



Agenda Date: 8/23/17  
Agenda Item: 8C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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DIVISION OF ENERGY AND  
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY FOR )  
APPROVAL OF ITS ENERGY EFFICIENCY 2017 )  
PROGRAM AND RECOVERY OF ASSOCIATED )  
COSTS ("EE 17 PROGRAM") )  
ORDER ADOPTING )  
STIPULATION )  
DOCKET NO. EO17030196 )

**Parties of Record:**

**Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**  
**Alexander C. Stern, Esq., Public Service Electric and Gas Company**  
**Steven S. Goldenberg, Esq., New Jersey Large Energy Users Coalition**  
**Christopher E. Torkelson, Esq., Direct Energy**

**BY THE BOARD:**

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") is considering a Stipulation of Settlement ("Stipulation") signed by Public Service Electric and Gas Company ("PSE&G" or "Company"), the Staff of the New Jersey Board of Public Utilities ("Board Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Signatory Parties") which resolves all issues in PSE&G's request to extend its Energy Efficiency Economic Extension Program ("EE 17 Program"). The other parties, Direct Energy, LLC ("Direct Energy") and New Jersey Large Energy Users Coalition ("NJLEUC") have filed letters of non-opposition.

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, L. 2007, c. 340 ("the Act") was signed into law. Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1, an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the Board including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. Ratemaking treatment may include placing appropriate technology and program costs investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas utility seeking cost recovery

for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board. N.J.S.A. 48:3-98.1 requires the Board to decide cost recovery issues within 180 days ("Review Period"). Board Staff must review a petition for administrative completeness with respect to the minimum filing requirements set forth in the Board's May 12, 2008 Order within 30 days of the filing date<sup>1</sup>. If the petition is determined to be complete, the Review Period commences from the date the petition was filed.

On January 21, 2009, PSE&G filed a petition with the Board seeking approval of its Energy Efficiency Economic Stimulus ("EEE") Program. By Order dated July 16, 2009, the Board approved a stipulation that authorized the Company to implement the EEE Program which included eight (8) energy efficiency sub-programs: 1) Residential Whole House Efficiency Sub-Program; 2) Residential Multi-Family Housing Sub-Program; 3) Small Business Direct Install Sub-Program; 4) Municipal/Local/State Government Direct Install Sub-Program; 5) Hospital Efficiency Sub-Program; 6) Data Center Efficiency Sub-Program; 7) Building Commissioning/O&M Sub-Program; and 8) Technology Demonstration Sub-Program. The Board also authorized PSE&G to begin cost recovery through the EEE Program component of the RGGI Recovery Charge,<sup>2</sup> with rates to be effective as of August 1, 2009.<sup>3</sup>

On January 25, 2011, PSE&G filed a petition with the Board seeking approval to extend three of the EEE sub-programs: Multifamily Housing, Government/Municipal/Non-Profit Direct Install, and Hospital Efficiency. Rate Counsel, the Company, and Board Staff executed a stipulation in that matter, which the Board approved on July 14, 2011 ("EEE Extension").<sup>4</sup>

On August 8, 2014, PSE&G filed petition with the Board seeking a second extension of the three sub-programs approved in the EEE Extension, with certain modifications. Rate Counsel, the Company, and Board Staff executed a stipulation in that matter, which the Board approved on April 16, 2015 ("EEE Extension II").

### **March 2017 Filing**

On March 3, 2017, PSE&G filed the instant petition with the Board. In the filing, the Company sought approval to continue the EEE Extension II Programs, with modifications, as well as to implement two additional sub-programs: 1) a Smart Thermostat Sub-Program; and 2) a Residential Data Analytics Smart Pilot Sub-Program (collectively, "EE 17 Program"). The total proposed investment for the EE 17 Program was approximately \$98.6 million (\$74 million for investment, \$2.7 million for IT System Enhancement, and \$21.9 million as a fixed administrative allowance, including \$7.67 million for foregone distribution contributions.) PSE&G proposes to

<sup>1</sup> In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing In Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in Their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO08030164 (May 12, 2008).

<sup>2</sup> Beginning in 2014, PSE&G renamed the RGGI Recovery Charge the Green Program Charge ("GPRC")

<sup>3</sup> In re Petition of Public Service Electric And Gas Company Offering An Energy Efficiency Economic Stimulus Program In Its Service Territory On A Regulated Basis And Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO09010058 (July 16, 2009).

<sup>4</sup> In re the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of its Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff for Gas Service, B.P.U.N.J. No. 15 Gas, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, And N.J.S.A. 48:3-98.1, BPU Docket No. EO11010030 (July 14, 2011).

recover costs associated with the program through a new EE 2017 component of the Company's electric and gas GPRC, as set forth in the Company's tariffs.

By letter dated March 23, 2017, Board Staff notified the Company that the petition was administratively complete.

Public Notice was provided and six public hearings on the Company's EE 17 Program were held on the following dates at three locations in PSE&G's service territory: two hearings on May 22, 2017 in Mount Holly, New Jersey; two hearings on May 24, 2017, in New Brunswick, New Jersey; and two hearings on May 25, 2017, in Hackensack, New Jersey. A total of 16 members of the public appeared and made statements at the six public hearings. These members of the public supported the filing. Support for the EE 2017 Program was expressed by representatives of Robert Wood Johnson Barnabas Health, the William Blanchard Company, the Ben Porat Yosef School, the Hackensack University Medical Center, Honeywell Home and Building Technology, Hekemian & Company, Lime Energy, Nest Labs, McGrann Associates, Concord Engineers, Facilities Solutions Group, Atlantic Health Systems, Ecobee Incorporated, Christian Health Care Center, Jersey Central Management, and EVCO Mechanical Corporation.

By Order dated April 21, 2017 ("April 2017 Order"), the Board designated Commissioner Joseph Fiordaliso as the Presiding Officer with the authority to rule on all motions that arose during the pendency of this case, and modify any schedules as necessary to secure a just and expeditious determination of the issues. The April 2017 Order also authorized Commissioner Fiordaliso to grant extensions of the review period if all parties so agreed, provided that the extensions did not collectively extend the review period beyond 180 days.

By Order dated May 18, 2017, Commissioner Fiordaliso approved a procedural schedule in this matter. The Order also granted the motions to intervene of Direct Energy and NJLEUC and granted NJLEUC's motion for admission pro hac vice of Paul F. Forshay, Esq. On May 23, 2017 the Commissioner also granted Direct Energy's motion for admission pro hac vice of Karen O. Moury, Esq.

Pursuant to the approved schedule, Rate Counsel and Direct Energy filed direct testimony on June 9, 2017, and PSE&G filed rebuttal testimony on June 22, 2017.

### **STIPULATION**

Following a review of the petition, the parties engaged in discovery and numerous settlement discussions. Subsequently, on August 2, 2017, the Signatory Parties executed the Stipulation. Key provisions of the Stipulation are outlined below.

11. The total cost of the EE 2017 Program is capped at \$85.1 million as set forth below, and such amount is less than the aggregate amount indicated in the Notice of Public Hearings. The budget caps for each of the sub-programs, Evaluation (Outside Contractor), Information Technology (IT) System Enhancement Costs for Smart Thermostat, and IT Resident Data Analytics costs are as follows:

<b>Sub-Program Component (\$Millions)</b>	
Multifamily Housing Sub-Program	\$20
Direct Install Sub-Program	\$15
Hospital Efficiency Sub-Program	\$25
Smart Thermostat Sub-Program	\$6.5
Residential Data Analytics Pilot Sub-Program	\$2.5
<b>Program Investment</b>	<b>\$69.0</b>
Fixed Administrative Allowance	\$13.8
Evaluation (Outside Contractor)	\$0.7
IT System Enhancement Costs for Smart Thermostat	\$1.3
IT Residential Data Analytics	\$0.3
<b>Total EE 2017 Expenditures</b>	<b>\$85.1</b>

12. The Signatory Parties agree that with respect to the "Fixed Administrative Allowance" established in the chart in Paragraph 11 above, the Company shall recover \$13.8 million fixed for ratemaking and revenue requirement purposes in accordance with the monthly schedule attached hereto as Attachment 2. The Fixed Administrative Allowance includes recovery of program costs to support the delivery of the sub-programs. The Signatory Parties further agree that the evaluation (outside contractor), IT System Enhancement Costs for Smart Thermostat sub-program, and IT costs associated with Residential Data Analytics are outside the Fixed Administrative Allowance and will be subject to annual true-up and review, subject to the budget caps provided herein.

13. The Signatory Parties agree that the Smart Thermostat sub-program shall include a pilot program of up to \$1 million for multi-family residences and lower income customers, to evaluate the customer experience, wi-fi connectivity, and market potential.

14. The Signatory Parties agree that the EE 2017 Program is in the public interest and that PSE&G should be permitted to implement and administer these regulated utility services under the terms set forth in its Petition and accompanying Attachments with the exception of modifications specified in this Stipulation of Settlement.

15. The Company submitted calculations performed by Gabel Associates as to the cost-effectiveness of each of the proposed sub-programs under five different cost-benefit tests: the Participant Cost Test ("PCT"), the Program Administrator Cost ("PAC") Test, the Ratepayer Impact Measure ("RIM") Test, the Total Resource Cost ("TRC") Test, and the Societal Cost Test ("SCT"). The Company remains committed to improving cost effectiveness to ensure that ratepayers receive good value and the maximum possible benefits for their investment in energy efficiency. The Company agrees to meet with Board Staff and Rate Counsel as results become available, but no later than May 2018 to hold a specific discussion of program, subprogram and measure cost effectiveness as measured by the TRC test and other tests with the objective of raising cost effectiveness and program-wide energy savings.

16. The Signatory Parties agree that both participant and program administrator costs should be included in the TRC test, and hereby accept the revised TRC results as reflected in the schedule attached hereto as Attachment 4.

17. The Signatory Parties agree that the three sub-programs within the EE 2017 Filing that are continuations of the sub-programs of the EEE Extension II Program (Docket No. EO14080897) should continue under the same processes, terms and conditions as those programs with the following exceptions:

- a. For the Hospital Efficiency and Multifamily Housing Sub-Programs, all energy conservation measures with a simple payback less than or equal to those measure's expected life, consistent with New Jersey Clean Energy Program (NJCEP) protocols and generally accepted engineering practices, will be considered for inclusion in the sub-programs.
- b. The Hospital Efficiency and Multifamily Housing Sub-Programs will allow for a buy-down of less than six years in order to maintain cost effectiveness of individual projects under the PAC Test.

18. The Company will continue providing reports to Board Staff and Rate Counsel regarding the EE 2017 Program consistent with the method of reporting agreed upon and ongoing with the PSE&G EEE Extension II Program or as otherwise mutually agreed upon with representatives of the Office of Clean Energy and/or its Program Manager.

19. PSE&G will perform Impact Evaluations and Process Evaluations for each of the EE 2017 sub-programs. The results of such evaluations, together with all supporting data, analyses and workpapers, will be provided to Board Staff and Rate Counsel in accordance with the following schedule: PSE&G assessments and analyses for projects will be provided annually on or before December 31<sup>st</sup> of each year of the Program and independent third-party evaluations and supporting materials for projects will be provided within twelve months of the conclusion of each sub-program. The Signatory Parties agree that to the extent the Company requires an extension of time for submittal of evaluations, the Company will advise Board Staff and Rate Counsel no later than 30 days prior to the due date so that a mutually acceptable date for submittal can be agreed upon.

20. PSE&G agrees to terminate its Direct Install sub-program at the end of the program term agreed to in this stipulation, except as provided in paragraph 21.

