



Agenda Date: 12/18/13
Agenda Item: 2H

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

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF CHANGES IN ITS ELECTRIC SOLAR)
PILOT RECOVERY CHARGE FOR ITS SOLAR LOAN 1)
PROGRAM) DOCKET NO. ER13070605

Parties of Record:

Alexander C. Stern, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 1, 2013, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting approval for changes in its electric Solar Pilot Recovery Charge ("SPRC"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") entered into by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, the "Parties"), requesting that the Board approve no change in the electric SPRC.

BACKGROUND AND PROCEDURAL HISTORY

On April 16, 2008, the Board issued an Order approving a settlement that authorized PSE&G to implement a 30 MW solar-photovoltaic ("PV") loan pilot program ("Program") for a period of two years within its service territory including participation across all customer classes ("SPRC Settlement").¹ The Program consists of three segments: The Municipal/Non-Profit; Residential and Multi-Family/Affordable Housing; and Commercial and Industrial. By Order dated November 10, 2009, 7.83 MW of Program capacity was transferred to Solar Loan II, leaving the Program capacity at 22.17 MW.² PSE&G states that it has implemented the Program pursuant

¹ In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Energy Program and an Associated Cost Recovery Mechanism, BPU Docket No. EO07040278, Order dated April 16, 2008 ("SPRC Order").

² In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Loan II Program

to the terms of the April 2008 Order and, according to the Company, received a robust response, especially in the commercial and industrial sector. Under the terms of the SPRC Settlement as approved, PSE&G is entitled to recover the net monthly revenue requirements associated with the Program through the SPRC, provided that the Board finds the expenses were reasonable and prudent. SPRC rates were not implemented at the time the Program was approved as all costs were deferred for future recovery. By Order dated July 18, 2012, the Board approved an SPRC rate of \$0.000062 per kWh, including Sales and Use Tax ("SUT").³ Subsequently, by Order dated May 29, 2013, the Board approved the current SPRC rate of \$0.000486 per kWh, including SUT.⁴

COMPANY FILING

On July 1, 2013, PSE&G filed the instant petition and accompanying exhibits, including the pre-filed direct testimony of Terrance J. Moran and Stephen Swetz. According to the filing, the rates proposed for PSE&G's electric SPRC for the period October 1, 2013 through September 30, 2014 were designed to recover approximately \$19.5 million in revenue. The resultant net annual revenue impact on the Company's electric customers, if approved, is a \$0.2 million increase. The Company proposed that a new SPRC rate of \$0.000490 per kWh, including SUT be implemented on October 1, 2013, and be left in place through September 30, 2014, or until the Board approves new SPRC rates.

After notice in newspapers in general circulation within the service territory, public hearings were held on August 19, 20, and 22, 2013 in Hackensack, New Brunswick, and Mt. Holly, respectively. Two members of the public appeared at the New Brunswick public hearing and commented generally about the high cost of utility service resulting from inclusion in utility bills of clean energy programs under the societal benefits charge.

STIPULATION

Following discovery and the public hearing, the Parties reached a settlement of all issues and on December 3, 2013 executed a Stipulation. The Stipulation provides the following⁵:

and Associated Cost Recovery Mechanism, BPU Docket No. EO09030249, Order dated November 10, 2009.

³ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan 1 Program; and for Changes in the Tariff for Electric Service, B.P.U.N.J. No 14 Electric, Pursuant to N.J.S.A. 48:2-21 and 2-21.1, BPU Docket No. ER10030220, Order dated July 18, 2012.

⁴ In re the the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan 1 Program; and For Changes in the Tariff for Electric Service, B.P.U.N.J. No 15 Electric, Pursuant to N.J.S.A. 48:2-21 and 2-21.1, BPU Docket No. ER12070599, Order dated May 29, 2013.

⁵ Although described in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in this Order.

