in the PJM OATT for network transmission service in the PSE&G zone. The generation capacity costs used are the relevant current wholesale market prices for capacity plus the incremental RPM Capacity cost, if necessary.

This table also shows the level of blocking in current BGS charges for Rates RS and RHS, which will be utilized in the later calculations of the blocking of the new BGS charges for these rates. The Company has previously objected to the blocking of these charges since there is no compelling cost basis for any such blocking. The Company proposes to keep blocking in this year's filing, but wishes to note that it does not believe that there is a cost basis for doing so.

Table #11 (Ancillary Services) An estimate of the effects of the costs of ancillary services is included in the development of the final BGS rates. The use of the \$3.00 per MWh value utilized in last year's BGS spreadsheet is proposed to continue. Since the actual costs are a complex combination of many factors, this Board-approved estimate of the overall annual average value, expressed on a dollar per MWh basis, is used as a reasonable and practical alternative.

Table #12 (Summary of Obligation Costs Expressed as \$/MWh @ Customer – For Non-Demand Rates Only) shows the result of the allocation of both the transmission and generation costs on a per kWh basis to those rates whose BGS service will only be recovered through energy charges, Rates RS through BPL. The obligation costs for the rates not indicated in this table, Rates GLP and LPL-Sec, will be recovered directly through a distinct obligation charge

based on a separate charge times each customer's assigned transmission and generation capacity obligation. The annual values are calculated as the total obligations (upper part of Table #10) times their costs (lower part of Table #10) divided by the appropriate total rate schedule MWh (from Table #3).

Table #13 (Summary of BGS Unit Costs @ Customer) is the result of the inclusion of the transmission, generation capacity, and ancillary Services costs to the energy only costs shown in Table #9. The top portion of this table shows the total estimated all-in BGS costs for the non-demand rates (Rates RS, RHS, RLM, WH, WHS, HS, PSAL and BPL), whose BGS costs are proposed to be recovered on an energy only basis through kWh charges. The all-in costs for the residential non-time of day rates, Rates RS and RHS, are blocked in the summer based on the current level of BGS blocking inputted in Table #10 so as to maintain the same BGS rate differential that currently exists. The middle section shows the results for the demand rates (Rates GLP and LPL-Sec) whose BGS costs will be recovered through both energy charges on a per kWh basis and obligation charges on a per kW of obligation basis. The left hand columns indicate the unit energy costs, while the right hand columns indicate the obligation costs. The bottom portion of this table shows the total estimated costs for BGS, based on the assumptions utilized in the above tables, and the average per unit cost, as measured at the customer meters or the transmission nodes.

Table #14 (Ratio of BGS Unit Costs @ Customer to All-In Average Cost @ Transmission Nodes) indicates the ratio of the individual rate element costs from Table #13 to the overall all-in cost as measured at the transmission nodes, plus constants, where applicable. These bid factor ratios are a key element in the calculation of the actual BGS-RSCP charges, and will be used in later tables to convert the winning bids into actual BGS rates charged to customers.

The top portion of this table indicates these ratios for the non-demand rates while the ratios for the demand rates are shown on the bottom portion of the table. Since the unit rates charged for generation and transmission obligation (as shown in the right hand columns) for Rates GLP and LPL-Sec are not unitized but kept at the estimated market value, it is necessary to modify the energy ratios for these two rate classes to assure that the resulting overall revenue from charges to the customers equals the payment to suppliers. The first of the values indicated, the “multiplier” is utilized as a ratio, with the “constant” term an additive adjustment to the resulting value. For example, if the tranche weighted average winning bid prices adjusted for seasonal payment factors is \$98.63 per MWh and the GLP multiplier for summer is 1.014 and the constant is \$(39.34), the summer BGS rate charged customers would equal $(\$98.63 * 1.014) - \39.34 , or \$60.67 per MWh.

Assumptions: This unnumbered table summarizes some of the most important assumptions utilized in the above calculations.

Table #15 (Summary of Total BGS Costs by Season) shows the calculation of the total BGS Costs, utilizing the total customer usage from Table #3 and the all-in unit costs from Table #13. The lower left portion of this table indicates the relative percentage of total costs by season for all rate schedules, while the center shows the calculation of the overall average all-in seasonal unit costs on a dollar per MWh basis. The ratio of these overall average seasonal costs to the overall total cost, shown in the lower right hand portion of this table, are the seasonal payment ratios upon which payments to the winning bidders are based. Since the normal calculation would produce an atypical result of a summer payment ratio (factor) that is lower than the winter payment ratio (factor) for the 2015/2016 BGS Supply Period, a factor of 1.0 will be used for both the summer and winter payment factors.

Table #16 (Spreadsheet Error Checking) shows the reconciliation between the customer revenue calculation to the BGS supplier payments, utilizing an assumed winning bid price (as indicated) and the calculated summer-winter payment ratios, the customer usage from Table #3 and the all-in unit costs from Table #13.

Table #17 (Total Supplier Energy @ transmission nodes) shows the calculation of the total supplier energy by season, utilizing the total customer usage from Table #3 and the meter to transmission node loss factors from the lower portion of Table #6.

The second spreadsheet used in the calculation of the final BGS-RSCP rates is included as Attachment #3, and is titled “Calculation of June 2015 to May 2016 BGS-RSCP Rates”. The tables in this spreadsheet calculate the weighted average winning bid price and convert it into the final BGS-RSCP rates that are charged to customers. An explanation of each of the six tables, labeled as Table A through F, is as follows.

Table A (Auction Results) contains the results of the prior two BGS auctions as well as the results (shown with illustrative values) of the current auction plus the incremental RPM Capacity cost, if necessary. From these values, the weighted average annual bid price (shown on line #13) is calculated. All of the formulas used in this table are shown in the right hand column of this table, under the heading of “Notes:”.

Table B (Ratio of BGS Unit Costs @ Customer to All-In Average Cost @ transmission nodes) is a repeat of the values shown in Table #14 from Attachment 2, the bid factors calculated based on current market conditions.

Table C (Preliminary Resulting BGS Rates) contains the preliminary customer BGS-RSCP rates as the product of the weighted average bid price (from Table A) and the Bid Factors from Table

B.

Table D (Revenue Recovery Calculations) contains a comparison of the total anticipated rate revenue billed to customers based on the preliminary BGS-RSCP rates developed in Table C and the anticipated total season payments to BGS suppliers, based on the data in Table A. The calculation of the kWh Rate Adjustment Factors are also done in this table, which are equal to the seasonal dollar differences between the anticipated billed revenue and supplier payments, divided by the total anticipated seasonal billed BGS-RSCP energy related charges.

Table E (Final Resulting BGS Rates) contains the final adjusted BGS-RSCP rates, which are equal to the preliminary BGS-RSCP rates shown in Table C times the seasonal kWh Rate Adjustment Factors that were developed in Table D.

Table F (Spreadsheet Error Checking) contains a comparison of the total anticipated rate revenue billed to customers based on the final BGS-RSCP rates developed in Table E and the anticipated total season payments to BGS suppliers, based on the data in Table A.

IV. CONCLUSION

In connection with the approval of this filing, the Company requests that the Board determine:

1. It is necessary and in the public interest for the electric public utilities to secure service for the BGS-RSCP and BGS-CIEP customers, as approved herein, for the period June 1, 2015 to May 31, 2018.
2. The Company's proposed treatment of its Committed Supply is approved.
3. The Company's proposed accounting for BGS is approved for purposes of accounting and BGS cost recovery.
4. The proposed BGS Contingency Plan is approved and there will exist a presumption of

prudence with respect to the BGS Auction Plan method and the costs incurred for BGS service under the Auction Plan and the related Contingency Plan.

5. The Company's Rate Design Methodology and Tariff Sheets are approved.

V. ATTACHMENT 1- TARIFF SHEETS

"Form Of" BGS-RSCP, BGS-CIEP and CIEP Standby Fee tariff sheets

TABLE OF CONTENTS

Title Page Sheet No. 1

Table of Contents Sheet Nos. 2 and 3

Territory Served.....Sheet Nos. 4 to 7, inclusive

Standard Terms and ConditionsSheet Nos. 8 to 42, inclusive

Regulation for Residential Underground ExtensionsSheet Nos. 48 to 52, inclusive

Societal Benefits Charge.....Sheet Nos. 57 to 59, inclusive

Non-utility Generation Charge..... Sheet No. 60

Securitization Transition Charges Sheet No. 62

System Control Charge..... Sheet No. 63

Solar Pilot Recovery Charge Sheet No. 64

Green Programs Recovery Charge..... Sheet No. 65

Capital Adjustment ChargesSheet Nos. 66 to 68, inclusive

Commercial and Industrial Energy Pricing (CIEP) Standby Fee Sheet No. 73

Basic Generation Service

- ~~Fixed Residential Small Commercial~~ Pricing Electric Supply Charges
 - BGS Energy Charges..... Sheet Nos. 75 and 76
 - BGS Capacity Charges and Transmission Charges..... Sheet No. 79
 - BGS Reconciliation Charges..... Sheet No. 81
- Commercial And Industrial Energy Pricing Electric Supply Charges
 - BGS Energy Charges, Capacity Charges and Transmission Charges Sheet Nos. 82 and 83
 - BGS Reconciliation Charges..... Sheet No. 84

Third Party Supplier..... Sheet No. 87

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:

COMMERCIAL AND INDUSTRIAL ENERGY PRICING (CIEP) STANDBY FEE

APPLICABLE TO:

~~Default electric supply service for~~All kilowatthour usage under Rate Schedules LPL-Secondary (500 kilowatts or greater), LPL-Primary, HTS-Subtransmission, HTS-High Voltage and all kilowatthour usage for customers and to customers served under Rate Schedules HS, GLP and LPL-Secondary (less than 500 kilowatts) who have elected hourly energy pricing service from either -BGS-CIEP as their default supply service or a Third Party Supplier.

| | Charge (per kilowatthour) |
|---|--------------------------------------|
| Commercial and Industrial Energy Pricing (CIEP) Standby Fee | \$ 0.000150 |
| Charge including New Jersey Sales and Use Tax (SUT) | \$ 0.000161 |

The above charges shall recover costs associated with the administration, maintenance and availability of the Basic Generation Service default electric supply service for applicable rate schedules. These charges shall be combined with the Distribution Kilowatthour Charges for billing.