21. The Company commits to continue working with Board Staff as well as other interested New Jersey electric and/or gas utilities on efforts to develop and file a mutually agreeable joint energy efficiency filing with the Board in furtherance of Board Staff's Strategic Planning efforts. In particular, PSE&G will engage with the other utilities to evaluate and identify solutions to provide a consistent state-wide approach to the Direct Install program. Upon approval of a single joint utility EE filing that includes a statewide approach to Direct Install, the Company agrees to convene a meeting with Board Staff and Rate Counsel to mutually agree on how to terminate or transition the PSE&G Direct Install sub-program, in the event that such a mechanism is not already included in the single joint utility filing.

22. PSE&G will recover the net revenue requirements associated with the EE 2017 Program cost recovery via new EE17Cs of the Company's electric and gas GPRC, which would

be filed annually after the two-year initial period in accordance with the revenue requirement methodology, cost recovery mechanism and bill impact analysis set forth in Attachment 1 of this Stipulation. Although IT System Enhancement Costs for Smart Thermostat and Residential Data Analytics will be trued-up as part of the GPRC process, the Company agrees to cap these costs at \$1.6 million. Additionally, the Company agrees that the \$300,000 in IT costs associated with Data Analytics will be expensed. The issues of capitalization or expensing of all other IT costs shall take into account PSE&G's accounting policy and generally accepted accounting principles and shall be reviewed as part of annual cost recovery proceedings. All IT costs shall be subject to prudence review in annual cost recovery filings.

23. With respect to the Smart Thermostat and Data Analytics Sub-Programs, it is understood that PSE&G may conduct a request for information (RFI) process prior to conducting a competitive solicitation. Discussions with vendors with respect to developing the specifications to be utilized in the competitive solicitation shall be limited to the RFI process.

24. With respect to the Smart Thermostat and Data Analytics Sub-Programs, the Company commits to conducting a competitive solicitation process to select vendors that meet specified objective requirements in a manner which permits PSE&G to prudently implement the sub-programs. PSE&G will conduct a procurement process opened to all qualified companies that seek to enter into a contract to provide Data Analytics services and/or to operate as a vendor in PSE&G's Smart Thermostat sub-program. PSE&G agrees to hold at least one open meeting to which all qualified companies shall be invited and at which the vendors can raise any issues or questions they may have regarding the procurement. In developing specifications for Smart Thermostat vendors, PSE&G shall permit the use of communications protocols other than Wi-Fi, including but not limited to Zigbee.

25. The Company further commits that it will secure customer consent before accessing any data from the smart thermostat, and will only use this data to better understand its customers' energy consumption to support current and future energy efficiency programs. PSE&G shall adopt privacy and data handling policies and procedures for the Smart Thermostat and Data Analytics Sub-Programs that are consistent with PSE&G's customer data security protections and any applicable BPU regulations and statutory obligations. PSE&G will not sell or share any individual customer information or aggregated customer data with outside companies or with its Appliance Service Business or with other PSEG affiliates except as specified in this paragraph. PSE&G may share customer information or aggregated customer data with outside vendors hired by PSE&G to implement and/or evaluate its energy efficiency sub-programs and these companies shall use that information/data for the sole purpose of sub-program implementation and evaluation. PSE&G further commits that its vendors hired to deliver the Residential Data Analytics Sub-Program and to evaluate the sub-programs will not be permitted to share customer data with other parties and that their use of customer data shall be limited to the purposes set forth in their agreement with PSE&G. In the event of any breach of the above confidentiality by an affiliate, PSE&G shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the Smart Thermostats or Residential Data Analytics Sub-Program or to evaluate the sub-programs, PSE&G commits to enforcing the contractual confidentiality requirement to the extent allowed by the law.

26. Although the Company may explore adding on-bill financing should there be a future expansion of the Smart Thermostat Sub-Program, for purposes of resolving this proceeding, the Company agrees that it will not utilize on-bill financing as part of the Smart

Thermostat Sub-Program for either the Smart Thermostat discount or the professional installation services and has adjusted its IT Costs accordingly.

27. The EE 2017 Program shall earn a return on its net investment based upon an authorized return on equity (ROE) and capital structure including income tax effects. The Company's initial cost of capital for the Program will be based on the weighted average cost of capital (WACC) approved in the Solar 4 All Extension II filing in Docket No. EO16050412, updated for the long-term debt rate and customer deposit rates as of March 31, 2017 and including a 9.75% return on common equity with a common equity percentage of 51.2%. The Company shall use a WACC of 6.9673% (pre-tax 10.4149%) in the revenue requirement determination of the EE 2017 Program investment costs. Any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but in any event, no later than January 1 of the subsequent year. Any changes to current tax rates would be reflected in an adjustment to the Pre-Tax WACC or in any impacts to the revenue requirement calculation. See Attachment 1, Schedule SS-EE17-1 to this Stipulation for the calculation of the current Pre-Tax WACC. Any change in the WACC authorized by the Board in a subsequent electric, gas, or combined base rate case will be reflected in the appropriate corresponding subsequent monthly revenue requirement calculations. Any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but in any event, no later than January 1 of the subsequent year.

28. To be consistent with the amortization period approved in the EEE Extension II Program for the Direct Install, Hospital and Multifamily Sub-Programs, the Company agrees to amortize its investments in the EE 2017 Program over a seven-year period.

29. Although, as a result of this settlement revenue requirements associated with the Program have changed slightly, as shown in Attachment 1, the Signatory Parties agree to set the initial rates equal to those set forth in the Company's initial filing. As a result, the initial rate for the EE 2017 Program component of the electric GPRC will be \$0.000089 per kWh without New Jersey Sales and Use Tax (SUT) (\$0.000095 per kWh including SUT) and the initial rate for the EE 2017 Program component for the gas GPRC will be \$0.000902 per therm without SUT (\$0.000964 per therm including SUT). The change for the electric GPRC rate will be an increase from \$0.000917 per kWh without SUT (\$0.000980 per kWh including SUT) to \$0.001006 per kWh without SUT (\$0.001075 per kWh including SUT). The change for the gas GPRC will be an increase from \$0.004661 per therm without SUT (\$0.004981 per therm including SUT) to \$0.005563 per therm without SUT (\$0.005945 per therm including SUT). The changes to the electric and gas GPRCs are set forth in the Attachment 3 schedules to this Stipulation of Settlement.

30. The Signatory Parties agree that the proposed rates, as set forth in the tariff sheets in Attachment 3 hereto are just and reasonable and PSE&G is authorized to implement the proposed rates as set forth in the written BPU Order approving this Stipulation, subject to the process specified in paragraphs above.

31. In calculating the monthly interest on net over- and under-recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If both commercial paper and bank credit lines

have been utilized, the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the last calculated rate will be used. The interest rate shall not exceed PSE&G's overall rate of return as authorized by the Board in PSE&G's pre-tax WACC. The interest amount charged to the EE 2017 Program balances will be computed using the methodology described in Attachment 1 to this Stipulation of Settlement and is the same as the Board-approved methodology that was specified in the EEE Extension II Program Order.

32. The Company agrees that the revenue requirement of the EE 2017 Program should be reduced by 100% of the net cost offsets generated by the sub-programs from PJM Capacity Market net auction proceeds, including any such net revenues to be derived from the proposed new Smart Thermostat and Residential Data Analytics Sub-Programs. The eligibility and performance rules for the PJM capacity market (Reliability Pricing Model or RPM) continue to evolve and may change over the life of this filing. Given current performance rules and the performance risk to customers, the Signatory Parties acknowledge that the Company has not assumed any capacity revenues in this filing. To the extent that EE 2017 sub-program measures are eligible to bid, represent an acceptable performance risk to customers, and are cost-effective when considering the costs for measurement and verification (M&V), PSE&G commits to bidding these measures in the RPM auctions. All auction proceeds net of M&V and other administrative costs will be credited to ratepayers. In addition, to the extent that the EE 2017 Program realizes any additional net financial benefits associated with the Smart Thermostat Sub-Program and Data Analytics Sub-Programs, such benefits will be credited to ratepayers.

33. As with the previous EEE Programs and extensions, the EE 2017 component of the electric GPRC will be applicable to all electric rate schedules on an equal dollar per kilowatt-hour basis for recovery of costs associated with the EE 2017. The EE 2017 component of the gas GPRC will similarly be applicable to all gas rate schedules on an equal dollar per therm basis for recovery of costs associated with the gas EE 2017 sub-programs. The initial EE 2017 components of the GPRC will be based on estimated EE 2017 revenue requirements from the date of the written BPU order to September 2019. Thereafter, the EE 2017 electric and gas components of the GPRC will be changed as part of the BPU's annual review of the GPRC, incorporating a true-up for actuals and an estimate of the revenue requirements for the upcoming year.

34. The Parties request that the Board set the effective date of the initial electric and gas EE 2017 rates proposed herein as of the 1<sup>st</sup> of the month following the effective date of the written BPU Order.

35. Other than the Fixed Administrative Allowance, the EE17Cs will be subject to adjustment and true-up, subject to the budget caps provided herein, through the deferral process and any required adjustment will be included in the over/under recovered balance to be recovered from or returned to ratepayers over the following year. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a Final Board Order. The Signatory Parties stipulate that the Company will file to adjust its electric and gas EE17Cs, as part of the true-up petition for the GPRC, with copies provided to the Signatory Parties starting no later than July 1, 2019 and annually thereafter for the implementation of the proposed revised EE17Cs, on October 1. Each true-up filing will contain a reconciliation of its projected EE17Cs costs and recoveries and actual revenue requirements for the prior period, a forecast of revenue requirements for the estimated time

period before Board approval (October 1) and the 12-month period thereafter, which shall be based upon the Company's most current authorized capital structure as defined previously above. The true-up Filing also will present actual costs incurred since the previous annual review and such costs will then be reviewed for reasonableness and prudence. The true-up Filing will also provide information set forth in the MFRs attached hereto as Attachment 5 and made a part of this Stipulation. The True-Up Filing will be subject to review by the Signatory Parties with opportunity for discovery and filed comments and, if necessary, evidentiary hearings and briefing, prior to the issuance of a Board Order establishing the Company's revised EE17Cs. The issuance of a written Board Order will be preceded by adequate Public Notice and Public Hearings if required by law.

36. As a result of the proposed rates, PSE&G's typical residential electric customers using 750 kWh in a summer month and 7,200 kWh annually will experience an increase in their annual bill from \$1,252.92 to \$1,253.60, or \$0.68, or approximately 0.05% (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect July 1, 2017 and assuming the customer receives BGS-RSCP service from PSE&G).

37. As a result of the proposed rates, a typical residential gas heating customer using 165 therms in a winter month and 1,010 therms annually would experience an increase in their annual bill from \$861.02 to \$862.02, or \$1.00, or approximately 0.12% (based on current Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect July 1, 2017 and assuming the customer receives BGSS service from PSE&G).