5. Although the Company requested a revenue increase as shown in Attachment A to the Stipulation of approximately \$0.2 million, the Parties agree that PSE&G shall maintain the existing SPRC rate of \$0.000454 per kWh without sales and use tax (SUT), or \$0.000486 per kWh including SUT that was previously approved by the Board in Docket No. ER12070599, dated May 29, 2013 and reflected in Second Revised Sheet No. 64 of the Company's Tariff for Electric Service, a copy of which is attached as Attachment B to the Stipulation.
6. The Parties agree that the actual SPRC costs incurred prior to October 1, 2013 as shown in Attachment C to the Stipulation have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future SPRC adjustment proceedings.
7. PSE&G agrees that it shall make its next SPRC filing with actual data from October 1, 2013 to March 31, 2014 and forecasted data through September 30, 2015 as soon as such data is available, but no later than July 1, 2014.
8. As a result of this Stipulation, PSE&G's class average residential electric customers will see no change in their annual bill. The Parties hereby agree that the existing rates are just and reasonable and that PSE&G should be authorized to maintain the existing rates as set forth herein in accordance with a written Board Order of approval.

DISCUSSION AND FINDING

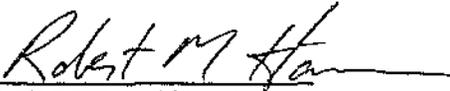
The Board has carefully reviewed the record to date in this proceeding, including the filing and the Stipulation. The Board is persuaded that the costs through September 30, 2013 as shown on Attachment C have been reviewed and deemed to be reasonable and prudent, and therefore, **FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

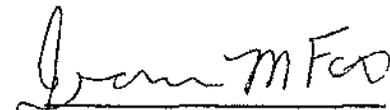
As a result of the Stipulation, customers will not see any change in their annual bills. This Board Order shall be effective as of January 1, 2014. The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by January 1, 2014.

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

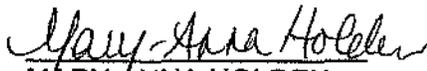
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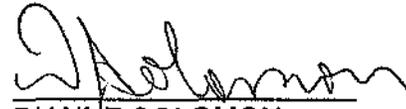
BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

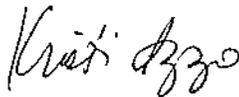

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JOSEPH L. FIORDALISO
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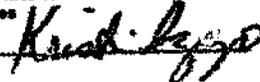

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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



IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF CHANGES IN ITS ELECTRIC SOLAR PILOT RECOVERY CHARGE
FOR ITS SOLAR LOAN 1 PROGRAM
BPU DOCKET NO. ER13070605

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December 3, 2013

In the Matter of the Petition of Public Service Electric
And Gas Company for Approval of Changes in its
Electric Solar Pilot Recovery Charge (SPRCP)
For its Solar Loan I Program
BPU Docket No. ER13070605

VIA ELECTRONIC & REGULAR MAIL

Kristi Izzo, Secretary
NJ Board of Public Utilities
44 South Clinton Ave.
PO Box 350
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Dear Secretary Izzo:

Attached please find a fully executed Stipulation of Settlement in the above-referenced matter.

Thank you for your attention to this matter.

Respectfully submitted,

A black rectangular redaction box covering the signature of Alexander C. Stern.

Alexander C. Stern

ACS/jb

cc: Attached Service List (Email only)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF CHANGES)
IN ITS ELECTRIC SOLAR PILOT RECOVERY)
CHARGE (SPRC) FOR ITS SOLAR LOAN I)
PROGRAM)

STIPULATION

BPU DKT NO. ER13070605

APPEARANCES:

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

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel, and **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Alex Moreau and T. David Wand, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**John J. Hoffman**, Acting Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. As authorized by the New Jersey Board of Public Utilities (“Board”) in an Order dated April 16, 2008 in BPU Docket No. EO07040278, Public Service Electric and Gas Company (“PSE&G” or “Company”) implemented the Solar Loan I (“SL I”) Program and associated cost recovery mechanism (“SPRC Order”). On July 1, 2013, PSE&G made a filing in BPU Docket No. ER13070605 requesting an increase in the cost recovery charge for the SL I Program, which is referred to as the Solar Pilot Recovery Charge, or “SPRC.” As part of the July 1, 2013 filing, PSE&G included an annual update on the status of the Program. As proposed in the Company’s filing, the resultant revenue increase on the Company’s electric customers was

\$0.2 million on an annual basis. This increase reflected an estimated revenue requirement of \$7,191,580 for the period October 1, 2013 through September 30, 2014, a projected under-recovery of \$12,268,403 through September 2013 and interest of \$23,367 for a total rate revenue to be recovered of \$19,483,350.