Kilowatt threshold noted above is based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

Date of Issue:

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80 Park Plaza, Newark, New Jersey 07102
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Effective:

**BASIC GENERATION SERVICE – ~~FIXED-RESIDENTIAL SMALL COMMERCIAL~~ PRICING (BGS-FPRSCP)
ELECTRIC SUPPLY CHARGES**

APPLICABLE TO:

Default electric supply service for Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF, PSAL, GLP and LPL-Secondary (less than 500 kilowatts).

BGS ENERGY CHARGES:

Applicable to Rate Schedules RS, RHS, RLM, WH, WHS, HS, BPL, BPL-POF and PSAL

Charges per kilowatthour:

| Rate Schedule | For usage in each of the months of <u>October through May</u> | | For usage in each of the months of <u>June through September</u> | |
|----------------------------|--|-----------------------|---|-----------------------|
| | Charges | Charges Including SUT | Charges | Charges Including SUT |
| RS – first 600 kWh | \$x.xxxxxx | \$x.xxxxxx | \$x.xxxxxx | \$x.xxxxxx |
| RS – in excess of 600 kWh | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| RHS – first 600 kWh | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| RHS – in excess of 600 kWh | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| RLM On-Peak | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| RLM Off-Peak | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| WH | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| WHS | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| HS | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| BPL | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| BPL-POF | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| PSAL | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |

The above Basic Generation Service Energy Charges reflect costs for Energy, Generation Capacity, Transmission, and Ancillary Services (including PJM Interconnection, L.L.C. (PJM) Administrative Charges). The portion of these charges related to Network Integration Transmission Service, including the PJM Seams Elimination Cost Assignment Charges, the PJM Reliability Must Run Charge and PJM Transmission Enhancement Charges may be changed from time to time on the effective date of such change to the PJM rate for these charges as approved by the Federal Energy Regulatory Commission (FERC).

Kilowatt threshold noted above is based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

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BASIC GENERATION SERVICE – ~~FIXED-RESIDENTIAL SMALL COMMERCIAL~~ PRICING (BGS-FPRSCP)

ELECTRIC SUPPLY CHARGES

(Continued)

BGS ENERGY CHARGES:

Applicable to Rate Schedules GLP and LPL-Sec.

Charges per kilowatthour:

| Rate Schedule | For usage in each of the months of <u>October through May</u> | | For usage in each of the months of <u>June through September</u> | |
|-----------------------|---|----------------------|--|----------------------|
| | Charges | | Charges | |
| | <u>Charges</u> | <u>Including SUT</u> | <u>Charges</u> | <u>Including SUT</u> |
| GLP | \$ x.xxxxxx | \$ x.xxxxxx | \$ x.xxxxxx | \$ x.xxxxxx |
| GLP Night Use | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| LPL-Sec. under 500 kW | | | | |
| On-Peak | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |
| Off-Peak | x.xxxxxx | x.xxxxxx | x.xxxxxx | x.xxxxxx |

The above Basic Generation Service Energy Charges reflect costs for Energy and Ancillary Services (including PJM Administrative Charges).

Kilowatt thresholds noted above are based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

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Effective:

BASIC GENERATION SERVICE – ~~FIXED-RESIDENTIAL SMALL COMMERCIAL~~ PRICING (BGS-FPRSCP)

ELECTRIC SUPPLY CHARGES

(Continued)

BGS CAPACITY CHARGES:

Applicable to Rate Schedules GLP and LPL-Sec.

Charges per kilowatt of Generation Obligation:

Charge applicable in the months of June through September\$x.xxxx

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

Charge applicable in the months of October through May\$x.xxxx

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

The above charges shall recover each customer's share of the overall summer peak load assigned to the Public Service Transmission Zone by the PJM Interconnection, L.L.C. (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions.

BGS TRANSMISSION CHARGES

Applicable to Rate Schedules GLP and LPL-Sec.

Charges per kilowatt of Transmission Obligation:

Currently effective Annual Transmission Rate for
 Network Integration Transmission Service for the
 Public Service Transmission Zone as derived from the
 FERC Electric Tariff of the PJM Interconnection, LLC \$ xx,xxx.xx per MW per year

PJM Seams Elimination Cost Assignment Charges.....\$ x.xx per MW per month

PJM Reliability Must Run Charge\$ x.xx per MW per month

PJM Transmission Enhancements

Trans-Allegheny Interstate Line Company..... \$ xxx.xx per MW per month

Virginia Electric and Power Company.....\$ xx.xx per MW per month

Potomac-Appalachian Transmission Highline L.L.C.\$ xx.xx per MW per month

PPL Electric Utilities Corporation.....\$ x.xx per MW per month

American Electric Power Service Corporation.....\$ x.xx per MW per month

Atlantic City Electric Company.....\$ x.xx per MW per month

Delmarva Power and Light Company\$ x.xx per MW per month

Potomac Electric Power Company.....\$ xx.xx per MW per month

Above rates converted to a charge per kW of Transmission

Obligation, applicable in all months \$ x.xxxx

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

The above charges shall recover each customer's share of the overall summer peak transmission load assigned to the Public Service Transmission Zone by the PJM Interconnection, L.L.C. (PJM) as adjusted by PJM assigned transmission capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. These charges will be changed from time to time on the effective date of such change to the PJM rate for charges for Network Integration Transmission Service, including the PJM Seams Elimination Cost Assignment Charges, the PJM Reliability Must Run Charge and PJM Transmission Enhancement Charges as approved by Federal Energy Regulatory Commission (FERC).

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 81

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

Superseding

XXX Revised Sheet No. 81

BASIC GENERATION SERVICE – ~~FIXED-RESIDENTIAL SMALL COMMERCIAL~~ PRICING (BGS-FPRSCP)

ELECTRIC SUPPLY CHARGES

(Continued)

BGS RECONCILIATION CHARGES:

Charges per kilowatthour:

Basic Generation Service Reconciliation Charge \$ (0.004449)
Charge including New Jersey Sales and Use Tax (SUT) \$ (0.004760)

The above charges shall recover the difference between the monthly amount paid to Basic Generation Service (BGS) suppliers and the total revenue from customers for BGS for the preceding months for the applicable BGS supply. These charges include all applicable taxes and are charged on a monthly basis for all usage in the month indicated. These charges shall be combined with the BGS Energy Charges for billing.

(Charges are for illustrative purposes only and are based on the Fifty-Third Revised Sheet No. 81 filed with the BPU on October 30, 2014.)

Date of Issue:

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
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Effective:

**BASIC GENERATION SERVICE – COMMERCIAL AND INDUSTRIAL ENERGY PRICING (CIEP)
ELECTRIC SUPPLY CHARGES**

APPLICABLE TO:

Default electric supply service for Rate Schedules LPL-Secondary (500 kilowatts or greater), LPL-Primary, HTS-Subtransmission, HTS-High Voltage and to customers served under Rate Schedules HS, GLP and LPL-Secondary (less than 500 kilowatts) who have elected BGS-CIEP as their default supply service.

BGS ENERGY CHARGES:

Charges per kilowatthour:

BGS Energy Charges are hourly and include PJM Locational Marginal Prices, and PJM Ancillary Services. The total BGS Energy Charges are based on the sum of the following:

- The real time PJM Load Weighted Average Locational Marginal Prices for the Public Service Transmission Zone, adjusted for losses (tariff losses, as defined in Standard Terms and Conditions Section 4.3, adjusted to remove the mean hourly PJM marginal losses of ~~0.876620.84082~~%), and adjusted for SUT, plus
- Ancillary Services (including PJM Administrative Charges) at the rate of \$0.006000 per kilowatthour, adjusted for losses (tariff losses, as defined in Standard Terms and Conditions Section 4.3, adjusted to remove the mean hourly PJM marginal losses of ~~0.876620.84082~~%), and adjusted for SUT, plus

BGS CAPACITY CHARGES:

Charges per kilowatt of Generation Obligation:

| | |
|---|-----------|
| Charge applicable in the months of June through September | \$ x.xxxx |
| Charge including New Jersey Sales and Use Tax (SUT) | \$ x.xxxx |
| Charges applicable in the months of October through May..... | \$ x.xxxx |
| Charges including New Jersey Sales and Use Tax (SUT) | \$ x.xxxx |

The above charges shall recover each customer's share of the overall summer peak load assigned to the Public Service Transmission Zone by the PJM Interconnection, L.L.C. (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions.

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**BASIC GENERATION SERVICE – COMMERCIAL AND INDUSTRIAL ENERGY PRICING (CIEP)
ELECTRIC SUPPLY CHARGES
(Continued)**

BGS TRANSMISSION CHARGES

Charges per kilowatt of Transmission Obligation:

| | |
|--|------------------------------|
| Currently effective Annual Transmission Rate for | |
| Network Integration Transmission Service for the | |
| Public Service Transmission Zone as derived from the | |
| FERC Electric Tariff of the PJM Interconnection, LLC | \$ xx,xxx.xx per MW per year |
| PJM Seams Elimination Cost Assignment Charges..... | \$ x.xx per MW per month |
| PJM Reliability Must Run Charge | \$ x.xx per MW per month |
| PJM Transmission Enhancements | |
| Trans-Allegheny Interstate Line Company..... | \$ xxx.xx per MW per month |
| Virginia Electric and Power Company..... | \$ xx.xx per MW per month |
| Potomac-Appalachian Transmission Highline L.L.C. | \$ xx.xx per MW per month |
| PPL Electric Utilities Corporation..... | \$ x.xx per MW per month |
| American Electric Power Service Corporation..... | \$ x.xx per MW per month |
| Atlantic City Electric Company..... | \$ x.xx per MW per month |
| Delmarva Power and Light Company | \$ x.xx per MW per month |
| Potomac Electric Power Company. | \$ xx.xx per MW per month |

| | |
|---|-----------|
| Above rates converted to a charge per kW of Transmission | |
| Obligation, applicable in all months | \$ x.xxxx |
| Charge including New Jersey Sales and Use Tax (SUT) | \$ x.xxxx |

The above charges shall recover each customer's share of the overall summer peak transmission load assigned to the Public Service Transmission Zone by the PJM Interconnection, L.L.C. (PJM) as adjusted by PJM assigned transmission capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. These charges will be changed from time to time on the effective date of such charge to the PJM rate for charges for Network Integration Transmission Service, including the PJM Seams Elimination Cost Assignment Charges, the PJM Reliability Must Run Charge and PJM Transmission Enhancement Charges as approved by Federal Energy Regulatory Commission (FERC).