38. Based on market response and project specific conditions, investment spending on the Program or any sub-program may be accelerated and completed sooner, or it may take longer, than the proposed period. In addition, recognizing that the energy efficiency initiatives covered under EE 2017 will typically be of substantial scale and scope, experience with the existing EEE, EEE Extension and EEE Extension II Programs has confirmed that it is difficult to precisely budget each project initiative. Sometimes one sub-program will be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Signatory Parties all agree that a process enabling the Company to transfer budgeted amounts within the \$69 million total budgeted for program investment in response to real market conditions experienced is justified. The process shall be as follows:

- To provide flexibility in responding to market conditions and customer demand during the term of the program, the Signatory Parties agree that any sub-program under-spending or over-spending during a calendar year may be carried over into the next calendar year.
- For transfers among sub-programs in the cumulative amount of 5% or less of the EE 2017 overall program investment budget, PSE&G shall be authorized to make the transfers on an immediate basis. PSE&G shall notify Board Staff and Rate Counsel of the changes within 30 days following the change.
- To the extent transfers exceed the cumulative amount of 5% of the EE 2017 Program investment budget, they shall not be implemented without prior BPU review. No transfers exceeding 5% cumulative total shall be made until at least sixty (60) days after the Company has submitted to the Signatory Parties a written description of the proposed transfers and the rationale for the proposed transfers. If any Party objects in writing within a forty-five (45)

day period after the Company has submitted this information to the Signatory Parties then no transfer that is a subject of the objection will take effect unless and until the Board has approved the transfer. Alternatively, such transfers/changes may be included in the Annual Filing to the BPU for review and approval.

- Such transfers/changes shall not cause the total program investment to exceed \$69 million.

39. PSE&G shall provide Board Staff and Rate Counsel with usage data that it obtains from the Sub-Programs to the extent necessary to comply with statutory or regulatory requirements. Additionally, PSE&G agrees to provide Board Staff and Rate Counsel with aggregated data to the extent requested. Such requests may include, but are not limited to, municipal-level data.

40. 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, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, 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.

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

It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, Public Service, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item. The Signatory 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.

### **LETTERS OF NO OBJECTION**

Direct Energy and NJLEUC filed letters confirming that they did not oppose the stipulation on August 2 and August 9, 2017, respectively. Direct Energy stated that it continued to believe that a mature private market exists for smart thermostats and data analytics, rendering EE 2017 unnecessary. The party also emphasized that its decision not to oppose the stipulation rested upon the provisions providing for an open competitive solicitation to select smart thermostat vendors; allowing communications protocols other than Wi-Fi to be utilized; limiting PSE&G's use of the customer data gathered to supporting current and future energy efficiency programs; and withdrawing the proposal to offer on-bill financing. NJLEUC noted that it shared Direct Energy's concerns regarding the potential impact of EE 2017 on competitive markets.

## **DISCUSSION AND FINDING**

In its Order approving PSE&G's EEE Program, the Board stated that energy efficiency investments, if properly implemented, help the State meet its environmental needs, provide jobs in the short term, and can enhance the State's competitiveness and economic prospects in the long term.<sup>5</sup> These assertions continue to hold true. In 2011, the New Jersey Energy Master Plan ("EMP") identified rewarding energy efficiency and conservation as one of its five overarching goals, stating that the "best way to lower individual energy bills and collective energy rates is to use less energy[.]"<sup>6</sup> In addition, the EMP recognized energy efficiency as enhancing economic development and advancing the State's environmental goals. EMP at pp 1, 110-112. The goals of the EMP were reaffirmed in the 2015 Update to the EMP.

With respect to the three existing programs, PSE&G has demonstrably built upon its relationships with customers to help certain underserved categories of customer improve the energy efficiency of existing buildings. These efforts have furthered the State's goal of continually improving New Jersey's energy efficiency.

The Board **HEREBY FINDS** that the Hospital, Multi-family, and Direct Install programs have assisted in achieving the State's energy efficiency goals by addressing these markets and through the achievement of incremental savings. The final evaluation report on the EEE Extension I program, prepared by an independent entity, states that this program delivers "significant energy and demand savings that would not have been achieved without the program." (Petition at Schedule MCM-EE-17-12.)

The EEE Extension II program approved in 2015 includes a Direct Install Sub-Program, which was modified to minimize competition between PSE&G's Direct Install program and the New Jersey Clean Energy Program's ("NJCEP") Direct Install program. For example, PSE&G limited its program to government entities and non-profits, as well as small businesses that are located in Urban Enterprise Zone ("UEZ") areas. Schools that are not eligible to participate in the New Jersey Energy Savings Improvement Program ("ESIP") may also qualify.

Over the past year, Board Staff has engaged the utilities in discussions concerning enhanced coordination between utility-managed and NJCEP programs. In part, Staff has encouraged the companies to discontinue programs that compete with existing NJCEP programs and has encouraged the utilities to explore programs with financing options. Although the PSE&G Direct Install Sub-Program competes with the NJCEP program in a limited manner, PSE&G has stipulated in this proceeding that it will terminate the current Direct Install Sub-Program within two years. In addition, the Company has committed to engaging with the other utilities to evaluate and identify solutions for providing a consistent state-wide Direct Install Program.

Concerning the Hospital Sub-Program and the Multi-Family Sub-Program, PSE&G will continue to offer a combination of grants and no-interest financing, but has agreed to lower the available incentives. As part of the Hospital Sub-Program, the Company will continue to help the hospital

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<sup>5</sup> [I/M/O Energy Efficiency Programs and Associated Cost Recovery Mechanisms & I/M/O the Petition of Public Service Electric and Gas Company Offering an Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, Decision and Order Approving Stipulation, Dkt. No. EO09010056 & EO09010058 \(July 16, 2009\) at pp 13-14.](#)

<sup>6</sup>2011 New Jersey Energy Master Plan (December 6, 2011) at 111.

identify all cost-effective energy efficiency measures, and will advise the hospital of the potential benefits related to combined heat and power ("CHP").

It is important that programs not only be effective but that they be cost effective. Based on the Company's representations and the analysis performed by the Center for Energy, Economics, and Environmental Policy ("CEEEP"), the proposed EE 2017 Program appears to be cost effective under the TRC Test. In an effort to keep costs reasonable, the Company has agreed to cap program administrative costs at \$13.8 million and an aggregate IT cost of \$1.6 million. PSE&G also agreed to a return on equity ("ROE") of 9.75 percent, which will be updated at the conclusion of its next base rate case.

The Signatory Parties have also stipulated to the Company's implementation of two residential sub-programs, the Smart Thermostats pilot and the Data Analytics sub-program. In considering the two proposed residential programs, the Board is mindful that a public utility is well-positioned to facilitate access to energy efficiency products and services due to the unique relationship it has with its residential customers. The low income residential sector has specific and challenging barriers to market participation, and the proposed Smart Thermostat pilot includes funding to be dedicated to this sector. With respect to the Data Analytics program, moreover, the Board has previously approved and/or extended such programs for the other three gas utilities in the State on the basis of the positive impact on customers' efficient energy management that has been documented. The Board therefore **FINDS** that the Smart Thermostats and Data Analytics sub-programs are likely to promote energy efficiency in the residential market sector and to support the State's policy of reducing energy usage.

The Board is cognizant that the residential programs, particularly the Smart Thermostat program, will provide the Company with unique access to certain customer data. To that end, procedures to ensure consumer privacy and consumer protection must be in place. This policy is embodied in the Electric Discount and Energy Competition Act, P.L. 2012 c. 24, as codified at N.J.S.A. 48:3-85. That provision prohibits utility release of proprietary information to a third party, other than a government aggregator, without the customer's consent. The Board also considers its longstanding concern for consumer privacy. The anti-slamming rules, for example, require evidence of customer consent; while the law no longer requires written consent, these rules provide for alternatives to a "wet" signature such as third party verification of a telephone enrollment. N.J.S.A. 48:3-85(b); N.J.A.C. 14:4-2.3.

Therefore, the Board **FINDS** that the Company's commitment to securing customer consent before accessing any data from the smart thermostat provides a necessary guarantee of informed consent. The Board **FURTHER FINDS** that the Company's commitment to use this data solely for the purpose of better understanding its customers' energy consumption so that the Company may better support current and future energy efficiency program provides a similar protection to the competitive market in energy efficiency products and services.

Having carefully reviewed the record in this matter, including the petition, testimony, and Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with law. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY AUTHORIZES** PSE&G to implement a new component of its electric and gas GPRCs to recover the costs associated with the EE 2017 Program (EE17C). The new composite GPRC rates will be effective for service rendered on or after September 1,

2017. As a result of the Stipulation, PSE&G's typical residential electric customers using 750 kWh in a summer month and 7,200 kWh annually will experience an increase in their annual bill from \$1,252.92 to \$1,253.60, or \$0.68, or approximately 0.05%. As a result of the Stipulation, a typical residential gas heating customer using 165 therms in a winter month and 1,010 therms annually would experience an increase in their annual bill from \$861.02 to \$862.02, or \$1.00, or approximately 0.12%.

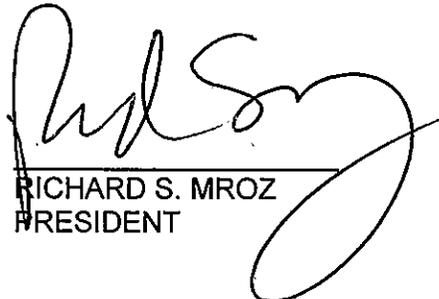
The Board **HEREBY DIRECTS** PSE&G to file tariff sheets consistent with the Stipulation and this Order prior to September 1, 2017.

The Company's rates will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

The effective date of this Order is August 25, 2017

DATED: 8/23/17

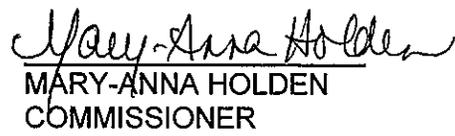
BOARD OF PUBLIC UTILITIES  
BY:



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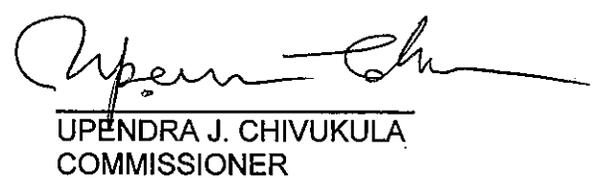
JOSEPH L. FIORDALISO  
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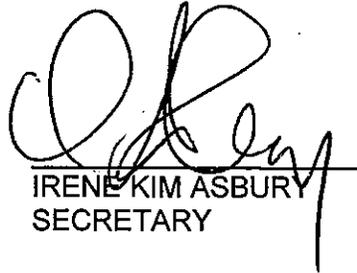
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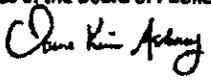
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UPENDRA J. CHIVUKULA  
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ATTEST:   
IRENE KIM ASBURY  
SECRETARY

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 ITS ENERGY EFFICIENCY 2017 PROGRAM AND RECOVERY OF  
ASSOCIATED COSTS ("EE 17 PROGRAM")  
BPU DOCKET NO. EO17030196

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August 2, 2017

In the Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of its Energy Efficiency 2017 Program  
and Recovery of Associated Costs  
("EE 2017 Program")

Docket No. EO17030196

***VIA OVERNIGHT DELIVERY***

Irene Kim Asbury, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
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Dear Secretary Asbury:

Attached please find the fully executed Stipulation (of which 10 copies are enclosed) in the above-referenced matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration in this matter.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Justin B. Incardone

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06/13/2017

Public Service Electric and Gas Company  
EE 2017  
EO17030196

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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 ) STIPULATION  
FOR APPROVAL OF ITS ENERGY EFFICIENCY ) OF  
2017 PROGRAM AND RECOVERY OF ASSOCIATED ) SETTLEMENT  
COSTS ("EE 2017 Program") ) BPU Docket No. EO17030196

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**Emma Xiao, Alex Moreau, and Patricia A. Krogman**, Deputy Attorneys General, on behalf of Staff of the New Jersey Board of Public Utilities (**Christopher S. Porrino**, Attorney General of New Jersey)

**Karen O. Moury, Esq.** and **Christopher E. Torkelson Esq.**, Eckert Seamans Cherin & Mellott, LLC on behalf of Direct Energy Services

**Steven S. Goldenberg Esq.**, Fox Rothchild LLP, on behalf of the New Jersey Large Energy Users Coalition (NJLEUC)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

It is hereby AGREED, as of the 31<sup>st</sup> day of July 2017, by and between Public Service Electric and Gas Company (PSE&G, Public Service or the Company), the Staff of the New Jersey Board of Public Utilities (Board Staff), and the New Jersey Division of Rate Counsel (Rate Counsel) (referred to as the Signatory Parties) to execute this Stipulation of Settlement (Stipulation) to continue

the current PSE&G Energy Efficiency Economic Extension II Program offerings with certain minor modifications; establish a residential energy efficiency offering that includes a deployment of smart thermostats, and a pilot for data analytics; and recover costs associated with the programs described herein (collectively, the EE 2017 Program) through new components (EE17Cs) of the Company's electric and gas Green Programs Recovery Charge (GPRC).