2. Adequate public notice was provided in newspapers of broad circulation. Public hearings were conducted in Hackensack, New Brunswick and Mt. Holly on August 19, 20 and 22, 2013, at 4:30 pm and 5:30 pm, respectively. No members of the public commented on the SPRC at the three public hearings and no written comments from the public were submitted. Two members of the public appeared in New Brunswick and commented generally about the high cost of utility service resulting from inclusion in utility bills of clean energy programs under the societal benefits charge.

DISCOVERY AND SETTLEMENT DISCUSSIONS

3. Discovery questions have been propounded and the Company has responded thereto.

4. Following review of discovery and the public hearings listed above, representatives of the Company, Board Staff and Rate Counsel (collectively, "the Parties") have discussed the issues and reached a comprehensive settlement of all issues. Specifically, the Parties hereby **STIPULATE AND AGREE** to the following:

STIPULATED MATTERS

5. Although the Company requested a revenue increase as shown in Attachment A of approximately \$0.2 million, the Parties hereby agree that PSE&G shall maintain the existing

SPRC rate of \$0.000454 per kWh without sales and use tax (SUT), or \$0.000486 per kWh including SUT that was previously approved by the Board in Docket No. ER12070599, dated May 29, 2013 and reflected in Second Revised Sheet No. 64 of the Company's Tariff for Electric Service, a copy of which is attached as Attachment B.

6. The Parties agree that the actual SPRC costs incurred prior to October 1, 2013 as shown in Attachment C have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred after that date are subject to review for reasonableness and prudence in future SPRC adjustment proceedings.

7. PSE&G hereby agrees that it shall make its next SPRC filing with actual data from October 1, 2013 to March 31, 2014 and forecasted data through September 30, 2015 as soon as such data is available, but no later than July 1, 2014.

8. As a result of this Stipulation, PSE&G's class average residential electric customers will see no change in their annual bill. The Parties hereby agree that the existing rates are just and reasonable and that PSE&G should be authorized to maintain the existing rates as set forth herein in accordance with a written BPU Order of approval.

9. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by the Board, each party that is adversely affected by the modification can either accept the modification or declare this Settlement to be null and void, and the Parties shall be placed in the same position that they were in immediately prior to its execution. More particularly, in the event this Stipulation is not adopted in its entirety by the Board then any Party

hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

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

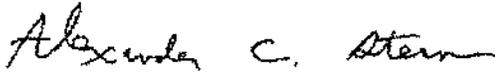
11. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

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

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

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



Alexander C. Stern, Esq.
Associate General Regulatory Counsel

DATED: November 25, 2013

BY:


Stefanie A. Brand, Esq.
Assistant Deputy Rate Counsel

DATED:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

BY:



T. David Wand
Deputy Attorney General

DATED: December 2, 2013

PSE&G Solar Loan I Program Proposed Rate Calculations

Attachment A

(\$'s Unless Specified)

Actual results through 9/30/2013

SUT Rate 7%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Source/Description</u>
1	Oct-13 to Sep-14	Revenue Requirements	7,581,994	SUM (Schedule SS-SL1-3, Col 20)
2	Sep-13	Under / (Over) Recovered Balance	13,079,797	Schedule SS-SL1-3, Line 4, Col 69
3	Sep-13	Cumulative Interest Exp / (Credit)	<u>25,991</u>	Schedule SS-SL1-3, Line 7, Col 69
4	Sep-14	Total Target Rate Revenue	20,687,782	Line 1 + Line 2 + Line 3
5	Oct-13 to Sep-14	Forecasted kWh (000)	41,321,208	
6		Updated Calculated Rate w/o SUT (\$/kWh)	0.000501	(Line 4 / (Line 5*1,000)) [Rnd 6]
7		Original Public Notice Rate w/o SUT (\$/kWh)	0.000458	
8		Proposed Rate w/o SUT (\$/kWh)	0.000458	MIN (Line 6, Line 7)
9		Proposed Rate w/ SUT (\$/kWh)	0.000490	(Line 8 * (1 + SUT Rate)) [Rnd 6]
10		Existing Rate w/o SUT (\$/kWh)	0.000454	
11		Difference in Proposed and Existing Rate	0.000004	(Line 8 - Line 10)
12		Resultant SPRC Revenue Increase	165,285	(Line 5 * Line 11 * 1,000)

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

Second Revised Sheet No. 64
Superseding
First Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

Charge
(per kilowatthour)

SOLAR PILOT RECOVERY CHARGE:

Charge \$ 0.000454

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

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. E007040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. This interest rate shall change each August 1.