Kilowatt threshold noted above is based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

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80 Park Plaza, Newark, New Jersey 07102
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**RATE SCHEDULE RS
RESIDENTIAL SERVICE
(Continued)**

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. E007040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed-Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed-Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RS.

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80 Park Plaza, Newark, New Jersey 07102
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in Docket No.

Effective:

**RATE SCHEDULE RHS
RESIDENTIAL HEATING SERVICE
(Continued)**

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. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge and Distribution Kilowatt-hour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RHS.

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RATE SCHEDULE RLM
RESIDENTIAL LOAD MANAGEMENT SERVICE
(Continued)

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RLM.

MINIMUM CHARGE:

Where all or part of the electricity utilized by the customer is produced from on-site generation equipment and not delivered by Public Service, a Monthly Minimum charge of \$2.95 (\$3.16 including SUT) per kW of Measured Peak Demand shall be applied. The customer's Measured Peak Demand in any month shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval as registered by a demand meter furnished by Public Service. Revenue to satisfy the Monthly Minimum requirement shall be derived solely from Distribution Kilowatthour Charges.

This Minimum Charge shall not apply to Qualified Customer-Generators as defined in the Standard Terms and Conditions Section 15.2 in accordance with N.J.A.C. 14:8-4.3(n).

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80 Park Plaza, Newark, New Jersey 07102
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Effective:

**RATE SCHEDULE WH
WATER HEATING SERVICE**

(Continued)

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatt-hour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule WH.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:

Generation Obligation:

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

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**RATE SCHEDULE WHS
WATER HEATING STORAGE SERVICE**

(Continued)

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule WHS.

GENERATION CAPACITY AND TRANSMISSION OBLIGATIONS:

Generation Obligation:

The customer's Generation Obligation, in kilowatts, is determined by Public Service no less frequently than once a year. The Generation Obligation for existing customers or for new customers utilizing an existing building or premise is based upon the customer's share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions. The Generation Obligation for customers taking service in a new building or premise, as determined by Public Service, is based upon the load requirements, as estimated by Public Service, of the customer's building or premise. The Generation Obligation represents the generator capacity that PJM requires an electric supplier to have available to provide electric supply to a customer.

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**RATE SCHEDULE HS
BUILDING HEATING SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

This rate schedule is closed and is in the process of elimination. Delivery service under this rate schedule is limited to permanently installed comfort building heating equipment in premises that are presently served under this rate schedule. Customers may either purchase electric supply from a Third Party Supplier (TPS) or from Public Service's Basic Generation Service default service as detailed in this rate schedule.

DELIVERY CHARGES:**Service Charge:**

\$3.11 in each month [\$3.33 including New Jersey Sales and Use Tax (SUT)].

Distribution Charges per Kilowatthour:

| In each of the months of <u>October through May</u> | | In each of the months of <u>June through September</u> | |
|--|----------------------|---|----------------------|
| Charges | | Charges | |
| <u>Charges</u> | <u>Including SUT</u> | <u>Charges</u> | <u>Including SUT</u> |
| \$ 0.030340 | \$ 0.032464 | \$ 0.082242 | \$ 0.087999 |

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Non-utility Generation Charge:

This charge shall recover above market costs associated with non-utility generation costs and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

Securitization Transition Charges:

These charges include the Transition Bond Charge and the MTC-Tax charge and shall recover costs and associated taxes for transition bonds collected by PSE&G as servicer on behalf of PSE&G Transition Funding LLC. Refer to the Securitization Transition Charges sheet of this Tariff for the current charges.

System Control Charge

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable ~~only to all kilowatthour usage for~~ customers ~~that elect~~ who have selected the option of hourly energy pricing service from either Basic Generation Service-Commercial and Industrial Energy Pricing (BGS-CIEP) as their default supplier or a Third Party Supplier. This charge shall recover costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

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**RATE SCHEDULE HS
BUILDING HEATING SERVICE
(Continued)**

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. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, Securitization Transition Charges, System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied by Public Service through its Basic Generation Service - ~~Fixed Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service. Customers may elect BGS-CIEP as their default supply but must notify Public Service of their election of BGS-CIEP as their default supply no later than the second business day in January of each year. Such election shall be effective June 1st of that year and BGS-CIEP will remain as the customer's default supply until they notify Public Service of their election of BGS-~~FPRSCP~~ as their default supply no later than the second business day in January and their election of BGS-~~FPRSCP~~ shall be effective June 1st of that year.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule HS.

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**RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
(Continued)**

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable ~~only to all kilowatthour usage for~~ customers ~~that elect~~ who have selected the option of hourly energy pricing service from either Basic Generation Service-Commercial and Industrial Energy Pricing (BGS-CIEP) as their default supply, or a Third Party Supplier. This charge shall recover costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

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. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatthour Charge, the Non-utility Generation Charge, the System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

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RATE SCHEDULE GLP
GENERAL LIGHTING AND POWER SERVICE
(Continued)

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied by Public Service through its Basic Generation Service - Fixed Residential Small Commercial Pricing (BGS – FPRSCP) default service. Customers may elect BGS-CIEP as their default supply but must notify Public Service of their election of BGS-CIEP as their default supply no later than the second business day in January of each year. Such election shall be effective June 1st of that year and BGS-CIEP will remain as the customer's default supply until they notify Public Service of their election of BGS-FPRSCP as their default supply no later than the second business day in January and their election of BGS-FPRSCP shall be effective June 1st of that year.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule GLP.

MINIMUM CHARGE:

Where the use of electricity is for seldom used applications, an Annual Minimum charge may be applied. Such Annual Minimum charge shall equal the diversified connected load of the electric service, in kW, times the Annual Demand Charge times 6. Revenue to satisfy the Annual Minimum requirement shall be derived solely from Distribution Kilowatt Charges and Distribution Kilowatt-hour Charges.

BILLING DETERMINANTS:**Monthly Peak Demand:**

The Monthly Peak Demand shall be determined either by the registration of a demand meter furnished by Public Service or by estimate.

Where a demand meter is installed, the customer's Monthly Peak Demand in any month shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval.

Where no demand meter is installed, the customer's Monthly Peak Demand shall be determined by estimate by dividing the kilowatt-hours by 100 for the applicable billing period.

New Customer: Where a new customer applying for service has an anticipated maximum Monthly Peak Demand of 10 kilowatts or more, that customer's Monthly Peak Demand shall be determined by measurement. If the anticipated maximum Monthly Peak Demand is less than 10 kilowatts, the demand may be determined by estimate or measurement.

Existing Customer: Where an existing customer's Monthly Peak Demand is determined, for billing, by measurement and is 10 kilowatts or greater in any of the preceding 12 months, the customer will continue to have their Monthly Peak Demand determined by measurement and is not eligible for determination by estimate.

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**RATE SCHEDULE LPL
LARGE POWER AND LIGHTING SERVICE
(Continued)**

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable to all kilowatthour usage for customers with who have selected the hourly energy pricing service from either Basic Generation Service - Commercial and Industrial Energy Pricing (BGS-CIEP) as their default supply or a Third Party Supplier. This charge shall recover costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

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. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatthour Charge, the Non-utility Generation Charge, the System Control Charge, the Solar Pilot Recovery Charge and the Green Programs Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

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**RATE SCHEDULE LPL
LARGE POWER AND LIGHTING SERVICE
(Continued)**

Basic Generation Service:

A customer's Peak Load Share (PLS), with adjustments, is the basis for the customer's Generation Obligation. A customer's PLS in effect November 1 of a given year will determine the customer's default service type eligibility effective June 1 of the following year [Basic Generation Service - ~~Fixed Residential Small Commercial~~ Pricing (BGS-~~FPRSCP~~) or Basic Generation Service-Commercial and Industrial Pricing (BGS-CIEP)].

Customers that do not receive electric supply from a TPS will be supplied by Public Service through its BGS-~~FPRSCP~~ default service for LPL-Secondary customers with a PLS less than 500 kilowatts or BGS-CIEP default service for LPL-Secondary customers with a PLS equal to or greater than 500 kilowatts and LPL-Primary. LPL-Secondary customers with a PLS less than 500 kilowatts may elect BGS-CIEP as their default supply but must notify Public Service of their election of BGS-CIEP as their default supply no later than the second business day in January of each year. Such election shall be effective June 1st of that year and BGS-CIEP will remain as the customer's default supply until they notify Public Service of their election of BGS-~~FPRSCP~~ as their default supply no later than the second business day in January and their election of BGS-~~FPRSCP~~ shall be effective June 1st of that year.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule LPL for secondary or primary service.

MINIMUM CHARGE:

Where the use of electricity is for seldom used applications, an Annual Minimum charge may be applied. Such Annual Minimum charge shall equal the diversified connected load of the electric service, in kilowatts, times the Annual Demand Charge times 6. Revenue to satisfy the Annual Minimum requirement shall be derived solely from Distribution Kilowatt Charges and Distribution Kilowatthour Charges.

BILLING DETERMINANTS:**Monthly Peak Demand:**

The Monthly Peak Demand for each time period shall be determined by the registration of a demand meter furnished by Public Service. The customer's Monthly Peak Demand in any month for each time period shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval for secondary distribution voltage customers and during any fifteen-minute interval for primary distribution voltage customers. Where the use of electric service is intermittent or subject to violent fluctuations, Public Service may base the customer's Monthly Peak Demand for each time period upon five-minute intervals in lieu of intervals hereinbefore set forth.