The Signatory Parties do hereby join in recommending that the Board of Public Utilities (Board or BPU) issue a Final Decision and Order approving this Stipulation, including the proposed sheets of PSE&G's Tariff for Electric Service and Gas Service as set forth herein.

#### **BACKGROUND**

1. Pursuant to N.J.S.A. 48:3-98.1 et seq. and the Board's May 12, 2008 Order in Docket No. E008030164,<sup>1</sup> on February 1, 2017, Public Service held the required 30-Day pre-filing meeting with Board Staff and Rate Counsel to discuss the nature of the EE 2017 Program and describe the EE 2017 cost recovery mechanism proposed by the Company. Public Service indicated that its anticipated filing was to further extend the three EEE Extension II sub-programs -- Multifamily Housing, Direct Install and Hospital Efficiency -- as well as a new sub-program to provide smart thermostats to residential customers, and a pilot sub-program to use data analytics to provide customers with energy usage information that can be used to reduce the customer's energy bill and support energy efficiency efforts.

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<sup>1</sup> Decision, *I/M/O Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, And Offering Class I Renewable Energy Programs In Their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1*, BPU Docket No. E008030164 (May 12, 2008) (the "May 2008 Order").

2. On March 3, 2017, Public Service filed its Petition with the Board requesting approval of the proposed EE 2017 Filing and associated rate recovery mechanism pursuant to N.J.S.A. 48:3-98.1 et seq. With regard to Section V of the Board's Minimum Filing Requirements (MFRs), the Petition included a cost-benefit analysis performed by Gabel Associates. The analysis was incorporated into the filing documents and offered by the Company to demonstrate the cost effectiveness of the sub-programs. See EE 2017 Filing, Attachment 1, Schedule MCM-EE17-11.

3. In the March 2017 Petition and supporting documents, PSE&G proposed to continue implementing the Multifamily Housing, Hospital Efficiency Sub-Programs, and Direct Install Sub-Programs. The Company further proposed a new sub-program to provide smart thermostats to residential customers, as well as a pilot sub-program to use data analytics to provide customers with energy usage insights that can be easily implemented to reduce the customer's energy bill and support energy efficiency efforts. The EE 2017 filing requested expenditures of approximately \$98.6 million.

4. PSE&G proposed to extend the three existing sub-program offerings under the same process, terms and conditions as currently approved by the Board, with proposed changes specified in the Petition and supporting documents. PSE&G seeks approval of additional expenditures for these sub-programs, as well as the new Smart Thermostat and Data Analytics Sub-Programs, as follows:

<b>Sub-Program Component (\$Millions)</b>	
Multifamily Housing Sub-Program	\$20
Direct Install Sub-Program	\$15
Hospital Efficiency Sub-Program	\$25
Smart Thermostat Sub-Program	\$11.5
Residential Data Analytics Pilot Sub-Program	\$2.5
<b>Program Investment</b>	<b>\$74</b>
Fixed Administrative Allowance	\$21.9
IT System Enhancement Costs for Smart Thermostat and Residential Data Analytics	\$2.7
<b>Total EE 2017 Expenditures</b>	<b>\$98.6</b>

5. On March 23, 2017 Board Staff notified the Company that it had reviewed the Petition for completeness in accordance with the May 12, 2008 Order and determined that the petition was administratively complete. Staff thereby established the Board's 180-day review period as commencing on the date of filing, with a Board Order to be issued by August 30, 2017 unless an agreement was reached to extend the date.

6. Public Notice was provided and 6 (six) public hearings on the Company's EE 2017 filing were held on the following dates at three locations in Public Service's service territory: two hearings on May 22, 2017, in Mount Holly, New Jersey; two hearings on May 24, 2017, in New Brunswick, New Jersey; and two hearings on May 25, 2017, in Hackensack, New Jersey. A total of 16 (sixteen) members of the public appeared and made statements at the six public hearings. The members of the public commented in support of the filing. No members of the public expressed opposition to the filing at the public hearings.

7. Commissioner Joseph L. Fiordaliso was designated as the presiding officer by Board Order dated April 21, 2017. See Order Designating Commissioner, April 21, 2017, BPU Docket No. EO17030196. The Signatory Parties subsequently agreed upon a procedural schedule and this was approved by Commissioner Fiordaliso. Additionally, Commissioner Fiordaliso granted intervention requests from New Jersey Large Energy Users Coalition (NJLEUC) and Direct Energy Services, LLC (Direct).<sup>2</sup> See Order Approving Procedural Schedule and Granting Motions to Intervene and Admission *Pro Hac Vice*, May 18, 2017, BPU Docket No. EO17030196.

8. The Company, Rate Counsel and Direct pre-filed testimony of their witnesses. Discovery questions in this matter were propounded by Board Staff, Rate Counsel, Direct and the Company, and the Company, Rate Counsel, and Direct responded thereto. The Signatory Parties reviewed the pre-filed testimony and discovery responses, and engaged in settlement discussions, which form the basis for this settlement.

9. On May 30, 2017 and June 19, 2017 telephone discovery/settlement conferences were conducted among Public Service, Board Staff, Rate Counsel, Direct and NJLEUC. Additionally, an in-person settlement conference was held on June 29, 2017.

10. Following further settlement discussions, Board Staff, Rate Counsel and Public Service agreed to submit this Stipulation, the terms of which are set forth below. Specifically, the Signatory Parties hereby **STIPULATE AND AGREE** to the following:

**STIPULATED MATTERS**

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<sup>2</sup> Pursuant to Commissioner Fiordaliso's May 18, 2017 Order, Direct's intervention was limited to the Smart Thermostat and Residential Data Analytics pilots.

11. The total cost of the EE 2017 Program is capped at \$85.1 million as set forth below, and such amount is less than the aggregate amount indicated in the Notice of Public Hearings. The budget caps for each of the sub-programs, Evaluation (Outside Contractor), Information Technology (IT) System Enhancement Costs for Smart Thermostat, and IT Resident Data Analytics costs are as follows:

<b>Sub-Program Component (\$Millions)</b>	
Multifamily Housing Sub-Program	\$20
Direct Install Sub-Program	\$15
Hospital Efficiency Sub-Program	\$25
Smart Thermostat Sub-Program	\$6.5
Residential Data Analytics Pilot Sub-Program	\$2.5
<b>Program Investment</b>	<b>\$69.0</b>
Fixed Administrative Allowance	\$13.8
Evaluation (Outside Contractor)	\$0.7
IT System Enhancement Costs for Smart Thermostat	\$1.3
IT Residential Data Analytics	\$0.3
<b>Total EE 2017 Expenditures</b>	<b>\$85.1</b>

12. The Signatory Parties agree that with respect to the "Fixed Administrative Allowance" established in the chart in Paragraph 11 above, the Company shall recover \$13.8 million fixed for ratemaking and revenue requirement purposes in accordance with the monthly schedule attached hereto as Attachment 2. The Fixed Administrative Allowance includes recovery of program costs to support the delivery of the sub-programs. The Signatory Parties further agree that the evaluation (outside contractor), IT System Enhancement Costs for Smart Thermostat sub-program, and IT costs associated with Residential Data Analytics are outside the Fixed Administrative

Allowance and will be subject to annual true-up and review, subject to the budget caps provided herein.

13. The Signatory Parties agree that the Smart Thermostat sub-program shall include a pilot program of up to \$1 million for multi-family residences and lower income customers, to evaluate the customer experience, wi-fi connectivity, and market potential.

14. The Signatory Parties agree that the EE 2017 Program is in the public interest and that PSE&G should be permitted to implement and administer these regulated utility services under the terms set forth in its Petition and accompanying Attachments with the exception of modifications specified in this Stipulation of Settlement.

15. The Company submitted calculations performed by Gabel Associates as to the cost-effectiveness of each of the proposed sub-programs under five different cost-benefit tests: the Participant Cost Test ("PCT"), the Program Administrator Cost ("PAC") Test, the Ratepayer Impact Measure ("RIM") Test, the Total Resource Cost ("TRC") Test, and the Societal Cost Test ("SCT"). The Company remains committed to improving cost effectiveness to ensure that ratepayers receive good value and the maximum possible benefits for their investment in energy efficiency. The Company agrees to meet with Board Staff and Rate Counsel as results become available, but no later than May 2018 to hold a specific discussion of program, subprogram and measure cost effectiveness as measured by the TRC test and other tests with the objective of raising cost effectiveness and program-wide energy savings.

16. The Signatory Parties agree that both participant and program administrator costs should be included in the TRC test, and hereby accept the revised TRC results as reflected in the schedule attached hereto as Attachment 4.

17. The Signatory Parties agree that the three sub-programs within the EE 2017 Filing that are continuations of the sub-programs of the EEE Extension II Program (Docket No. EO14080897) should continue under the same processes, terms and conditions as those programs with the following exceptions:

- a. For the Hospital Efficiency and Multifamily Housing Sub-Programs, all energy conservation measures with a simple payback less than or equal to those measure's expected life, consistent with New Jersey Clean Energy Program (NJCEP) protocols and generally accepted engineering practices, will be considered for inclusion in the sub-programs.
- b. The Hospital Efficiency and Multifamily Housing Sub-Programs will allow for a buy-down of less than six years in order to maintain cost effectiveness of individual projects under the PAC Test.

18. The Company will continue providing reports to Board Staff and Rate Counsel regarding the EE 2017 Program consistent with the method of reporting agreed upon and ongoing with the PSE&G EEE Extension II Program or as otherwise mutually agreed upon with representatives of the Office of Clean Energy and/or its Program Manager.

19. PSE&G will perform Impact Evaluations and Process Evaluations for each of the EE 2017 sub-programs. The results of such evaluations, together with all supporting data, analyses and workpapers, will be provided to Board Staff and Rate Counsel in accordance with the following schedule: PSE&G assessments and analyses for projects will be provided annually on or before December 31<sup>st</sup> of each year of the Program and independent third-party evaluations and supporting materials for projects will be provided within twelve months of the conclusion of each

sub-program. The Signatory Parties agree that to the extent the Company requires an extension of time for submittal of evaluations, the Company will advise Board Staff and Rate Counsel no later than 30 days prior to the due date so that a mutually acceptable date for submittal can be agreed upon.

20. PSE&G agrees to terminate its Direct Install sub-program at the end of the program term agreed to in this stipulation, except as provided in paragraph 21.