Date of Issue: June 5, 2013

Effective: June 1, 2013

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated May 29, 2013
in Docket No. ER12070599

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

Annual Pre-Tax WACC 11.1100%
Monthly Pre-Tax WACC 0.92983%

Actuals through September 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(17a)	(18)	(19)	(20)		
Monthly Calculations	Total Loan Outstanding Balance	SREC Inventory	Total Net Loan Investment	Return Requirements on Net Loan Investments	Net Plan. Investment	Region. Loan. Element Investment	Loan Accrued Interest	Loan Interest Paid	Net Loan Accrued Interest	Principal Paid / Amortized	Plant Depreciation	Depreciation / Amortization	O&M Expenses	SREC Value Credited to Loans	Gain / Loss on SREC Sales	SREC Disposition Excesses	SREC Call Option Net Benefit	SREC Prior Price Cost	Net Proceeds from the Sale of SRECs	Cash Payments to Loans	Revenue Requirements		
Dec-12	86,251,150	1,287,922	86,539,072	652,434	-	-	635,727	486,786	148,940	-	-	-	3,662	486,875	-	27,513	-	281,928	197,538	(87)	312,008		
Jan-13	86,478,215	1,472,220	86,950,435	656,090	-	-	636,205	407,170	229,035	-	-	-	6,577	407,075	-	-	-	222,769	184,308	95	250,201		
Feb-13	86,598,031	1,691,073	87,289,104	598,081	-	-	575,716	456,903	118,819	-	-	-	8,581	455,525	-	-	-	239,881	219,844	1,378	283,635		
Mar-13	86,704,101	2,044,808	88,538,909	559,487	-	-	638,583	532,623	105,971	-	-	-	9,381	532,475	(87,878)	7,960	-	298,324	(23,081)	48	1,291,411		
Apr-13	86,794,154	2,503,305	89,297,459	529,305	-	-	618,818	1,138,765	(519,947)	-	-	-	9,788	1,138,575	-	-	-	668,784	466,781	180	897,000		
May-13	87,542,482	3,112,353	90,654,835	448,277	-	-	624,816	714,560	(89,744)	581,718	-	-	8,305	1,274,425	(187,083)	7,744	-	763,423	505,775	1,853	968,618		
Jun-13	88,782,070	4,047,714	92,829,784	321,189	-	-	608,389	608,389	-	789,423	-	-	7,804	1,985,160	(339,101)	(393)	-	688,688	539,864	23,872	848,989		
Jul-13	90,981,399	5,411,145	96,392,544	836,858	-	-	621,481	621,481	-	739,671	-	-	6,609	1,939,175	(338,101)	7,336	-	652,882	194,056	8,978	1,221,101		
Aug-13	95,268,825	7,065,833	102,334,658	827,988	-	-	614,152	614,152	-	711,573	-	-	9,695	1,923,726	-	-	-	811,937	514,898	-	874,957		
Sep-13	91,587,696	8,160,718	99,748,414	605,443	-	-	588,177	588,177	-	685,020	-	-	8,222	1,270,150	-	-	-	678,057	501,561	48	704,578		
Oct-13	81,918,191	9,121,718	91,039,909	620,728	-	-	601,624	601,624	-	688,013	-	-	14,618	1,226,835	(415,165)	7,357	-	716,107	80,166	40,713	1,169,458		
Nov-13	63,482,775	9,833,018	73,315,793	586,500	-	-	584,384	611,453	(26,869)	460,147	-	-	7,223	1,071,809	-	-	-	620,400	451,200	-	638,851		
Dec-13	63,145,149	1,326,516	64,471,665	399,486	-	-	560,189	584,660	(14,471)	273,185	-	-	7,527	861,825	-	-	-	502,428	388,469	-	526,240		