Where electric service is supplied for traction power to a rail rapid-transit system, for the purpose of determination of Monthly Peak Demands, the hours 8 A.M. to 10 A.M. and 4 P.M. to 7 P.M. shall be included in the Off-Peak time period, and Public Service shall base the customer's Monthly Peak Demand for each time period upon the greatest average number of kilowatts delivered by Public Service during any single coincident hour-ended sixty-minute interval during each time period, in lieu of fifteen minute intervals.

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Effective:

**RATE SCHEDULE HTS
HIGH TENSION SERVICE
(Continued)**

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable to all kilowatthour usage under this rate schedule. This charge shall recover costs associated with the administration, maintenance and availability of the Basic Generation Service default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

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. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatthour Charge, the Non-utility Generation Charge, the System Control Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge and the CIEP Standby Fee shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Commercial and Industrial Energy Pricing (BGS – CIEP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service - Commercial and Industrial Energy Pricing (BGS – CIEP) default service.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule HTS for subtransmission or high voltage service.

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**RATE SCHEDULE BPL
BODY POLITIC LIGHTING SERVICE
(Continued)**

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatt-hour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed Residential Small Commercial~~ Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charge and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule BPL.

LIGHTING POLE AND MISCELLANEOUS DEVICE CHARGES (Monthly Charge Per Unit):

Only poles installed, owned and maintained by Public Service as part of the electric distribution system exclusively for the purpose of providing lighting service under Rate Schedules BPL or PSAL are designated as Lighting Poles.

Standard Lighting Poles

| <u>Pole Type</u> | <u>Style</u> | <u>Height</u> | <u>PSE&G Part Number</u> | <u>Charge</u> | <u>Charge Including SUT</u> |
|------------------|------------------------------|---------------|------------------------------|---------------|-----------------------------|
| Aluminum | Classic I Black | 10 ft. | 04-1292 | \$ 27.39 | \$ 29.31 |
| Aluminum | Windsor Black | 11.5 ft. | 04-1269 | 27.43 | 29.35 |
| Aluminum | Classic I Black | 12 ft. | 04-1280 | 23.14 | 24.76 |
| Aluminum | Classic I Green | 12 ft. | 04-1290 | 29.35 | 31.40 |
| Aluminum | Colonial Black | 12 ft. | 04-1264 | 18.39 | 19.68 |
| Aluminum | Colonial Fluted Black | 12 ft. | 04-4036 | 19.65 | 21.03 |
| Aluminum | Heritage Black | 12 ft. | 04-3499 | 27.21 | 29.11 |
| Aluminum | Rockford Harbor Fluted Black | 12 ft. | 04-6015 | 30.86 | 33.02 |

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RATE SCHEDULE BPL-POF
BODY POLITIC LIGHTING SERVICE FROM PUBLICLY OWNED FACILITIES
(Continued)

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatt-hour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charge and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule BPL-POF.

BILLING DETERMINANTS:

Kilowatthours:

The kilowatt-hour estimate is determined for each lamp by dividing total wattage including ballast by 1,000 and multiplying the result by the monthly burning hours as follows:

| | | | |
|----------------------|-----|-----------|-----|
| January | 447 | July | 281 |
| February | 374 | August | 312 |
| February (leap-year) | 387 | September | 343 |
| March | 372 | October | 397 |
| April | 317 | November | 421 |
| May | 292 | December | 456 |
| June | 263 | | |

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RATE SCHEDULE PSAL
PRIVATE STREET AND AREA LIGHTING SERVICE
(Continued)

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – ~~Fixed~~Residential Small Commercial Pricing (BGS – ~~FPRSCP~~) default service.

The BGS Energy Charge and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatthours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule PSAL.

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**VI. ATTACHMENT 2 – SPREADSHEETS FOR THE DEVELOPMENT OF BGS
COST AND BID FACTORS**

(Pages 1 through 7)

**Public Service Electric and Gas Company Specific Addendum
Attachment 2**

**Development of BGS-RSCP (Formerly BGS-FP) Cost and Bid Factors for 2015/16 BGS Filing
Adjusted to Billing Time Periods**

Table #1 % Usage During PJM On-Peak Period

*Based on average of year 2011, 2012 & 2013 Load Profile Information
On-Peak periods defined as the 16 hr PJM Trading period, adj for NERC holidays*

| | <i>Profile Meter Data RS</i> | <i>Profile Meter Data RHS</i> | <i>Profile Meter Data RLM</i> | <i>Profile Meter Data WH</i> | <i>Profile Meter Data WHS</i> | <i>Profile Meter Data HS</i> | <i>--- Other Analysis --- PSAL</i> | <i>BPL</i> | <i>Profile Meter Data GLP</i> | <i>Profile Meter Data LPL-S</i> |
|---------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|------------|---------------------------------------|-------------------------------------|
| <i>(data rounded to nearest .01%)</i> | | | | | | | | | | |
| January | 49.57% | 48.70% | 50.10% | 43.40% | 43.40% | 48.77% | 31.47% | 31.47% | 56.97% | 56.10% |
| February | 49.93% | 48.80% | 50.97% | 45.23% | 45.23% | 48.90% | 29.43% | 29.43% | 57.93% | 57.07% |
| March | 49.93% | 49.90% | 50.37% | 45.43% | 45.43% | 50.53% | 24.73% | 24.73% | 58.47% | 57.73% |
| April | 50.50% | 51.33% | 51.13% | 46.10% | 46.10% | 53.47% | 24.10% | 24.10% | 58.93% | 58.77% |
| May | 51.53% | 52.97% | 52.27% | 45.70% | 45.70% | 62.63% | 23.00% | 23.00% | 59.67% | 59.40% |
| June | 51.83% | 52.87% | 52.53% | 44.83% | 44.83% | 64.10% | 20.60% | 20.60% | 59.03% | 58.10% |
| July | 51.00% | 52.00% | 52.13% | 43.10% | 43.10% | 61.97% | 18.93% | 18.93% | 57.90% | 56.17% |
| August | 53.43% | 54.97% | 55.23% | 45.67% | 45.67% | 65.43% | 22.10% | 22.10% | 61.23% | 59.80% |
| September | 48.70% | 50.43% | 49.70% | 42.87% | 42.87% | 60.40% | 22.17% | 22.17% | 57.53% | 57.07% |
| October | 51.57% | 52.20% | 52.13% | 45.93% | 45.93% | 57.37% | 27.23% | 27.23% | 59.67% | 59.43% |
| November | 50.37% | 49.33% | 50.43% | 42.87% | 42.87% | 48.83% | 31.13% | 31.13% | 57.40% | 56.90% |
| December | 48.97% | 48.23% | 49.73% | 43.80% | 43.80% | 46.77% | 31.40% | 31.40% | 55.70% | 55.33% |

Table #2 % Usage During PSE&G On-Peak Billing Period

*Based on average of year 2011, 2012 & 2013 Load Profile Information
On-Peak periods as defined in specified rate schedule (average of %s for 2011, 2012 & 2013)
Profile Meter*

| | <i>N/A RS</i> | <i>N/A RHS</i> | <i>Data RLM</i> | <i>N/A WH</i> | <i>N/A WHS</i> | <i>N/A HS</i> | <i>N/A PSAL</i> | <i>N/A BPL</i> | <i>N/A GLP</i> | <i>Profile Meter Data LPL-S</i> |
|---------------------------------------|-------------------|--------------------|---------------------|-------------------|--------------------|-------------------|---------------------|--------------------|--------------------|-------------------------------------|
| <i>(data rounded to nearest .01%)</i> | | | | | | | | | | |
| January | --- | --- | 42.90% | --- | --- | --- | --- | --- | --- | 48.60% |
| February | --- | --- | 42.24% | --- | --- | --- | --- | --- | --- | 48.97% |
| March | --- | --- | 42.06% | --- | --- | --- | --- | --- | --- | 49.13% |
| April | --- | --- | 42.79% | --- | --- | --- | --- | --- | --- | 49.92% |
| May | --- | --- | 44.18% | --- | --- | --- | --- | --- | --- | 50.75% |
| June | --- | --- | 46.69% | --- | --- | --- | --- | --- | --- | 51.84% |
| July | --- | --- | 47.61% | --- | --- | --- | --- | --- | --- | 51.05% |
| August | --- | --- | 47.82% | --- | --- | --- | --- | --- | --- | 50.62% |
| September | --- | --- | 47.17% | --- | --- | --- | --- | --- | --- | 51.22% |
| October | --- | --- | 45.85% | --- | --- | --- | --- | --- | --- | 51.38% |
| November | --- | --- | 43.85% | --- | --- | --- | --- | --- | --- | 50.28% |
| December | --- | --- | 42.62% | --- | --- | --- | --- | --- | --- | 49.40% |

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Table #3 Class Usage @ customer

calendar month sales forecasted for 2014, less % for LPL-Sec > 500 kW Peak Load Share in MWh