21. The Company commits to continue working with Board Staff as well as other interested New Jersey electric and/or gas utilities on efforts to develop and file a mutually agreeable joint energy efficiency filing with the Board in furtherance of Board Staff's Strategic Planning efforts. In particular, PSE&G will engage with the other utilities to evaluate and identify solutions to provide a consistent state-wide approach to the Direct Install program. Upon approval of a single joint utility EE filing that includes a statewide approach to Direct Install, the Company agrees to convene a meeting with Board Staff and Rate Counsel to mutually agree on how to terminate or transition the PSE&G Direct Install sub-program, in the event that such a mechanism is not already included in the single joint utility filing.

22. PSE&G will recover the net revenue requirements associated with the EE 2017 Program cost recovery via new EE17Cs of the Company's electric and gas GPRC, which would be filed annually after the two-year initial period in accordance with the revenue requirement methodology, cost recovery mechanism and bill impact analysis set forth in Attachment 1 of this Stipulation. Although IT System Enhancement Costs for Smart Thermostat and Residential Data Analytics will be trued-up as part of the GPRC process, the Company agrees to cap these costs at \$1.6 million. Additionally, the Company agrees that the \$300,000 in IT costs associated with Data Analytics will be expensed. The issues of capitalization or expensing of all other IT costs shall take

into account PSE&G's accounting policy and generally accepted accounting principles and shall be reviewed as part of annual cost recovery proceedings. All IT costs shall be subject to prudence review in annual cost recovery filings.

23. With respect to the Smart Thermostat and Data Analytics Sub-Programs, it is understood that PSE&G may conduct a request for information (RFI) process prior to conducting a competitive solicitation. Discussions with vendors with respect to developing the specifications to be utilized in the competitive solicitation shall be limited to the RFI process.

24. With respect to the Smart Thermostat and Data Analytics Sub-Programs, the Company commits to conducting a competitive solicitation process to select vendors that meet specified objective requirements in a manner which permits PSE&G to prudently implement the sub-programs. PSE&G will conduct a procurement process opened to all qualified companies that seek to enter into a contract to provide Data Analytics services and/or to operate as a vendor in PSE&G's Smart Thermostat sub-program. PSE&G agrees to hold at least one open meeting to which all qualified companies shall be invited and at which the vendors can raise any issues or questions they may have regarding the procurement. In developing specifications for Smart Thermostat vendors, PSE&G shall permit the use of communications protocols other than Wi-Fi, including but not limited to Zigbee.

25. The Company further commits that it will secure customer consent before accessing any data from the smart thermostat, and will only use this data to better understand its customers' energy consumption to support current and future energy efficiency programs. PSE&G shall adopt privacy and data handling policies and procedures for the Smart Thermostat and Data Analytics Sub-Programs that are consistent with PSE&G's customer data security protections and any

applicable BPU regulations and statutory obligations. PSE&G will not sell or share any individual customer information or aggregated customer data with outside companies or with its Appliance Service Business or with other PSEG affiliates except as specified in this paragraph. PSE&G may share customer information or aggregated customer data with outside vendors hired by PSE&G to implement and/or evaluate its energy efficiency sub-programs and these companies shall use that information/data for the sole purpose of sub-program implementation and evaluation. PSE&G further commits that its vendors hired to deliver the Residential Data Analytics Sub-Program and to evaluate the sub-programs will not be permitted to share customer data with other parties and that their use of customer data shall be limited to the purposes set forth in their agreement with PSE&G. In the event of any breach of the above confidentiality by an affiliate, PSE&G shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the Smart Thermostats or Residential Data Analytics Sub-Program or to evaluate the sub-programs, PSE&G commits to enforcing the contractual confidentiality requirement to the extent allowed by the law.

26. Although the Company may explore adding on-bill financing should there be a future expansion of the Smart Thermostat Sub-Program, for purposes of resolving this proceeding, the Company agrees that it will not utilize on-bill financing as part of the Smart Thermostat Sub-Program for either the Smart Thermostat discount or the professional installation services and has adjusted its IT Costs accordingly.

27. The EE 2017 Program shall earn a return on its net investment based upon an authorized return on equity (ROE) and capital structure including income tax effects. The Company's initial cost of capital for the Program will be based on the weighted average cost of capital (WACC)

approved in the Solar 4 All Extension II filing in Docket No. EO16050412, updated for the long-term debt rate and customer deposit rates as of March 31, 2017 and including a 9.75% return on common equity with a common equity percentage of 51.2%. The Company shall use a WACC of 6.9673% (pre-tax 10.4149%) in the revenue requirement determination of the EE 2017 Program investment costs. Any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but in any event, no later than January 1 of the subsequent year. Any changes to current tax rates would be reflected in an adjustment to the Pre-Tax WACC or in any impacts to the revenue requirement calculation. See Attachment 1, Schedule SS-EE17-1 to this Stipulation for the calculation of the current Pre-Tax WACC. Any change in the WACC authorized by the Board in a subsequent electric, gas, or combined base rate case will be reflected in the appropriate corresponding subsequent monthly revenue requirement calculations. Any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but in any event, no later than January 1 of the subsequent year.

28. To be consistent with the amortization period approved in the EEE Extension II Program for the Direct Install, Hospital and Multifamily Sub-Programs, the Company agrees to amortize its investments in the EE 2017 Program over a seven-year period.

29. Although, as a result of this settlement revenue requirements associated with the Program have changed slightly, as shown in Attachment 1, the Signatory Parties agree to set the

initial rates equal to those set forth in the Company's initial filing. As a result, the initial rate for the EE 2017 Program component of the electric GPRC will be \$0.000089 per kWh without New Jersey Sales and Use Tax (SUT) (\$0.000095 per kWh including SUT) and the initial rate for the EE 2017 Program component for the gas GPRC will be \$0.000902 per therm without SUT (\$0.000964 per therm including SUT). The change for the electric GPRC rate will be an increase from \$0.000917 per kWh without SUT (\$0.000980 per kWh including SUT) to \$0.001006 per kWh without SUT (\$0.001075 per kWh including SUT). The change for the gas GPRC will be an increase from \$0.004661 per therm without SUT (\$0.004981 per therm including SUT) to \$0.005563 per therm without SUT (\$0.005945 per therm including SUT). The changes to the electric and gas GPRCs are set forth in the Attachment 3 schedules to this Stipulation of Settlement.

30. The Signatory Parties agree that the proposed rates, as set forth in the tariff sheets in Attachment 3 hereto are just and reasonable and PSE&G is authorized to implement the proposed rates as set forth in the written BPU Order approving this Stipulation, subject to the process specified in paragraphs above.

31. In calculating the monthly interest on net over- and under-recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the last calculated rate will be used. The interest rate shall not exceed PSE&G's overall rate of return as authorized by the Board in PSE&G's pre-tax WACC. The interest amount charged to the EE 2017 Program balances will be computed using the methodology described in Attachment 1 to this Stipulation of Settlement

and is the same as the Board-approved methodology that was specified in the EEE Extension II Program Order.

32. The Company agrees that the revenue requirement of the EE 2017 Program should be reduced by 100% of the net cost offsets generated by the sub-programs from PJM Capacity Market net auction proceeds, including any such net revenues to be derived from the proposed new Smart Thermostat and Residential Data Analytics Sub-Programs. The eligibility and performance rules for the PJM capacity market (Reliability Pricing Model or RPM) continue to evolve and may change over the life of this filing. Given current performance rules and the performance risk to customers, the Signatory Parties acknowledge that the Company has not assumed any capacity revenues in this filing. To the extent that EE 2017 sub-program measures are eligible to bid, represent an acceptable performance risk to customers, and are cost-effective when considering the costs for measurement and verification (M&V), PSE&G commits to bidding these measures in the RPM auctions. All auction proceeds net of M&V and other administrative costs will be credited to ratepayers. In addition, to the extent that the EE 2017 Program realizes any additional net financial benefits associated with the Smart Thermostat Sub-Program and Data Analytics Sub-Programs, such benefits will be credited to ratepayers.

33. As with the previous EEE Programs and extensions, the EE 2017 component of the electric GPRC will be applicable to all electric rate schedules on an equal dollar per kilowatt-hour basis for recovery of costs associated with the EE 2017. The EE 2017 component of the gas GPRC will similarly be applicable to all gas rate schedules on an equal dollar per therm basis for recovery of costs associated with the gas EE 2017 sub-programs. The initial EE 2017 components of the GPRC will be based on estimated EE 2017 revenue requirements from the date of the written BPU order to

September 2019. Thereafter, the EE 2017 electric and gas components of the GPRC will be changed as part of the BPU's annual review of the GPRC, incorporating a true-up for actuals and an estimate of the revenue requirements for the upcoming year.

34. The Parties request that the Board set the effective date of the initial electric and gas EE 2017 rates proposed herein as of the 1<sup>st</sup> of the month following the effective date of the written BPU Order.

35. Other than the Fixed Administrative Allowance, the EE17Cs will be subject to adjustment and true-up, subject to the budget caps provided herein, through the deferral process and any required adjustment will be included in the over/under recovered balance to be recovered from or returned to ratepayers over the following year. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a Final Board Order. The Signatory Parties stipulate that the Company will file to adjust its electric and gas EE17Cs, as part of the true-up petition for the GPRC, with copies provided to the Signatory Parties starting no later than July 1, 2019 and annually thereafter for the implementation of the proposed revised EE17Cs, on October 1. Each true-up filing will contain a reconciliation of its projected EE17Cs costs and recoveries and actual revenue requirements for the prior period, a forecast of revenue requirements for the estimated time period before Board approval (October 1) and the 12-month period thereafter, which shall be based upon the Company's most current authorized capital structure as defined previously above. The true-up Filing also will present actual costs incurred since the previous annual review and such costs will then be reviewed for reasonableness and prudence. The true-up Filing will also provide information set forth in the MFRs attached hereto as Attachment 5 and made a part of

this Stipulation. The True-Up Filing will be subject to review by the Signatory Parties with opportunity for discovery and filed comments and, if necessary, evidentiary hearings and briefing, prior to the issuance of a Board Order establishing the Company's revised EE17Cs. The issuance of a written Board Order will be preceded by adequate Public Notice and Public Hearings if required by law.

36. As a result of the proposed rates, PSE&G's typical residential electric customers using 750 kWh in a summer month and 7,200 kWh annually will experience an increase in their annual bill from \$1,252.92 to \$1,253.60, or \$0.68, or approximately 0.05% (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect July 1, 2017 and assuming the customer receives BGS-RSCP service from PSE&G).

37. As a result of the proposed rates, a typical residential gas heating customer using 165 therms in a winter month and 1,010 therms annually would experience an increase in their annual bill from \$861.02 to \$862.02, or \$1.00, or approximately 0.12% (based on current Delivery Rates and Basic Gas Supply Service [BGSS-RSG] charges in effect July 1, 2017 and assuming the customer receives BGSS service from PSE&G).

38. Based on market response and project specific conditions, investment spending on the Program or any sub-program may be accelerated and completed sooner, or it may take longer, than the proposed period. In addition, recognizing that the energy efficiency initiatives covered under EE 2017 will typically be of substantial scale and scope, experience with the existing EEE, EEE Extension and EEE Extension II Programs has confirmed that it is difficult to precisely budget each project initiative. Sometimes one sub-program will be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the

Signatory Parties all agree that a process enabling the Company to transfer budgeted amounts within the \$69 million total budgeted for program investment in response to real market conditions experienced is justified. The process shall be as follows:

- To provide flexibility in responding to market conditions and customer demand during the term of the program, the Signatory Parties agree that any sub-program under-spending or over-spending during a calendar year may be carried over into the next calendar year.
- For transfers among sub-programs in the cumulative amount of 5% or less of the EE 2017 overall program investment budget, PSE&G shall be authorized to make the transfers on an immediate basis. PSE&G shall notify Board Staff and Rate Counsel of the changes within 30 days following the change.
- To the extent transfers exceed the cumulative amount of 5% of the EE 2017 Program investment budget, they shall not be implemented without prior BPU review. No transfers exceeding 5% cumulative total shall be made until at least sixty (60) days after the Company has submitted to the Signatory Parties a written description of the proposed transfers and the rationale for the proposed transfers. If any Party objects in writing within a forty-five (45) day period after the Company has submitted this information to the Signatory Parties then no transfer that is a subject of the objection will take effect unless and until the Board has approved the transfer. Alternatively, such transfers/changes may be included in the Annual Filing to the BPU for review and approval.
- Such transfers/changes shall not cause the total program investment to exceed \$69 million.