Jan-14	63,150,342	2,259,400	65,409,742	399,825	-	-	577,843	577,317	526	25,133	-	-	8,211	542,450	3,482	8,002	-	314,050	228,881	-	345,862		
Feb-14	63,270,527	433,800	63,704,327	505,952	-	-	576,910	468,021	108,889	19,804	-	-	8,211	487,825	-	-	-	262,425	204,400	-	289,378		
Mar-14	63,253,306	684,800	63,938,106	599,847	-	-	578,904	596,074	19,930	37,051	-	-	8,211	598,125	-	-	-	345,125	251,000	-	394,379		
Apr-14	63,101,097	507,800	63,608,897	581,757	-	-	578,817	629,247	(50,430)	101,778	-	-	8,211	731,023	-	-	-	423,225	303,802	-	446,374		
May-14	63,931,866	748,600	64,680,466	587,247	-	-	577,489	739,068	(162,580)	316,931	-	-	8,211	1,046,900	-	-	-	899,100	440,800	-	624,069		
Jun-14	62,054,532	1,241,400	63,295,932	569,849	-	-	573,265	601,101	(27,836)	569,899	-	-	8,211	1,176,400	-	-	-	877,600	492,800	-	698,384		
Jul-14	61,207,789	987,200	62,194,989	555,846	-	-	567,857	569,707	(1,850)	825,893	-	-	8,211	1,394,800	-	-	-	807,400	590,820	-	839,872		
Aug-14	60,399,707	1,163,400	61,563,107	572,386	-	-	560,382	580,059	324	808,418	-	-	8,211	1,368,475	-	-	-	792,276	578,200	-	612,500		
Sep-14	59,595,213	1,735,000	61,330,213	569,896	-	-	553,957	553,368	(588)	804,182	-	-	8,211	1,357,550	-	-	-	785,850	571,800	-	811,101		
Annual Summary																							
2009	42,055,057	1,483,481	43,538,538	1,322,854	-	-	1,297,817	1,209,191	56,626	837,413	-	-	595,554	2,148,604	271,259	135,091	-	3,488	2,270,270	-	-	428,024	
2010	82,387,845	2,836,299	85,224,144	5,825,922	-	-	5,559,552	5,617,178	(58,626)	3,620,753	-	-	288,525	9,417,252	1,488,483	203,401	-	4,471,252	10,707,344	-	-	776,188	
2011	71,088,428	1,785,218	72,873,646	7,845,125	-	-	7,479,721	7,429,639	44,882	4,827,273	-	-	127,415	12,800,368	(9,344,977)	285,220	-	423,225	8,060,872	-	-	4,788,503	
2012	68,251,150	1,287,922	69,539,072	8,049,416	-	-	7,781,088	7,678,212	102,876	4,988,092	-	-	68,185	12,500,100	(5,730,783)	108,511	-	899,100	2,692,950	-	-	16,143,065	
2013	83,145,149	1,329,318	84,474,467	7,491,825	-	-	7,301,488	7,488,787	(186,299)	4,917,730	-	-	94,924	12,330,525	(1,909,225)	31,728	-	71,800,984	3,190,580	-	-	9,425,200	
2014	-	-	-	5,257,519	-	-	5,145,414	5,189,853	(44,439)	3,500,388	-	-	73,988	8,695,350	3,482	18,378	-	5,034,150	3,945,303	-	-	5,248,350	
Total																							
Total Oct-15 - Sept-14				7,091,841	-	-	8,811,721	6,984,820	(82,899)	4,809,693	-	-	106,571	11,893,600	(411,683)	26,738	-	-	6,873,082	4,552,098	-	-	7,681,954

* Revenue requirements for 2009 only include O&M Expenses of \$425,292.50 and are shown in the Under / Over Balance (Schedule SS-SL1-4); the total revenue requirement through September 2014 is \$28,530,204.98 (\$25,292.88 + \$28,104,912.10)