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | < 500 kW LPL-S |
|-----------|------------|---------|---------|-------|-----|--------|---------|---------|-----------|----------------|
| January | 1,078,367 | 24,920 | 20,328 | 192 | 4 | 3,189 | 16,698 | 17,303 | 529,406 | 366,917 |
| February | 845,050 | 19,596 | 15,609 | 169 | 4 | 2,610 | 13,336 | 28,102 | 476,420 | 341,425 |
| March | 874,749 | 17,483 | 16,970 | 183 | 4 | 2,144 | 13,760 | 11,808 | 515,907 | 352,864 |
| April | 752,988 | 10,829 | 13,555 | 173 | 4 | 1,094 | 11,542 | 15,970 | 463,296 | 332,567 |
| May | 731,182 | 6,934 | 13,823 | 156 | 3 | 662 | 9,906 | 14,167 | 449,528 | 319,915 |
| June | 1,166,749 | 8,706 | 21,766 | 139 | 3 | 884 | 9,670 | 11,794 | 537,093 | 376,253 |
| July | 1,549,187 | 10,472 | 28,160 | 121 | 3 | 1,193 | 10,243 | 13,283 | 642,592 | 413,951 |
| August | 1,363,449 | 9,610 | 25,631 | 108 | 2 | 1,002 | 9,555 | 14,158 | 593,997 | 419,779 |
| September | 981,334 | 8,278 | 19,907 | 113 | 3 | 790 | 12,453 | 17,717 | 507,010 | 369,395 |
| October | 839,412 | 10,926 | 16,128 | 142 | 3 | 1,154 | 14,105 | 19,701 | 499,291 | 371,306 |
| November | 840,045 | 13,498 | 14,211 | 149 | 3 | 1,211 | 15,388 | 20,139 | 427,245 | 342,070 |
| December | 905,685 | 18,704 | 16,388 | 153 | 3 | 2,347 | 15,447 | 24,599 | 492,542 | 330,773 |
| Total | 11,928,198 | 159,955 | 222,457 | 1,798 | 39 | 18,280 | 152,104 | 208,741 | 6,134,327 | 4,337,216 |

Table #4 Forwards Prices - Energy Only @ bulk system

in \$/MWh, not including PJM losses

| | On-Peak | Off/On Pk LMP ratio | Resulting Off-Peak |
|-----------|---------|---------------------|--------------------|
| January | 68.76 | 0.7254 | 49.877 |
| February | 62.36 | 0.7254 | 45.235 |
| March | 50.14 | 0.7254 | 36.371 |
| April | 44.28 | 0.7254 | 32.120 |
| May | 44.59 | 0.7254 | 32.345 |
| June | 49.77 | 0.6226 | 30.985 |
| July | 66.56 | 0.6226 | 41.437 |
| August | 56.37 | 0.6226 | 35.094 |
| September | 43.37 | 0.6226 | 27.000 |
| October | 41.08 | 0.7254 | 29.799 |
| November | 41.93 | 0.7254 | 30.415 |
| December | 47.88 | 0.7254 | 34.731 |

Table #5 Zone to Western Hub Basis Differential

| | On-Peak | Off-Peak | |
|--|---------|----------|---|
| | 114% | 111% | <i>NYMEX Forwards (November 3, 2014) from NERA</i> |
| | 114% | 111% | |
| | 114% | 111% | <i>June 2011 through August 2014 average for Zone/Hub differentials</i> |
| | 114% | 111% | |
| | 107% | 105% | |
| | 107% | 105% | |
| | 107% | 105% | |
| | 114% | 111% | |
| | 114% | 111% | |
| | 114% | 111% | |

Table #6 Losses

from meter to bulk system (includes Delivery & PJM EHV losses)

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Loss Factors = | 8.0462% | 8.0462% | 8.0462% | 8.0462% | 8.0462% | 8.0462% | 8.0462% | 8.0462% | 8.0462% | 8.0462% |
| Expansion Factor = | 1.087503 | 1.087503 | 1.087503 | 1.087503 | 1.087503 | 1.087503 | 1.087503 | 1.087503 | 1.087503 | 1.087503 |
| 1 / Expansion Factor = | 0.919538 | 0.919538 | 0.919538 | 0.919538 | 0.919538 | 0.919538 | 0.919538 | 0.919538 | 0.919538 | 0.919538 |

from meter to transmission node (includes Delivery less mean hourly PJM marginal losses)

| | | | | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Loss Factors = | 6.7537% | 6.7537% | 6.7537% | 6.7537% | 6.7537% | 6.7537% | 6.7537% | 6.7537% | 6.7537% | 6.7537% |
| Expansion Factor = | 1.072428 | 1.072428 | 1.072428 | 1.072428 | 1.072428 | 1.072428 | 1.072428 | 1.072428 | 1.072428 | 1.072428 |
| 1 / Expansion Factor = | 0.932464 | 0.932464 | 0.932464 | 0.932464 | 0.932464 | 0.932464 | 0.932464 | 0.932464 | 0.932464 | 0.932464 |

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Table #7 Summary of Average BGS Energy Only Unit Costs @ customer - PJM Time Periods

*based on Forwards prices corrected for congestion & all losses - PJM time periods
in \$/MWh*

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|------------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Summer - all hrs | \$ | 52.37 | \$ 52.05 | \$ 52.39 | \$ 49.19 | \$ 49.01 | \$ 55.14 | \$ 43.17 | \$ 43.07 | \$ 53.59 | \$ 52.93 |
| | PJM on pk | \$ 64.52 | \$ 63.74 | \$ 64.22 | \$ 62.68 | \$ 62.50 | \$ 64.33 | \$ 61.61 | \$ 61.46 | \$ 63.67 | \$ 63.17 |
| | PJM off pk | \$ 39.52 | \$ 39.06 | \$ 39.29 | \$ 38.54 | \$ 38.42 | \$ 39.48 | \$ 38.26 | \$ 38.16 | \$ 39.11 | \$ 38.91 |
| Winter - all hrs | \$ | 53.97 | \$ 56.03 | \$ 54.20 | \$ 52.86 | \$ 53.08 | \$ 57.21 | \$ 49.77 | \$ 49.85 | \$ 54.93 | \$ 54.60 |
| | PJM on pk | \$ 63.02 | \$ 65.48 | \$ 63.18 | \$ 62.89 | \$ 63.15 | \$ 66.51 | \$ 63.43 | \$ 63.44 | \$ 62.48 | \$ 62.16 |
| | PJM off pk | \$ 44.83 | \$ 46.71 | \$ 44.91 | \$ 44.71 | \$ 44.90 | \$ 47.75 | \$ 44.40 | \$ 44.46 | \$ 44.47 | \$ 44.33 |
| Annual | \$ | 53.29 | \$ 55.11 | \$ 53.42 | \$ 51.88 | \$ 51.93 | \$ 56.77 | \$ 47.95 | \$ 48.00 | \$ 54.43 | \$ 53.99 |
| System Total | \$ | 53.66 | | | | | | | | | |

Table #8 Summary of Average BGS Energy Only Costs @ customer - PJM Time Periods

*based on Forwards prices corrected for congestion & all losses
in \$1000*

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|------------------|------------|------------|----------|-----------|-------|------|----------|----------|-----------|------------|------------|
| Summer - all hrs | \$ | 265,011 | \$ 1,929 | \$ 5,001 | \$ 24 | \$ 1 | \$ 213 | \$ 1,810 | \$ 2,453 | \$ 122,215 | \$ 83,598 |
| | PJM on pk | \$ 167,820 | \$ 1,243 | \$ 3,221 | \$ 13 | \$ 0 | \$ 157 | \$ 542 | \$ 738 | \$ 85,603 | \$ 57,671 |
| | PJM off pk | \$ 97,191 | \$ 686 | \$ 1,780 | \$ 10 | \$ 0 | \$ 56 | \$ 1,267 | \$ 1,715 | \$ 36,613 | \$ 25,927 |
| Winter - all hrs | \$ | 370,632 | \$ 6,885 | \$ 6,883 | \$ 70 | \$ 1 | \$ 824 | \$ 5,484 | \$ 7,567 | \$ 211,676 | \$ 150,579 |
| | PJM on pk | \$ 217,414 | \$ 3,996 | \$ 4,078 | \$ 37 | \$ 1 | \$ 483 | \$ 1,974 | \$ 2,734 | \$ 139,824 | \$ 98,730 |
| | PJM off pk | \$ 153,218 | \$ 2,889 | \$ 2,804 | \$ 33 | \$ 1 | \$ 341 | \$ 3,510 | \$ 4,833 | \$ 71,852 | \$ 51,849 |
| Annual | \$ | 635,643 | \$ 8,815 | \$ 11,884 | \$ 93 | \$ 2 | \$ 1,038 | \$ 7,294 | \$ 10,020 | \$ 333,891 | \$ 234,178 |
| System Total | \$ | 1,242,857 | | | | | | | | | |

Table #9 Summary of Average BGS Energy Only Unit Costs @ customer - PSE&G Time Periods

*based on Forwards prices corrected for congestion & all losses - PSE&G billing time periods
in \$/MWh*

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|------------------|--------------|-------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Summer - all hrs | \$ | 52.37 | \$ 52.05 | \$ 52.39 | \$ 49.19 | \$ 49.01 | \$ 55.14 | \$ 43.17 | \$ 43.07 | \$ 53.59 | \$ 52.93 |
| | PSE&G On pk | | | \$ 65.58 | | | | | | | \$ 64.74 |
| | PSE&G Off pk | | | \$ 40.51 | | | | | | | \$ 40.56 |
| Winter - all hrs | \$ | 53.97 | \$ 56.03 | \$ 54.20 | \$ 52.86 | \$ 53.08 | \$ 57.21 | \$ 49.77 | \$ 49.85 | \$ 54.93 | \$ 54.60 |
| | PSE&G On pk | | | \$ 64.77 | | | | | | | \$ 63.56 |
| | PSE&G Off pk | | | \$ 46.13 | | | | | | | \$ 45.71 |
| Annual Average | \$ | 53.29 | \$ 55.11 | \$ 53.42 | \$ 51.88 | \$ 51.93 | \$ 56.77 | \$ 47.95 | \$ 48.00 | \$ 54.43 | \$ 53.99 |
| System Average | \$ | 53.66 | | | | | | | | | |

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Table #10 Generation & Transmission Obligations and Costs and Other Adjustments
obligations - Peak Load shares eff 6/1/13, scaling factors eff 6/1/13, Transmission Loads eff 1/1/13; costs are market estimates in MW