39. PSE&G shall provide Board Staff and Rate Counsel with usage data that it obtains from the Sub-Programs to the extent necessary to comply with statutory or regulatory requirements. Additionally, PSE&G agrees to provide Board Staff and Rate Counsel with aggregated data to the extent requested. Such requests may include, but are not limited to, municipal-level data.

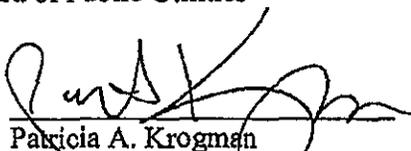
40. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the

Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order, 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.

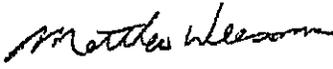
41. It is the intent of the Signatory Parties that the provisions hereof be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

42. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, Public Service, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item. The Signatory 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.

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

By:   
Patricia A. Krogman  
Deputy Attorney General

PUBLIC SERVICE ELECTRIC AND  
GAS COMPANY

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

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

By:   
Felicia Thomas-Friel Esq.  
Deputy Rate Counsel

*August 2, 2017*  
Dated: ~~July 31, 2017~~

**PSE&G EE 2017 Program  
Weighted Average Cost of Capital (WACC)**

**Attachment 1  
Schedule SS-EE17-1**

	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Revenue Conversion Factor</u>	<u>Pre-Tax Weighted Cost</u>	<u>Discount Rate</u>
Other Capital	48.1848%	4.0944%	1.9729%	1.0000	1.9729%	
Customer Deposits	<u>0.6152%</u>	0.4000%	<u>0.0025%</u>	1.0000	0.0025%	
Sub-total	48.8000%		1.9753%		1.9753%	1.1684%
Common Equity	<u>51.2000%</u>	9.7500%	<u>4.9920%</u>	1.6906	<u>8.4396%</u>	<u>4.9920%</u>
Total	100.0000%		6.9673%		10.4149%	6.1604%
Monthly WACC			0.58061%		0.867910%	

Reflects a tax rate of 40.850%

**PSE&G EE 2017 Program  
Electric Revenue Requirements Calculation**

Monthly WACC effective 10/01/2017	0.86791%
Inc. tax rate effective 10/01/2017	40.850%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Program Investment	Capitalized IT Costs	Gross Plant	Program Investment Amortization	IT Cost Amortization	Accumulated Amortization	Net Plant	Tax Depreciation	Book Depreciation Tax Basis	Deferred Income Tax	Accumulated Deferred Income Tax
<b>Monthly Calculation</b>											
Oct-17	-	-	-	-	-	-	-	-	-	-	-
Nov-17	-	-	-	-	-	-	-	-	-	-	-
Dec-17	-	-	-	-	-	-	-	-	-	-	-
Jan-18	-	-	-	-	-	-	-	-	-	-	-
Feb-18	-	-	-	-	-	-	-	-	-	-	-
Mar-18	-	-	-	-	-	-	-	-	-	-	-
Apr-18	108,361	571,367	679,728	1,290	4,761	6,051	673,677	116,297	6,051	45,035	45,035
May-18	147,573	-	827,301	3,047	9,523	18,821	808,680	163,444	12,570	61,632	106,668
Jun-18	170,446	-	997,748	5,076	9,523	33,220	964,528	186,318	14,599	70,147	176,815
Jul-18	146,094	-	1,143,841	6,815	9,523	49,558	1,094,284	161,965	16,338	59,489	236,303
Aug-18	119,952	-	1,263,794	8,243	9,523	67,324	1,196,470	135,824	17,766	48,227	284,530
Sep-18	855,550	-	2,119,343	18,428	9,523	95,275	2,024,089	671,921	25,576	264,032	548,562
Oct-18	892,973	-	3,012,316	29,059	9,523	133,856	2,878,460	709,344	33,832	275,947	824,509
Nov-18	880,885	-	3,893,201	39,546	9,523	182,925	3,710,276	697,256	41,943	267,695	1,092,204
Dec-18	1,022,958	-	4,916,159	51,724	9,523	244,171	4,671,988	839,329	51,746	321,728	1,413,932
Jan-19	1,013,155	-	5,929,314	63,785	9,523	317,479	5,611,835	829,526	61,433	313,766	1,727,698
Feb-19	987,014	-	6,916,329	75,535	9,523	402,537	6,513,791	803,385	70,808	299,258	2,026,956
Mar-19	940,461	-	7,856,790	86,731	9,523	498,791	7,357,998	756,833	79,629	276,638	2,303,593
Apr-19	1,213,216	-	9,070,006	101,174	9,523	609,488	8,460,517	1,029,587	91,697	383,128	2,686,722
May-19	1,185,434	-	10,265,440	115,406	9,523	734,417	9,531,023	1,011,806	103,553	371,021	3,057,743
Jun-19	1,039,970	-	11,305,410	127,786	9,523	871,726	10,433,684	856,341	113,559	303,426	3,361,169
Jul-19	1,890,055	-	13,195,465	150,287	9,523	1,031,535	12,163,929	1,706,426	133,685	642,465	4,003,634
Aug-19	1,924,611	-	15,120,076	173,199	9,523	1,214,257	13,905,819	1,596,937	152,607	590,050	4,593,684
Sep-19	1,396,648	-	16,516,724	189,826	9,523	1,413,806	15,103,118	1,058,999	164,925	365,229	4,958,913
	Program Assumption	See WP-SS-EE17-1.xlsx 'ITCap-E' wksht	Prior Month + (Col 1 + Col 2)	1/84 of each Prior 84 Months from Col 1 (7year amortization)	See WP-SS-EE17-1.xlsx 'AmortE' wksht	Prior Month + (Col 4 + Col 5)	Col 3 - Col 6	See WP-SS-EE17-1.xlsx 'AmortE' wksht	See WP-SS-EE17-1.xlsx 'AmortE' wksht	(Col 8 - Col 9) * Income Tax Rate	Prior Month + Col 10
<b>Annual Summary</b>											
2017	-	-	-	-	-	-	-	-	-	-	-
2018	4,344,792	571,367	4,916,159	163,228	80,944	244,171	4,671,988	3,681,698	220,421	1,413,932	1,413,932
2019	16,912,944	-	21,829,104	1,778,698	114,273	2,137,143	19,691,961	14,237,365	1,571,956	5,173,820	6,587,751
2020	16,499,838	-	38,328,942	4,456,457	114,273	6,707,873	31,821,069	11,869,570	3,750,449	3,316,661	9,904,412
2021	3,859,749	-	42,188,692	5,760,731	114,273	12,582,877	29,605,814	4,139,527	(1,873,068)	(2,456,145)	7,448,267
2022	-	-	42,188,692	5,945,332	114,273	18,642,483	23,546,209	-	4,020,587	(1,642,410)	5,805,857
2023	-	-	42,188,692	5,945,332	33,330	24,621,144	17,567,547	-	3,939,644	(1,809,344)	4,198,512
2024	-	-	42,188,692	5,945,332	-	30,566,476	11,622,215	-	3,906,314	(1,595,729)	2,600,783
2025	-	-	42,188,692	5,782,104	-	36,348,581	5,840,111	-	3,786,836	(1,538,753)	1,062,030
2026	-	-	42,188,692	4,166,634	-	40,515,215	1,673,477	-	2,448,631	(1,000,266)	61,764
2027	-	-	42,188,692	1,488,876	-	42,004,090	184,601	-	270,138	(110,351)	(48,587)
2028	-	-	42,188,692	184,601	-	42,188,692	-	-	(118,940)	48,587	0
2029	-	-	42,188,692	-	-	42,188,692	-	-	-	-	0
2030	-	-	42,188,692	-	-	42,188,692	-	-	-	-	0
2031	-	-	42,188,692	-	-	42,188,692	-	-	-	-	0
<b>Total</b>	<b>41,617,325</b>	<b>571,367</b>		<b>41,617,325</b>	<b>571,367</b>			<b>27,915,565</b>	<b>27,915,565</b>	<b>(0)</b>	
<b>Oct 17 - Sep 19</b>	<b>15,945,357</b>			<b>1,246,957</b>	<b>166,649</b>			<b>13,331,540</b>	<b>1,192,217</b>	<b>4,858,913</b>	

PSE&G EE 2017 Program  
Electric Revenue Requirements Calculation

Attachment 1  
Schedule SS-EE17-2E  
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Monthly WACC effective 10/01/2017	0.86791%
Inc. tax rate effective 10/01/2017	40.85000%

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
	<u>Net Investment</u>	<u>Return Requirement</u>	<u>Program Investment Repayments</u>	<u>Fixed Administrative Allowance</u>	<u>Evaluation / IT Residential Data Analytics</u>	<u>Cost Offsets</u>	<u>Tax Adjustment</u>	<u>Revenue Requirements</u>
<b>Monthly Calculation</b>								
Oct-17	-	-	-	228,872	21,886	-	-	250,759
Nov-17	-	-	-	228,872	21,886	-	-	250,759
Dec-17	-	-	-	228,872	21,886	-	-	250,759
Jan-18	-	-	-	227,237	32,829	-	-	260,066
Feb-18	-	-	-	227,237	32,829	-	-	260,066
Mar-18	-	-	-	227,237	32,829	-	-	260,066
Apr-18	628,642	2,728	-	227,237	32,829	-	-	268,846
May-18	702,013	5,774	-	227,237	-	-	-	245,581
Jun-18	787,713	6,465	-	227,237	-	-	-	248,301
Jul-18	857,980	7,142	-	227,237	-	-	-	250,717
Aug-18	911,940	7,681	-	227,237	-	-	-	252,684
Sep-18	1,475,507	10,360	-	227,237	-	-	1,640	267,189
Oct-18	2,053,951	15,316	-	227,237	-	-	3,280	284,416
Nov-18	2,618,072	20,274	(5,542)	227,237	-	-	1,093	292,132
Dec-18	3,258,056	25,500	(11,083)	227,237	-	-	(1,093)	301,807
Jan-19	3,884,137	30,994	(16,625)	265,402	9,018	-	(3,280)	358,816
Feb-19	4,486,835	36,328	(22,167)	265,402	9,018	-	(5,467)	368,170
Mar-19	5,054,405	41,405	(27,708)	265,402	9,018	-	(7,654)	376,716
Apr-19	5,773,796	46,990	(33,250)	265,402	9,018	-	(9,841)	389,015
May-19	6,473,281	53,147	(38,792)	265,402	9,018	-	(12,028)	401,675
Jun-19	7,072,515	58,783	(44,333)	265,402	9,018	-	(14,215)	411,963
Jul-19	8,160,295	66,104	(49,875)	265,402	9,018	-	(16,402)	434,056
Aug-19	9,312,135	75,822	(55,417)	265,402	9,018	-	(17,405)	460,142
Sep-19	10,144,205	84,432	(63,119)	265,402	9,018	-	(19,818)	475,263
	Col 7 - Col 11	(Prior Col 12 + Col 13) / 2 * Monthly Pre Tax WACC	Program Investment Repayments	Fixed Administrative Allowance	Input	Cost Offsets	See WP-SS-EE17-1.xlsx 'AmortE' wsht	Col 4 + Col 5 + Col 13 + Col 14 + Col 15 + Col 16 + Col 17
<b>Annual Summary</b>								
2017	-	-	-	688,617	65,658	-	-	752,276
2018	3,258,056	101,240	(16,625)	2,726,847	131,317	-	4,921	3,191,870
2019	13,104,210	796,986	(585,527)	3,184,821	108,216	-	(182,676)	5,214,791
2020	21,716,657	1,865,376	(1,549,427)	1,366,450	278,271	-	(503,561)	6,027,838
2021	22,157,548	2,340,654	(2,841,509)	478,780	46,378	-	(763,845)	5,135,463
2022	17,740,352	2,077,667	(2,808,441)	10,135	-	-	(531,377)	4,807,589
2023	13,371,035	1,619,392	(2,070,529)	10,439	-	-	(21,762)	5,516,202
2024	9,021,432	1,166,079	(1,932,237)	10,752	-	-	73,745	5,263,670
2025	4,778,080	715,065	(1,723,431)	11,075	-	-	201,548	4,986,360
2026	1,611,712	318,424	(581,450)	11,407	-	-	798,735	4,733,750
2027	233,188	82,897	(50,103)	11,749	-	-	807,079	2,340,498
2028	(0)	7,239	(50,103)	12,101	-	-	175,029	328,868
2029	(0)	(0)	(47,942)	12,464	-	-	(33,110)	(68,587)
2030	(0)	(0)	(30,761)	-	-	-	(21,244)	(52,005)
2031	(0)	(0)	(5,042)	-	-	-	(3,482)	(6,523)
<b>Total</b>		11,091,020	(14,273,127)	8,533,636	629,840	-	(0)	48,170,061
<b>Oct 17 - Sep 19</b>		595,242	(367,911)	5,802,079	278,137	-	(101,191)	7,619,962