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

Actuals through September 2013

Annual Pre-Tax WACC 11.1100%
Monthly Pre-Tax WACC 0.92563%

	(15)	(16)	(17)	(18)	(18a)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
	SREC Inventory	Return on SREC Inventory	SREC Disposition Expenses	SREC Cell Option Net Benefit	SREC Floor Price Cost	Gross Plant	Plant Depreciation	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Income Tax	Accumulated Deferred Income Tax	Net Plant Investment	Return Requirement on Plant Investment	O&M Expenses ¹	Revenue Requirements ¹	Alternative Revenue Requirements Calculation ¹
Dec-12	1,287,922	10,083	27,513	-	281,826	-	-	-	-	-	-	-	-	-	3,962	312,008	312,008
Jan-13	1,472,229	12,204	-	-	222,769	-	-	-	-	-	-	-	-	-	8,577	250,201	250,201
Feb-13	1,691,073	12,610	-	-	236,681	-	-	-	-	-	-	-	-	-	6,581	263,635	263,635
Mar-13	234,806	12,366	7,350	-	288,321	-	-	-	-	-	-	-	-	-	8,861	1,291,411	1,291,411
Apr-13	703,587	2,282	-	-	689,794	-	-	-	-	-	-	-	-	-	6,798	687,080	687,080
May-13	511,253	3,295	7,744	-	783,823	-	-	-	-	-	-	-	-	-	8,305	988,916	988,916
Jun-13	1,047,714	4,827	(393)	-	828,689	-	-	-	-	-	-	-	-	-	7,804	848,869	848,869
Jul-13	541,145	7,342	7,335	-	852,682	-	-	-	-	-	-	-	-	-	8,608	1,221,101	1,221,101
Aug-13	1,055,833	5,258	-	-	811,037	-	-	-	-	-	-	-	-	-	9,895	834,057	834,057
Sep-13	1,649,716	9,818	2,322	-	676,267	-	-	-	-	-	-	-	-	-	8,722	704,576	704,576
Oct-13	512,718	11,701	7,357	-	716,107	-	-	-	-	-	-	-	-	-	11,618	1,169,453	1,169,453
Nov-13	963,916	4,819	-	-	620,400	-	-	-	-	-	-	-	-	-	7,527	639,951	639,951
Dec-13	1,329,318	9,207	-	-	502,425	-	-	-	-	-	-	-	-	-	7,527	526,240	526,240
Jan-14	228,400	12,208	8,002	-	314,050	-	-	-	-	-	-	-	-	-	8,211	345,982	345,982
Feb-14	433,800	2,009	-	-	282,425	-	-	-	-	-	-	-	-	-	8,211	298,578	298,578
Mar-14	684,800	4,170	-	-	345,125	-	-	-	-	-	-	-	-	-	8,211	364,378	364,378
Apr-14	307,800	6,139	4,998	-	423,225	-	-	-	-	-	-	-	-	-	8,211	448,374	448,374
May-14	748,600	3,039	-	-	606,100	-	-	-	-	-	-	-	-	-	8,211	624,089	624,089
Jun-14	1,241,400	6,986	-	-	877,600	-	-	-	-	-	-	-	-	-	8,211	699,394	699,394
Jul-14	587,200	11,515	6,380	-	807,400	-	-	-	-	-	-	-	-	-	8,211	839,972	839,972
Aug-14	1,183,400	5,715	-	-	792,275	-	-	-	-	-	-	-	-	-	8,211	812,500	812,500
Sep-14	1,735,000	10,798	-	-	785,950	-	-	-	-	-	-	-	-	-	8,211	811,101	811,101
	Prior Col 15 + Col 12 - Col 13 - Col 14	WP-SS-SL1-2.xls 'SREC Inv.' wksht Col 28	WP-SS-SL1-2.xls 'SREC Inv.' wksht Col 29	Included in Col 14	WP-SS-SL1-2.xls 'Loans' wksht Col 36	Prior Month Col 19 + Col 2	1/120 of Each Prior 120 Months of Col 2 (10 year amortization)	Prior Col 21 + Col 20	Col 19 - Col 21	See WP-SS-1.xls 'AmerE' wksht	(Col 23 - Col 20) * Income Tax Rate	Prior Col 25 + Col 24	Col 22 - Col 25	(Prior Col 28 + Col 26) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 - Col 4 - Col 5 - Col 6 + Col 7 + Col 8 - Col 14 + Col 18 + Col 17 - Col 15 + Col 18a + Col 20 + Col 27 + Col 28	3a + 3b - 14 + 16 + 17 - 18 + 18a + 20 + 27 + 28
Annual Summary																	
2009	1,483,481	50,579	135,091	-	3,499	-	-	-	-	-	-	-	-	-	505,554	428,024	428,024
2010	2,636,299	192,841	203,401	-	-	-	-	-	-	-	-	-	-	-	259,525	(770,198)	(770,198)
2011	1,795,218	350,277	285,220	-	559,489	-	-	-	-	-	-	-	-	-	127,415	4,788,503	4,788,503
2012	1,287,922	156,283	108,511	-	3,967,845	-	-	-	-	-	-	-	-	-	68,189	10,143,665	10,143,665
2013	1,329,318	95,728	31,726	-	7,198,994	-	-	-	-	-	-	-	-	-	94,924	9,425,200	9,425,200
2014	-	62,578	18,379	-	5,034,159	-	-	-	-	-	-	-	-	-	73,899	5,246,350	5,246,350
Total		908,295	783,328	-	16,783,978	-	-	-	-	-	-	-	-	-	1,128,505	29,281,545	29,281,545
Total Oct-13 - Sep-14		88,305	26,738	-	6,873,082	-	-	-	-	-	-	-	-	-	100,571	7,581,994	7,581,994