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | Adj for PLS > 500 kW LPL-S |
|--|-----------------------|--|--|---|--------------|-----|------|-----|---------|----------------------------------|
| Gen Obl - MW | 4,565.1 | 36.6 | 79.6 | 0.0 | 0.0 | 4.7 | 0.0 | 0.0 | 2,037.8 | 1,108.4 |
| Trans Obl - MW | 4,120.2 | 32.8 | 71.5 | 0.0 | 0.0 | 4.3 | 0.0 | 0.0 | 1,809.5 | 978.3 |
| # of Months and Days used in this analysis | | # of summer days = # of winter days = | 122 243 | # of summer months = # of winter months = total # months = | 4 8 12 | | | | | |
| Transmission Cost | year round = | \$57,079.80 per MW-yr | | | | | | | | |
| Generation Capacity cost | | Base Capacity | Incremental RPM Capacity | Total Capacity | | | | | | |
| | summer = | \$ 173.00 | \$ 50.00 | \$ 223.00 \$/MW/day | | | | | | |
| | winter = | \$ 173.00 | \$ 50.00 | \$ 223.00 \$/MW/day | | | | | | |
| % usage in Summer Blocks | | RS | RHS | | | | | | | |
| | Block 1 (0-600 kWh/m) | 64.7% | 63.3% | (based on W/N actuals used in settlement and final rate design of 2009 Rate Case, rounded to .1%) | | | | | | |
| | Block 2 (>600 kWh/m) | 35.3% | 36.7% | | | | | | | |
| Required summer inversion = | 0.8652 | 1.1569 | ¢/kWh (same as 2003/2004 BGS blocking inversion) | | | | | | | |

Table #11 Ancillary Services
forecasted overall annual average

| | |
|--|-------------------------------|
| | \$ 3.00 per MWh @ bulk system |
|--|-------------------------------|

Table #12 Summary of Obligation Costs Expressed as \$/MWh @ customer (for non-demand rates only)

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL |
|-------------------------------|----------|----------|-------------------------------|------|------|----------|------|------|
| Transmission Obl - all months | \$ 19.72 | \$ 11.70 | \$ 40.74 | \$ - | \$ - | \$ 13.43 | \$ - | \$ - |
| Generation Obl - | | | | | | | | |
| per annual MWh | \$ 31.15 | \$ 18.62 | \$ 64.68 | \$ - | \$ - | \$ 20.93 | \$ - | \$ - |
| recovery per summer MWh | \$ 24.54 | \$ 26.86 | \$ 47.89 | \$ - | \$ - | \$ 33.05 | \$ - | \$ - |
| recovery per winter MWh | \$ 36.02 | \$ 16.14 | \$ 78.48 | \$ - | \$ - | \$ 17.67 | \$ - | \$ - |
| | | | For RLM, per on-peak kWh only | | | | | |

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Table #13 Summary of BGS Unit Costs @ customer

NON-DEMAND RATES

includes energy, G&T obligations, and Ancillary Services - adjusted to billing time periods in \$/MWh

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL |
|------------------|-----------------------|-----------|----------|-----------|----------|----------|----------|----------|----------|
| Summer - all hrs | \$ | 106.50 | \$ 85.64 | | \$ 52.45 | \$ 52.27 | \$ 92.76 | \$ 46.43 | \$ 46.33 |
| | PSE&G On pk | | | \$ 174.26 | | | | | |
| | PSE&G Off pk | | | \$ 43.78 | | | | | |
| | Block 1 (0-600 kWh/m) | \$ 103.44 | \$ 81.39 | | | | | | |
| | Block 2 (>600 kWh/m) | \$ 112.09 | \$ 92.96 | | | | | | |
| Winter - all hrs | \$ | 108.10 | \$ 89.62 | | \$ 56.12 | \$ 56.34 | \$ 94.83 | \$ 53.04 | \$ 53.11 |
| | PSE&G On pk | | | \$ 173.45 | | | | | |
| | PSE&G Off pk | | | \$ 49.39 | | | | | |
| Annual -all hrs | \$ | 107.42 | \$ 88.70 | \$ 104.15 | \$ 55.14 | \$ 55.19 | \$ 94.39 | \$ 51.22 | \$ 51.26 |

DEMAND RATES

includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods in \$/MWh

| | | GLP | LPL-S | | PLUS: | GLP | LPL-S |
|-------------------------------|--------------|-------|----------|--|-------------------|-----------|----------------------------------|
| Summer - all hrs | \$ | 56.85 | \$ 56.19 | | <u>Gen Cost</u> | | |
| | PSE&G On pk | | \$ 68.01 | | summer | \$ 6.8015 | \$ 6.8015 per kW of G obl /month |
| | PSE&G Off pk | | \$ 43.82 | | winter | \$ 6.7736 | \$ 6.7736 per kW of G obl /month |
| | | | | | annual | \$ 6.7829 | \$ 6.7829 per kW of G obl /month |
| Winter - all hrs | \$ | 58.19 | \$ 57.86 | | <u>Trans cost</u> | | |
| | PSE&G On pk | | \$ 66.82 | | all months | \$ 4.7567 | \$ 4.7567 per kW of T obl /month |
| | PSE&G Off pk | | \$ 48.98 | | | | |
| Annual - all hrs per MWh only | \$ | 57.69 | \$ 57.26 | | | | |

Including T&G Obligation \$

| | | | |
|-------------------------------|--------------|--------|-----------|
| Summer - all hrs | \$ | 96.19 | \$ 87.02 |
| | PSE&G On pk | | \$ 128.26 |
| | PSE&G Off pk | | \$ 43.82 |
| Winter - all hrs | \$ | 104.75 | \$ 93.17 |
| | PSE&G On pk | | \$ 137.72 |
| | PSE&G Off pk | | \$ 48.98 |
| Annual - including T&G Obl \$ | \$ | 101.57 | \$ 90.93 |

Note: Obligation \$ included in On pk costs

ALL RATES

Grand Total Cost in \$1000 = \$ 2,356,433
 All-In Average cost @ customer = \$ 101.73 per MWh at customer (per customer metered MWh)
 All-In Average costs @ transmission nodes = \$ 94.86 per MWh at transmission nodes (per metered MWh at transmission node)

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Table #14 Ratio of BGS Unit Costs @ customer to All-In Average Cost @ transmission nodes - rounded to 3 decimal places, unit obligation \$ rounded to 4 decimal places

NON-DEMAND RATES

includes energy, G&T obligations, and Ancillary Services - adjusted to billing time periods

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL |
|------------------|--------------------------------|----------------|-------------------|-------|-------|-------|-------|--------------------------|-------|
| Summer - all hrs | | | | | 0.553 | 0.551 | 0.978 | 0.489 | 0.488 |
| | PSE&G On pk | | | 1.837 | | | | Use weighted average | |
| | PSE&G Off pk | | | 0.461 | | | | for all streetlighting = | 0.488 |
| | All usage Multiplier | 1.123 | 0.903 | | | | | | |
| | Constant (in \$/MWh) \$ | (3.054) | \$ (4.246) | | | | | | |
| | | | | | | | | | |
| | Constant (in \$/MWh) \$ | 5.598 | \$ 7.323 | | | | | | |
| | | | | | | | | | |
| Winter - all hrs | | 1.140 | 0.945 | | 0.592 | 0.594 | 1.000 | 0.559 | 0.560 |
| | PSE&G On pk | | | 1.828 | | | | Use weighted average | |
| | PSE&G Off pk | | | 0.521 | | | | for all streetlighting = | 0.560 |
| Annual - all hrs | | 1.132 | 0.935 | 1.098 | 0.581 | 0.582 | 0.995 | 0.540 | 0.540 |

DEMAND RATES

includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods

| | | GLP Multiplier | GLP Constant (in \$/MWh) | LPL-S Multiplier | LPL-S Constant (in \$/MWh) | PLUS: | | | |
|-------------------------------|--------------|-------------------|--------------------------------|---------------------|----------------------------------|-------------------|---------------|--------|----------------------------------|
| Summer - all hrs | | 1.014 | (39.338) | | | | | | |
| | PSE&G On pk | | | 1.352 | (60.250) | <u>Gen Cost</u> | summer \$ | 6.8015 | \$ 6.8015 per kW of G obl /month |
| | PSE&G Off pk | | | 0.462 | - | | winter \$ | 6.7736 | \$ 6.7736 per kW of G obl /month |
| | | | | | | | annual \$ | 6.7829 | \$ 6.7829 per kW of G obl /month |
| Winter - all hrs | | 1.104 | (46.563) | | | | | | |
| | PSE&G On pk | | | 1.452 | (70.898) | <u>Trans cost</u> | all months \$ | 4.7567 | \$ 4.7567 per kW of T obl /month |
| | PSE&G Off pk | | | 0.516 | - | | | | |
| Annual - including T&G Obl \$ | | 1.071 | | 0.959 | | | | | |

Assumptions:

Gen Cost = \$ 223.00 /MW day summer
 \$ 223.00 /MW day winter

Trans cost = \$ 57,079.80 per MW-yr
 Analysis time period = 4 summer months
 8 winter months

Ancillary Services = \$ 3.00 per MWh
 Energy Costs = based on Forwards @ PJM West - corrected for congestion
 Usage patterns = forecasted 2014 energy use by class, PJM and PSE&G on/off % from 2011, 2012 & 2013 class load profiles

Obligations = class totals in effect as of filing date
 Losses = Delivery losses from tariff, PJM losses based on 3 year average %
 PJM Time Periods = PJM trading time periods - 7 AM to 11 PM weekdays, local time, x NERC
 holidays - New Year's, Memorial, 4th of July, Labor Day, Thanksgiving & Christmas
 PSE&G Billing time periods = as per specific rate schedule

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Table #15 Summary of Total BGS Costs by Season