PSE&G EE 2017 Program  
Gas Revenue Requirements Calculation

Monthly WACC effective 10/01/2017	0.867910%
Inc. tax rate effective 10/01/2017	40.850%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	<u>Program Investment</u>	<u>Capitalized IT Costs</u>	<u>Gross Plant</u>	<u>Program Investment Amortization</u>	<u>IT Cost Amortization</u>	<u>Accumulated Amortization</u>	<u>Net Plant</u>	<u>Tax Depreciation</u>	<u>Book Depreciation Tax Basis</u>	<u>Deferred Income Tax</u>	<u>Accumulated Deferred Income Tax</u>
<b>Monthly Calculation</b>											
Oct-17	-	-	-	-	-	-	-	-	-	-	-
Nov-17	-	-	-	-	-	-	-	-	-	-	-
Dec-17	-	-	-	-	-	-	-	-	-	-	-
Jan-18	-	-	-	-	-	-	-	-	-	-	-
Feb-18	-	-	-	-	-	-	-	-	-	-	-
Mar-18	-	-	-	-	-	-	-	-	-	-	-
Apr-18	105,990	746,184	852,174	1,262	6,218	7,480	844,694	116,354	7,480	44,475	44,475
May-18	157,057	-	1,009,231	3,132	12,436	23,048	988,183	177,784	15,568	66,265	110,740
Jun-18	186,845	-	1,196,076	5,356	12,436	40,840	1,155,236	207,573	17,792	77,525	188,266
Jul-18	138,629	-	1,334,705	7,006	12,436	80,283	1,274,422	159,356	19,443	57,155	245,420
Aug-18	104,585	-	1,439,289	8,251	12,436	80,970	1,358,319	125,312	20,888	42,739	288,159
Sep-18	221,418	-	1,660,707	10,887	12,436	104,294	1,556,413	231,645	23,199	85,151	373,310
Oct-18	286,657	-	1,847,364	14,300	12,436	131,030	1,816,334	296,884	26,486	110,457	483,767
Nov-18	314,023	-	2,261,387	18,038	12,436	161,505	2,099,882	324,250	30,100	120,161	603,928
Dec-18	532,945	-	2,794,331	24,383	12,436	198,324	2,598,008	543,172	36,319	207,049	810,977
Jan-19	520,178	-	3,314,509	30,575	12,436	241,335	3,073,174	530,405	42,367	199,356	1,010,333
Feb-19	486,134	-	3,800,643	36,363	12,436	290,134	3,510,509	496,361	48,049	183,136	1,193,468
Mar-19	485,118	-	4,285,761	42,138	12,436	344,709	3,941,052	495,345	53,899	180,412	1,373,881
Apr-19	641,590	-	4,927,351	49,776	12,436	406,921	4,520,430	651,817	61,212	241,262	1,615,143
May-19	655,084	-	5,582,435	57,574	12,436	478,932	5,105,503	655,312	68,886	243,640	1,858,783
Jun-19	631,211	-	6,213,646	65,089	12,436	554,457	5,659,189	641,438	76,275	230,869	2,089,652
Jul-19	1,207,223	-	7,420,869	79,461	12,436	646,354	6,774,515	1,217,450	90,522	460,350	2,550,002
Aug-19	1,143,764	-	8,564,633	93,077	12,436	751,867	7,812,766	803,037	99,835	287,258	2,837,260
Sep-19	1,092,006	-	9,656,639	106,077	12,436	870,380	8,786,259	750,753	108,526	262,350	3,099,610
	<u>Program Assumption</u>	<u>See WP-SS-EE17-1.xlsx 'ITCap-G' wksht</u>	<u>Prior Month + (Col 1 + Col 2)</u>	<u>1/84 of each Prior 84 Months from Col 1 (7 year amortization)</u>	<u>See WP-SS-EEE17-1.xlsx 'AmortG' wksht</u>	<u>Prior Month + (Col 4 + Col 5)</u>	<u>Col 3 - Col 6</u>	<u>See WP-SS-EE17-1.xlsx 'AmortG' wksht</u>	<u>See WP-SS-EE17-1.xlsx 'AmortG' wksht</u>	<u>Deferred Income Tax</u>	<u>Prior Month + Col 10</u>
<b>Annual Summary</b>											
2017	-	-	-	-	-	-	-	-	-	-	-
2018	2,048,148	746,184	2,794,331	92,614	105,709	198,324	2,596,008	2,182,330	197,074	810,977	810,977
2019	9,964,469	-	12,758,800	951,844	149,237	1,299,405	11,459,395	9,032,232	1,035,132	3,266,815	4,077,792
2020	12,437,777	-	25,196,577	2,717,505	149,237	4,166,146	21,030,431	8,499,834	2,426,550	2,480,936	6,558,729
2021	2,932,282	-	28,128,859	3,803,727	149,237	8,119,110	20,009,749	(1,375,778)	2,745,378	(1,683,492)	4,875,237
2022	-	-	28,128,859	3,911,811	149,237	12,180,158	15,948,701	-	2,662,442	(1,087,607)	3,787,629
2023	-	-	28,128,859	3,911,811	43,527	16,135,496	11,993,363	-	2,556,732	(1,044,425)	2,743,204
2024	-	-	28,128,859	3,911,811	-	20,047,307	8,081,552	-	2,513,205	(1,026,644)	1,716,560
2025	-	-	28,128,859	3,819,196	-	23,866,503	4,262,356	-	2,421,840	(969,322)	727,238
2026	-	-	28,128,859	2,959,966	-	26,826,470	1,302,389	-	1,627,309	(664,756)	62,482
2027	-	-	28,128,859	1,184,306	-	28,020,776	108,084	-	235,891	(96,362)	(33,879)
2028	-	-	28,128,859	108,084	-	28,128,859	-	-	(82,936)	33,879	(0)
2029	-	-	28,128,859	-	-	28,128,859	-	-	-	-	(0)
2030	-	-	28,128,859	-	-	28,128,859	-	-	-	-	(0)
2031	-	-	28,128,859	-	-	28,128,859	-	-	-	-	(0)
<b>Total</b>	<b>27,382,675</b>	<b>746,184</b>		<b>27,382,675</b>	<b>746,184</b>			<b>18,338,617</b>	<b>18,338,617</b>		
<b>Oct 17 - Sep 19</b>	<b>8,910,455</b>			<b>652,743</b>	<b>217,637</b>			<b>8,434,248</b>	<b>846,455</b>	<b>3,099,610</b>	

PSE&G EE 2017 Program  
Gas Revenue Requirements Calculation

Attachment 1  
Schedule SS-EE17-2G  
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Monthly WACC effective 10/01/2017	0.867910%
Inc. tax rate effective 10/01/2017	40.850%

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
	<u>Net Investment</u>	<u>Return Requirement</u>	<u>Program Investment Repayments</u>	<u>Fixed Administrative Allowance</u>	<u>Evaluation / IT Residential Data Analytics</u>	<u>Cost Offsets</u>	<u>Tax Adjustment</u>	<u>Revenue Requirements</u>
<b>Monthly Calculation</b>								
Oct-17	-	-	-	141,244	11,447	-	-	152,691
Nov-17	-	-	-	141,244	11,447	-	-	152,691
Dec-17	-	-	-	141,244	11,447	-	-	152,691
Jan-18	-	-	-	140,235	17,171	-	-	157,406
Feb-18	-	-	-	140,235	17,171	-	-	157,406
Mar-18	-	-	-	140,235	17,171	-	-	157,406
Apr-18	800,219	3,473	-	140,235	17,171	-	-	168,358
May-18	875,443	7,272	-	140,235	-	-	-	163,074
Jun-18	966,970	7,995	-	140,235	-	-	-	166,022
Jul-18	1,029,002	8,662	-	140,235	-	-	-	168,339
Aug-18	1,070,160	9,109	-	140,235	-	-	-	170,032
Sep-18	1,183,104	9,778	-	140,235	-	-	86	173,423
Oct-18	1,332,567	10,917	-	140,235	-	-	173	178,061
Nov-18	1,495,954	12,275	(292)	140,235	-	-	58	182,750
Dec-18	1,785,030	14,238	(583)	140,235	-	-	(58)	190,651
Jan-19	2,062,841	16,698	(875)	163,787	5,565	-	(173)	228,015
Feb-19	2,317,041	19,007	(1,167)	163,787	5,565	-	(288)	235,704
Mar-19	2,567,172	21,195	(1,458)	163,787	5,565	-	(403)	243,261
Apr-19	2,905,287	23,748	(1,750)	163,787	5,565	-	(518)	253,045
May-19	3,246,721	26,697	(2,042)	163,787	5,565	-	(633)	263,386
Jun-19	3,589,537	29,579	(2,333)	163,787	5,565	-	(748)	273,376
Jul-19	4,224,513	33,823	(2,625)	163,787	5,565	-	(863)	291,584
Aug-19	4,975,506	39,924	(2,917)	163,787	5,565	-	1,907	313,780
Sep-19	5,686,649	46,269	(3,473)	163,787	5,565	-	1,046	326,708
	Col 7 - Col 11	(Prior Col 12 + Col 12) / 2 * Monthly Pre Tax WACC	Program Investment Repayments	Fixed Administrative Allowance	Input	N/A	See WP-SS-EE17-1.xlsx 'AmorG' wksht	Col 4 + Col 5 + Col 13 + Col 14 + Col 15 + Col 16 + Col 17
<b>Annual Summary</b>								
2017	-	-	-	423,732	34,342	-	-	458,074
2018	1,785,030	83,718	(875)	1,682,819	68,683	-	259	2,032,928
2019	7,381,603	428,281	(77,173)	1,965,449	66,784	-	(7,751)	3,476,670
2020	14,471,702	1,148,156	(525,719)	843,277	171,729	-	(59,067)	4,445,118
2021	15,134,512	1,608,908	(1,536,948)	295,469	28,622	-	(227,463)	4,121,552
2022	12,161,072	1,421,407	(1,836,183)	6,254	-	-	(302,198)	3,350,327
2023	9,250,159	1,114,040	(1,797,346)	6,442	-	-	(275,377)	3,003,098
2024	6,364,992	813,153	(1,748,862)	6,635	-	-	(241,893)	2,740,843
2025	3,535,118	513,995	(1,381,013)	6,834	-	-	11,286	2,970,299
2026	1,239,907	240,149	(437,942)	7,039	-	-	617,905	3,387,118
2027	141,963	61,193	(122,071)	7,251	-	-	577,593	1,718,271
2028	0	3,850	(122,071)	7,468	-	-	47,617	44,947
2029	0	0	(116,807)	7,692	-	-	(80,669)	(189,784)
2030	0	0	(74,947)	-	-	-	(51,759)	(128,706)
2031	0	0	(12,283)	-	-	-	(6,483)	(20,767)
<b>Total</b>		7,436,848	(9,780,242)	5,266,364	370,160	-	(0)	31,411,990
<b>Oct 17 - Sep 19</b>		340,658	(24,514)	3,580,638	153,113	-	(414)	4,919,862