¹ Revenue requirements for 2008 only include O&M Expenses of \$425,292.98 and are shown in the Under / Over Balance (Schedule SS-SL1-4); the total revenue requirement through September 2014 is \$26,530,204.98 (\$425,292.98 + \$26,104,911.00)

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

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000058	0.000058	0.000058	0.000058	0.000058	0.000058
	(59)	(60)	(61)	(62)	(63)	(64)
<u>SLI Under/(Over) Calculation</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>
(1) Solar Loan I SPRC Revenue	\$176,317	\$185,875	\$197,693	\$187,606	\$190,087	\$166,406
(2) Revenue Requirements	<u>\$346,930</u>	<u>\$312,008</u>	<u>\$250,201</u>	<u>\$263,635</u>	<u>\$1,291,411</u>	<u>\$687,080</u>
(3) Monthly Under/(Over) Recovery	\$170,612	\$126,133	\$52,509	\$76,029	\$1,101,324	\$520,674
(4) Deferred Balance	\$13,856,404	\$13,982,537	\$14,035,046	\$14,111,075	\$15,212,399	\$15,733,073
(5) Monthly Interest Rate	0.0700%	0.0700%	0.0700%	0.0700%	0.0700%	0.0700%
(6) After Tax Monthly Interest Expense/(Credit)	\$5,679	\$5,741	\$5,777	\$5,804	\$6,047	\$6,381
(7) Cumulative Interest	\$19,955	\$25,696	\$31,473	\$37,277	\$43,324	\$49,705
(8) Balance Added to Subsequent Year's Revenue Requirements	\$13,876,360	\$14,008,233	\$14,066,519	\$14,148,352	\$15,255,723	\$15,782,778
(9) Net Sales - kWh (000)						
(10) SPRC Settlement: Application Fee Credit						
(11) SPRC Settlement: Prior to Filing Expenses Credit						

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

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000058	0.000454	0.000454	0.000454	0.000454	0.000458	0.000458
	(65)	(66)	(67)	(68)	(69)	(70)	(71)
<u>SLI Under/(Over) Calculation</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>
(1) Solar Loan I SPRC Revenue	\$183,201	\$1,677,017	\$2,085,065	\$1,844,162	\$1,517,420	\$1,514,710	\$1,366,832
(2) Revenue Requirements	<u>\$988,616</u>	<u>\$848,869</u>	<u>\$1,221,101</u>	<u>\$834,067</u>	<u>\$704,576</u>	<u>\$1,169,453</u>	<u>\$639,951</u>
(3) Monthly Under/(Over) Recovery	\$805,415	(\$828,148)	(\$863,964)	(\$1,010,095)	(\$812,843)	(\$345,257)	(\$726,881)
(4) Deferred Balance	\$16,538,488	\$15,766,700	\$14,902,736	\$13,892,640	\$13,079,797	\$12,734,540	\$12,007,659
(5) Monthly Interest Rate	0.0700%	0.0700%	0.0700%	0.0792%	0.0792%	0.0792%	0.0792%
(6) After Tax Monthly Interest Expense/(Credit)	\$6,655	\$6,662	\$6,324	\$6,715	\$6,290	\$6,020	\$5,770
(7) Cumulative Interest	\$56,360	\$6,662	\$12,986	\$19,701	\$25,991	\$32,011	\$37,782
(8) Balance Added to Subsequent Year's Revenue Requirements	\$16,594,848	\$15,773,361	\$14,915,721	\$13,912,342	\$13,105,788	\$12,766,551	\$12,045,440
(9) Net Sales - kWh (000)						3,307,227	2,984,350
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