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|---------------------------------|--------------|-----------|-----------|-----------------------|------|----------|--------------------------|-----------|------------|------------|
| Total Costs by Rate - in \$1000 | | | | | | | | | | |
| Summer | \$ 538,947 | \$ 3,174 | \$ 10,079 | \$ 25 | \$ 1 | \$ 359 | \$ 1,946 | \$ 2,639 | \$ 219,525 | \$ 137,520 |
| Winter | \$ 742,367 | \$ 11,013 | \$ 13,091 | \$ 74 | \$ 2 | \$ 1,367 | \$ 5,844 | \$ 8,062 | \$ 403,532 | \$ 256,867 |
| Total | \$ 1,281,315 | \$ 14,188 | \$ 23,170 | \$ 99 | \$ 2 | \$ 1,725 | \$ 7,790 | \$ 10,701 | \$ 623,057 | \$ 394,387 |
| | | | | | | | | | | |
| % of Annual Total \$ by Rate | | | | | | | | | | |
| Summer | 42% | 22% | 44% | 25% | 27% | 21% | 25% | 25% | 35% | 35% |
| Winter | 58% | 78% | 56% | 75% | 73% | 79% | 75% | 75% | 65% | 65% |
| | | | | | | | | | | |
| Total Costs - in \$1000 | | | | | | | | | | |
| Summer | \$ 914,215 | | | | | | | | | |
| Winter | \$ 1,442,218 | | | | | | | | | |
| Total | \$ 2,356,433 | | | | | | | | | |
| | | | | | | | | | | |
| % of Annual Total \$ | | | | | | | | | | |
| Summer | 39% | | \$ 93.10 | per MWh @ trans nodes | | | Ratio to All-In Cost >>> | | Summer | 1.0000 |
| Winter | 61% | | \$ 96.01 | per MWh @ trans nodes | | | | | Winter | 1.0000 |

rounded to 4 decimal places

Table #16 Spreadsheet Error Checking - Reconciliation of Customer Revenue and Supplier Payments, based on above data only

Assumed Winning Bid Price = \$ 94.86 *(bid includes payments for all losses)*
 Payment Ratio - Summer = 1.0000
 Payment Ratio - Winter = 1.0000

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|------------------------------------|--------------|-----------|-----------|--------|------|----------|-----------|-----------|------------|------------|
| Total Rate Revenue - in \$1000 | | | | | | | | | | |
| Summer | \$ 539,117 | \$ 3,175 | \$ 10,077 | \$ 25 | \$ 1 | \$ 359 | \$ 1,941 | \$ 2,636 | \$ 219,530 | \$ 137,523 |
| Winter | \$ 742,664 | \$ 11,016 | \$ 13,091 | \$ 74 | \$ 2 | \$ 1,367 | \$ 5,853 | \$ 8,063 | \$ 403,427 | \$ 256,857 |
| Total | \$ 1,281,780 | \$ 14,191 | \$ 23,167 | \$ 99 | \$ 2 | \$ 1,726 | \$ 7,794 | \$ 10,700 | \$ 622,958 | \$ 394,380 |
| | | | | | | | | | | |
| Total Summer | \$ 914,384 | | | | | | | | | |
| Total Winter | \$ 1,442,414 | | | | | | | | | |
| Grand Total | \$ 2,356,798 | | | | | | | | | |
| | | | | | | | | | | |
| Total Supplier Payment - in \$1000 | | | | | | | | | | |
| Summer | \$ 514,838 | \$ 3,771 | \$ 9,712 | \$ 49 | \$ 1 | \$ 394 | \$ 4,265 | \$ 5,794 | \$ 232,020 | \$ 160,674 |
| Winter | \$ 698,643 | \$ 12,502 | \$ 12,919 | \$ 134 | \$ 3 | \$ 1,466 | \$ 11,209 | \$ 15,442 | \$ 392,039 | \$ 280,561 |
| Total | \$ 1,213,481 | \$ 16,273 | \$ 22,631 | \$ 183 | \$ 4 | \$ 1,860 | \$ 15,474 | \$ 21,236 | \$ 624,058 | \$ 441,234 |
| | | | | | | | | | | |
| Total Summer | \$ 931,516 | | | | | | | | | |
| Total Winter | \$ 1,424,918 | | | | | | | | | |
| Grand Total | \$ 2,356,433 | | | | | | | | | |

Difference (in \$1000) = \$ 364
 Note: Minor differences in totals are due to rounding of Bid Factors and Payment Factors

**Table #17 Total Supplier Energy @ transmission nodes
in MWh**

| | |
|--------|-------------------|
| Summer | 9,819,744 |
| Winter | <u>15,021,028</u> |
| Total | 24,840,773 |

VII. ATTACHMENT 3- SPREADSHEETS FOR THE CALCULATION OF BGS RATES

(Pages 1 through 6)

Calculation of June 2015 to May 2016 BGS-RSCP Rates (Formerly BGS-FP)

Illustrative purposes only

Table A

Auction Results

| line # | Specific BGS-RSCP Auction >> | remaining portion of 36 month bid - 2013 auction | remaining portion of 36 month bid - 2014 auction | 36 month bid - 2015 auction | Notes: |
|---|---|--|--|-----------------------------|--|
| 1 | Winning Bid - in \$/MWh | \$ 92.18 | \$ 97.39 | \$ 89.11 | illustrative bid |
| 2 | Incremental RPM Cost - in \$/MWh | \$ 5.75 | \$ 5.75 | \$ 5.75 | illustrative based on \$50/MW-day; see workpaper for \$/MWh conversion |
| 3 | Total - in \$/MWh | \$ 97.93 | \$ 103.14 | \$ 94.86 | = line 1 + line 2 |
| <i>(includes all payments, including impact of PJM marginal losses)</i> | | | | | |
| 4 | # of Tranches for Bid | 28 | 28 | 29 | from then current Bid |
| 5 | Total # of Tranches | 85 | 85 | 85 | from then current Bid |
| Payment Factors | | | | | |
| 6 | Summer | 1.0163 | 1.0284 | 1.0000 | |
| 7 | Winter | 0.9900 | 0.9823 | 1.0000 | |
| Applicable Customer Usage @ transmission nodes - in MWh | | | | | |
| 8 | Summer MWh | 9,819,744 | | | from Table #17 of the current Bid Factor Spreadsheet |
| 9 | Winter MWh | 15,021,028 | | | |
| Total Payment to Suppliers - in \$1000 | | | | | |
| 10 | Summer | \$ 321,942 | \$ 343,106 | \$ 317,806 | = (3) * (4)/(5) * (6) * (8) |
| 11 | Winter | \$ 479,722 | \$ 501,314 | \$ 486,141 | = (3) * (4)/(5) * (7) * (9) |
| 12 | Total | \$ 801,664 | \$ 844,420 | \$ 803,947 | Note: \$ reflect total payment |
| Average Payment to Suppliers - in \$/MWh | | | | | |
| 13 | Summer | \$ 100.090 | | | = sum(line 10) / (8) - rounded to 3 decimal places |
| 14 | Winter | \$ 97.675 | | | = sum(line 11) / (9) - rounded to 3 decimal places |
| 15 | Total weighted average | \$ 98.629 | <<< used in calculation of Customer Rates | | = sum(line 12) / [(8) + (9)] rounded to 3 decimal places |
| Reconciliation of amounts - in \$1000 | | | | | |
| 16 | Weighted Average * Total MWh = | \$ 2,450,021 | | | = (15) * [(8)+(9)] / 1000 |
| 17 | Total Payment to Suppliers = | \$ 2,450,031 | | | = sum (line 12) |
| 18 | Difference = | \$ (10) | | | = line (16) - line (17) |

Calculation of June 2015 to May 2016 BGS-RSCP Rates (Formerly BGS-FP)

Illustrative purposes only

Table B Ratio of BGS Unit Costs @ customer to All-In Average Cost @ transmission nodes

*from Table #14 of the bid factor spreadsheet ---
rounded to 3 decimal places, unit obligation \$ rounded to 4 decimal places*

NON-DEMAND RATES

includes energy, G&T obligations, and Ancillary Services - adjusted to billing time periods

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | |
|------------------|--------------------------------|----------------|----------------|-------|-------|-------|-------|-------|-------|---|
| Summer - all hrs | | | | | 0.553 | 0.551 | 0.978 | 0.489 | 0.488 | |
| | PSE&G On pk | | | 1.837 | | | | | | |
| | PSE&G Off pk | | | 0.461 | | | | | | |
| | All usage Multiplier | 1.123 | 0.903 | | | | | | | |
| | Constant (in \$/MWh) \$ | (3.054) | (4.246) | | | | | | | |
| | Constant (in \$/MWh) \$ | 5.598 | 7.323 | | | | | | | |
| | | | | | | | | | | for Block 1 (0-600 kWh/m) usage |
| | | | | | | | | | | for Block 2 (>600 kWh/m) usage |
| | | | | | | | | | | |
| Winter - all hrs | | 1.140 | 0.945 | | 0.592 | 0.594 | 1.000 | 0.559 | 0.560 | |
| | PSE&G On pk | | | 1.828 | | | | | | |
| | PSE&G Off pk | | | 0.521 | | | | | | |
| | | | | | | | | | | Use weighted average for all streetlighting = |
| | | | | | | | | | | 0.560 |
| Annual - all hrs | | 1.132 | 0.935 | 1.098 | 0.581 | 0.582 | 0.995 | 0.540 | 0.540 | |

DEMAND RATES

includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods

| | | GLP | GLP | LPL-S | LPL-S | PLUS: | GLP | LPL-S | |
|-------------------------------|--------------|------------|----------------------|------------|----------------------|-------------------|--------|-------|-------------------------------|
| | | Multiplier | Constant (in \$/MWh) | Multiplier | Constant (in \$/MWh) | | | | |
| Summer - all hrs | | 1.014 | (39.338) | | | | | | |
| | PSE&G On pk | | | 1.352 | (60.250) | <u>Gen Cost</u> | | | |
| | PSE&G Off pk | | | 0.462 | - | summer \$ | 6.7829 | \$ | 6.7829 per kW of G obl /month |
| | | | | | | winter \$ | 6.7829 | \$ | 6.7829 per kW of G obl /month |
| Winter - all hrs | | 1.104 | (46.563) | | | <u>Trans cost</u> | | | |
| | PSE&G On pk | | | 1.452 | (70.898) | all months \$ | 4.7567 | \$ | 4.7567 per kW of T obl /month |
| | PSE&G Off pk | | | 0.516 | - | | | | |
| Annual - including T&G Obl \$ | | 1.071 | | 0.959 | | | | | |

Calculation of June 2015 to May 2016 BGS-RSCP Rates (Formerly BGS-FP)

Illustrative purposes only

Table C Preliminary Resulting BGS Rates (in cents per kWh) - equal to bid factors times weighted average bid price rounded to 4 decimal places

NON-DEMAND RATES -----

includes energy, G&T obligations, and Ancillary Services - adjusted to billing time periods

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL |
|---------------------------------|--------------|---------|--------|---------|--------|--------|--------|--------|--------|
| Summer - all hrs | | | | | 5.4542 | 5.4345 | 9.6459 | 4.8131 | 4.8131 |
| | PSE&G On pk | | | 18.1181 | | | | | |
| | PSE&G Off pk | | | 4.5468 | | | | | |
| for Block 1 (0-600 kWh/m) usage | | 10.7706 | 8.4816 | | | | | | |
| for Block 2 (>600 kWh/m) usage | | 11.6358 | 9.6385 | | | | | | |
| Winter - all hrs | | 11.2437 | 9.3204 | | 5.8388 | 5.8586 | 9.8629 | 5.5232 | 5.5232 |
| | PSE&G On pk | | | 18.0294 | | | | | |
| | PSE&G Off pk | | | 5.1386 | | | | | |

DEMAND RATES -----

includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods

| | | GLP | LPL-S | PLUS: | GLP | LPL-S |
|------------------|--------------|--------|--------|-------------------|-----------|-------------------------------|
| Summer - all hrs | | 6.0672 | | | | |
| | PSE&G On pk | | 7.3096 | <u>Gen Cost</u> | | |
| | PSE&G Off pk | | 4.5567 | summer \$ | 6.7829 \$ | 6.7829 per kW of G obl /month |
| | | | | winter \$ | 6.7829 \$ | 6.7829 per kW of G obl /month |
| Winter - all hrs | | 6.2323 | | <u>Trans cost</u> | | |
| | PSE&G On pk | | 7.2311 | all months \$ | 4.7567 \$ | 4.7567 per kW of T obl /month |
| | PSE&G Off pk | | 5.0893 | | | |

Calculation of June 2015 to May 2016 BGS-RSCP Rates (Formerly BGS-FP)

Illustrative purposes only

Table D Revenue Recovery Calculations - Reconciliation of seasonal Customer Revenue and Supplier Payments, based on actual anticipated revenues and payments

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL |
|--|--------------------------|------------------------------|---------------------|----------------------------|--------------------------------|-----------------|-----------------|-----------------|
| Total Preliminary Rate Revenue - in \$1000 | | | | | | | | |
| Summer | \$ 560,526 | \$ 3,301 | \$ 10,477 | \$ 26 | \$ 1 | \$ 373 | \$ 2,018 | \$ 2,741 |
| Winter | \$ <u>772,159</u> | \$ <u>11,454</u> | \$ <u>13,611</u> | \$ <u>77</u> | \$ <u>2</u> | \$ <u>1,421</u> | \$ <u>6,086</u> | \$ <u>8,384</u> |
| Total | \$ 1,332,685 | \$ 14,755 | \$ 24,088 | \$ 103 | \$ 2 | \$ 1,795 | \$ 8,103 | \$ 11,125 |
| | | | | | | | | |
| | GLP Energy \$ | GLP Obligation \$ | | LPL-S Energy \$ | LPL-S Obligation \$ | | | |
| Summer | \$ 138,374 | \$ 89,718 | | \$ 94,213 | \$ 48,687 | | | |
| Winter | \$ <u>240,170</u> | \$ <u>179,436</u> | | \$ <u>169,771</u> | \$ <u>97,373</u> | | | |
| Total | \$ 378,544 | \$ 269,153 | | \$ 263,984 | \$ 146,060 | | | |
| | | | | | | | | |
| | Energy \$ | Obligation \$ | Total \$ | | | | | |
| Total Summer | \$ 812,050 | \$ 138,404 | \$ 950,454 | | | | | |
| Total Winter | \$ <u>1,223,133</u> | \$ <u>276,809</u> | \$ <u>1,499,942</u> | | | | | |
| Grand Total | \$ 2,035,183 | \$ 415,213 | \$ 2,450,396 | | | | | |
| | | | | | | | | |
| Total Supplier Payment - in \$1000 | | | | | | | | |
| Summer | \$ 982,854 | | | | | | | |
| Winter | \$ <u>1,467,177</u> | | | | | | | |
| Total | \$ 2,450,031 | | | | | | | |
| | | | | | | | | |
| Differences - in \$1000 | | | | | | | | |
| Summer | \$ 32,399 | | | | | | | |
| Winter | \$ <u>(32,765)</u> | | | | | | | |
| Total | \$ (365) | | | | | | | |

| |
|--|
| kWh Rate Adjustment <i>rounded to 5 decimal places</i> Factors 1.03990 0.97321 |
|--|

Note: These differences are due to rounding and seasonal differences in Bidder Payments (which are based on prior winning bids and Seasonal Payment Factors) and current Rates (based on current seasonal market differentials)

Calculation of June 2015 to May 2016 BGS-RSCP Rates (Formerly BGS-FP)

Illustrative purposes only

Table E Final Resulting BGS Rates from Auctions (in cents per kWh) - with preliminary kWh rates adjusted by the kWh Rate Adjustment Factor rounded to 4 decimal places

NON-DEMAND RATES -----

includes energy, G&T obligations, and Ancillary Services - adjusted to billing time periods & adjustment to energy price

| | | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL |
|---------------------------------|--------------|---------|---------|---------|--------|--------|---------|--------|--------|
| Summer - all hrs | | | | | 5.6718 | 5.6513 | 10.0308 | 5.0051 | 5.0051 |
| | PSE&G On pk | | | 18.8410 | | | | | |
| | PSE&G Off pk | | | 4.7282 | | | | | |
| for Block 1 (0-600 kWh/m) usage | | 11.2003 | 8.8200 | | | | | | |
| for Block 2 (>600 kWh/m) usage | | 12.1001 | 10.0231 | | | | | | |
| Winter - all hrs | | 10.9425 | 9.0707 | | 5.6824 | 5.7016 | 9.5987 | 5.3752 | 5.3752 |
| | PSE&G On pk | | | 17.5464 | | | | | |
| | PSE&G Off pk | | | 5.0009 | | | | | |

DEMAND RATES -----

includes energy and Ancillary Services, G&T obligations charged separately - adjusted to billing time periods & adjustment to energy price

| | | GLP | LPL-S | PLUS: | GLP | LPL-S |
|------------------|--------------|--------|--------|-------------------|----------|----------|
| Summer - all hrs | | 6.3093 | | <u>Gen Cost</u> | | |
| | PSE&G On pk | | 7.6013 | summer | \$6.7829 | \$6.7829 |
| | PSE&G Off pk | | 4.7385 | winter | \$6.7829 | \$6.7829 |
| Winter - all hrs | | 6.0653 | | <u>Trans cost</u> | | |
| | PSE&G On pk | | 7.0374 | all months | \$4.7567 | \$4.7567 |
| | PSE&G Off pk | | 4.9530 | | | |

Calculation of June 2015 to May 2016 BGS-RSCP Rates (Formerly BGS-FP)

Illustrative purposes only

Table F Spreadsheet Error Checking - Checking of seasonal Customer Revenue and Supplier Payments, based on final actual anticipated revenues and payments

| | RS | RHS | RLM | WH | WHS | HS | PSAL | BPL | GLP | LPL-S |
|------------------------------------|--------------|-----------|-----------|--------|------|----------|----------|-----------|------------|--------------------------------|
| Total Rate Revenue - in \$1000 | | | | | | | | | | |
| Summer | \$ 582,890 | \$ 3,433 | \$ 10,895 | \$ 27 | \$ 1 | \$ 388 | \$ 2,098 | \$ 2,850 | \$ 233,613 | \$ 146,659 |
| Winter | \$ 751,474 | \$ 11,147 | \$ 13,246 | \$ 75 | \$ 2 | \$ 1,383 | \$ 5,923 | \$ 8,159 | \$ 413,170 | \$ 262,597 |
| Total | \$ 1,334,364 | \$ 14,580 | \$ 24,141 | \$ 102 | \$ 2 | \$ 1,771 | \$ 8,021 | \$ 11,009 | \$ 646,784 | \$ 409,255 |
| Total Summer | \$ 982,855 | | | | | | | | | |
| Total Winter | \$ 1,467,175 | | | | | | | | | |
| Grand Total | \$ 2,450,029 | | | | | | | | | |
| Total Supplier Payment - in \$1000 | | | | | | | | | | |
| Summer | \$ 982,854 | | | | | | | | | |
| Winter | \$ 1,467,177 | | | | | | | | | |
| Total | \$ 2,450,031 | | | | | | | | | |
| Differences - in \$1000 | | | | | | | | | | |
| Summer | \$ 1 | | | | | | | | | <u>% difference</u> 0.0001% |
| Winter | \$ (2) | | | | | | | | | <u>-0.0002%</u> |
| Total | \$ (1) | | | | | | | | | 0.0000% |

**VIII. ATTACHMENT 4 – DEVELOPMENT OF 2015/2016 INCREMENTAL RPM
COST**

Public Service Electric and Gas Company Specific Addendum
Attachment 4

Development of 2015/16 Incremental RPM Cost - \$/MWh

| | 2015/16 Delivery Year | Notes: |
|---|--------------------------|--|
| 1 Incremental RPM Cost - \$/MW-day | \$50.00 | illustrative assumption |
| 2 BGS-RSCP Gen Obl - MW | 7,832.2 | from Table #10 of the current Bid Factor Spreadsheet |
| 3 Days in Year | <u>365</u> | |
| 4 Incremental Annual RPM Cost | \$142,937,650 | = line 1 * line 2 * line 3 |
| 5 Applicable Customer Usage @ transmission nodes - in MWh | 24,840,773 | from Table #17 of the current Bid Factor Spreadsheet |
| 6 Incremental Annual RPM Cost - \$/MWh | \$5.75 | = line 4 / line 5 - rounded to 2 decimal places |