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

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000458	0.000458	0.000458	0.000458	0.000458	0.000458
	(72)	(73)	(74)	(75)	(76)	(77)
<u>SLI Under/(Over) Calculation</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>
(1) Solar Loan I SPRC Revenue	\$1,463,800	\$1,648,225	\$1,447,109	\$1,500,484	\$1,379,548	\$1,354,149
(2) Revenue Requirements	<u>\$526,240</u>	<u>\$346,962</u>	<u>\$299,578</u>	<u>\$364,379</u>	<u>\$449,374</u>	<u>\$624,089</u>
(3) Monthly Under/(Over) Recovery	(\$937,561)	(\$1,302,263)	(\$1,147,531)	(\$1,136,104)	(\$930,174)	(\$730,059)
(4) Deferred Balance	\$11,070,098	\$9,767,835	\$8,620,303	\$7,484,199	\$6,554,025	\$6,823,965
(5) Monthly Interest Rate	0.0792%	0.0792%	0.0792%	0.0792%	0.0792%	0.0792%
(6) After Tax Monthly Interest Expense/(Credit)	\$5,382	\$4,860	\$4,288	\$3,756	\$3,274	\$2,887
(7) Cumulative Interest	\$43,164	\$48,023	\$52,311	\$56,067	\$59,341	\$62,228
(8) Balance Added to Subsequent Year's Revenue Requirements	\$11,113,261	\$9,815,858	\$8,672,615	\$7,540,266	\$6,613,366	\$5,886,193
(9) Net Sales - kWh (000)	3,196,071	3,598,745	3,159,627	3,276,165	3,012,114	2,956,657
(10) SPRC Settlement: Application Fee Credit						
(11) SPRC Settlement: Prior to Filing Expenses Credit						

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

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000458	0.000458	0.000458	0.000458	
	(78)	(79)	(80)	(81)	
<u>SLI Under/(Over) Calculation</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	
(1) Solar Loan I SPRC Revenue	\$1,690,478	\$2,050,283	\$1,914,169	\$1,595,325	SL I Rate * Line 9
(2) Revenue Requirements	<u>\$699,394</u>	<u>\$839,972</u>	<u>\$812,500</u>	<u>\$811,101</u>	From SS-3, Col 20
(3) Monthly Under/(Over) Recovery	(\$991,084)	(\$1,210,311)	(\$1,101,669)	(\$784,225)	Line 2 - Line 1
(4) Deferred Balance	\$4,832,882	\$3,622,571	\$2,520,902	\$1,736,677	Prev Line 4 + Line 3 + Line 10 + Line 11
(5) Monthly Interest Rate	0.0792%	0.0792%	0.0792%	0.0792%	Annual Interest Rate / 12
(6) After Tax Monthly Interest Expense/(Credit)	\$2,485	\$1,972	\$1,433	\$993	(Prev Line 4 + Line 4) / 2 * (1 - Tax Rate) * Line 5
(7) Cumulative Interest	\$64,713	\$66,685	\$68,117	\$69,110	Prev Line 7 + Line 6
(8) Balance Added to Subsequent Year's Revenue Requirements	\$4,897,595	\$3,689,256	\$2,589,019	\$1,805,788	Line 4 + Line 7
(9) Net Sales - kWh (000)	3,691,000	4,476,601	4,179,408	3,483,243	
(10) SPRC Settlement: Application Fee Credit					
(11) SPRC Settlement: Prior to Filing Expenses Credit					