**PSE&G EE 2017 Program  
Proposed Rate Calculations**

**Attachment 1  
Schedule SS-EE17-3**

(\$'s Unless Specified)

Current SUT Rate 6.875%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Gas</u>	<u>Source/Description</u>
1	Oct 17 - Sep 19	Revenue Requirements	7,619,962	4,919,862	SS-2E/G, Col 19
2	Oct 17 - Sep 19	Forecasted (\$/kWh or \$/Therm)	82,609,418	5,929,034	
3		Calculated Rate w/o SUT (\$/kWh or \$/Therm)	0.000092	0.000830	Line 1 / Line 2 [Rnd 6]
4		Public Notice Rate w/o SUT (\$/kWh)	0.000089	0.000902	
5		Proposed Rate w/o SUT (\$/kWh or \$/Therm)	0.000089	0.000902	Line 4
6		Proposed Rate w/ SUT effective 1/1/17 (\$/kWh or \$/Therm)	0.000095	0.000964	(Line 3 * (1 + SUT Rate)) [Rnd 6]
7		Existing Rate w/o SUT (\$/kWh or \$/Therm)	0.000000	0.000000	
8		Difference in Proposed and Existing Rate	0.000089	0.000902	(Line 3 - Line 6)
9		Resultant EE 2017 Program Revenue Increase / (Decrease)	7,352,238	5,347,989	(Line 2 * Line 7 * 1,000)

**PSE&G EE 2017 Program**  
**Electric GPRC Recovery Charge (GPRC) - Rate Impact Analysis**

Attachment 1

Schedule SS-EE17-4E

6.875% SUT Rate effective 1/1/2017  
 41,260,459 kWh Sales (000) - Oct 17 - Sep 18  
 41,348,960 kWh Sales (000) - Oct 18 - thereafter

7,200 Avg RS kWh / yr.  
 750 Avg RS kWh / Summer Month  
 525 Avg RS kWh / Winter Month

0.001148 Current electric GPRC (\$/kWh)

(1)	(2)	(3)	(4) - (10) Class Average Rate w/SUT - \$/kWh <sup>1</sup>							(11) - (13) Typical RS GPRC (\$)			(14) Change in RS Typical Annual Bill (\$'s)	(15) RS Typical Annual Bill (\$'s) <sup>4</sup>	(16) % Change in RS Typical Annual Bill			
			Electric EE17 Revenue Requirements <sup>2</sup>	Electric EE17 w/o SUT (\$/kWh)	Electric EE17 w/ SUT (\$/kWh) <sup>3</sup>	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S				Summer Monthly Bill	Winter Monthly Bill	Annual Bill
				0.178372	0.137299	0.173919	0.173923	0.142457	0.099213	0.086175	0.86	0.60	8.24		1,284.28			
				0.178474	0.137401	0.174021	0.174025	0.142559	0.099315	0.086277	0.94	0.66	9.04	\$0.80	1,285.08	0.06%		
				0.178527	0.137454	0.174074	0.174078	0.142612	0.099368	0.086330	0.98	0.68	9.36	\$1.12	1,285.40	0.08%		
				0.178511	0.137438	0.174058	0.174062	0.142596	0.099352	0.086314	0.97	0.68	9.32	\$1.08	1,285.36	0.08%		
				0.178496	0.137423	0.174043	0.174047	0.142581	0.099337	0.086299	0.95	0.67	9.16	\$0.92	1,285.20	0.07%		
				0.178513	0.137440	0.174060	0.174064	0.142598	0.099354	0.086316	0.97	0.68	9.32	\$1.08	1,285.36	0.08%		
				0.178510	0.137437	0.174057	0.174061	0.142595	0.099351	0.086313	0.96	0.68	9.28	\$1.04	1,285.32	0.08%		
				0.178501	0.137428	0.174048	0.174052	0.142586	0.099342	0.086304	0.96	0.67	9.20	\$0.96	1,285.24	0.07%		
				0.178499	0.137426	0.174046	0.174050	0.142584	0.099340	0.086302	0.96	0.67	9.20	\$0.96	1,285.24	0.07%		
				0.178444	0.137371	0.173991	0.173995	0.142529	0.099285	0.086247	0.92	0.64	8.80	\$0.56	1,284.64	0.04%		
				0.178386	0.137313	0.173933	0.173937	0.142471	0.099227	0.086189	0.87	0.61	8.36	\$0.12	1,284.40	0.01%		
				0.178370	0.137297	0.173917	0.173921	0.142455	0.099211	0.086173	0.86	0.60	8.24	\$0.00	1,284.28	0.00%		
				0.178371	0.137298	0.173918	0.173922	0.142456	0.099212	0.086174	0.86	0.60	8.24	\$0.00	1,284.28	0.00%		
				0.178372	0.137299	0.173919	0.173923	0.142457	0.099213	0.086175	0.86	0.60	8.24	\$0.00	1,284.28	0.00%		
				Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 11)							(Cur. eGPRC + Col 3) * Avg RS kWh Sum Mo Rnd 2	(Cur. eGPRC + Col 3) * Avg RS kWh Win Mo Rnd 2	(4 * Col 11) + (8 * Col 12)	Col 13 - Current Col 13	Current Col 15 + Col 14	Col 14 / Current Col 15 Rnd 4		
				% Change from Current Class Average Rate w/SUT														
				RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S								
				Oct 17 - Sep 19	0.06%	0.07%	0.06%	0.06%	0.07%	0.10%	0.12%							
				Oct 19 - Sep 20	0.09%	0.11%	0.09%	0.09%	0.11%	0.16%	0.18%							
				Oct 20 - Sep 21	0.08%	0.10%	0.08%	0.08%	0.10%	0.14%	0.16%							
				Oct 21 - Sep 22	0.07%	0.09%	0.07%	0.07%	0.09%	0.12%	0.14%							
				Oct 22 - Sep 23	0.08%	0.10%	0.08%	0.08%	0.10%	0.14%	0.16%							
				Oct 23 - Sep 24	0.08%	0.10%	0.08%	0.08%	0.10%	0.14%	0.16%							
				Oct 24 - Sep 25	0.07%	0.09%	0.07%	0.07%	0.09%	0.13%	0.15%							
				Oct 25 - Sep 26	0.07%	0.09%	0.07%	0.07%	0.09%	0.13%	0.15%							
				Oct 26 - Sep 27	0.04%	0.05%	0.04%	0.04%	0.05%	0.07%	0.08%							
				Oct 27 - Sep 28	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%							
				Oct 28 - Sep 29	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
				Oct 29 - Sep 30	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							

<sup>1</sup> All customers assumed to have BGS Supply

<sup>2</sup> Initial Rate period is October 2017 to September 2019 for EE 2017 Program

<sup>3</sup> SUT is assumed at the current SUT rate effective January 1, 2017 through the life of the Program

<sup>4</sup> The rates are based on a typical residential bill as of March 1, 2017

**PSE&G EE 2017 Program  
Gas GPRC Recovery Charge (GPRC) - Rate Impact Analysis**

Attachment 1  
Schedule SS-EE17-4G

6.875% SUT Rate effective 1/1/2017  
2,955,682 Therm Sales (000) Oct 17 - Sep 18  
2,973,352 Therm Sales (000) Oct 18 - thereafter

1,010 Typical RSG Therms / yr.  
0.004981 Current gas GPRC (\$/therm)  
165 91 28 Monthly Therms  
4 2 6 # of Months/year

(1)	(2)	(3)	(4)-(9) Class Average Rate w/SUT - \$/therm <sup>1</sup>						(10)-(13) Typical RSG GPRC (\$)				(14) Change in RSG Typical Annual Bill (\$s)	(15) RSG Typical Annual Bill (\$s) <sup>4</sup>	(16) % Change in RSG Typical Annual Bill	
			RSG	GSG	LVG	TSG-F	TSG-NF	CIG	Dec-Mar	Nov & Apr	May-Oct	Annual Bill				
									Monthly Bill	Monthly Bill	Monthly Bill					
Current			0.852495	1.003773	0.831586	0.696305	0.630827	0.419983	0.82	0.45	0.14	5.02		861.02		
Oct 17 - Sep 19	5,105,725	0.000861	0.000920	0.853415	1.004893	0.832506	0.697225	0.631747	0.420844	0.97	0.54	0.17	5.98	\$0.96	861.98	0.11%
Oct 19 - Sep 20	4,312,229	0.001450	0.001550	0.854045	1.005323	0.833136	0.697855	0.632377	0.421433	1.08	0.59	0.18	6.58	\$1.56	862.58	0.18%
Oct 20 - Sep 21	4,312,891	0.001451	0.001551	0.854046	1.005324	0.833137	0.697856	0.632378	0.421434	1.08	0.59	0.18	6.58	\$1.56	862.58	0.18%
Oct 21 - Sep 22	3,459,258	0.001163	0.001243	0.853738	1.005016	0.832829	0.697548	0.632070	0.421146	1.03	0.57	0.17	6.28	\$1.26	862.28	0.15%
Oct 22 - Sep 23	3,070,850	0.001033	0.001104	0.853599	1.004877	0.832690	0.697409	0.631931	0.421016	1.00	0.55	0.17	6.12	\$1.10	862.12	0.13%
Oct 23 - Sep 24	2,743,426	0.000923	0.000986	0.853481	1.004759	0.832572	0.697291	0.631813	0.420906	0.98	0.54	0.17	6.02	\$1.00	862.02	0.12%
Oct 24 - Sep 25	2,909,027	0.000978	0.001045	0.853540	1.004818	0.832631	0.697350	0.631872	0.420981	0.99	0.55	0.17	6.08	\$1.06	862.08	0.12%
Oct 25 - Sep 26	3,431,709	0.001154	0.001233	0.853728	1.005006	0.832819	0.697538	0.632060	0.421137	1.03	0.57	0.17	6.28	\$1.26	862.28	0.15%
Oct 26 - Sep 27	2,074,199	0.000698	0.000746	0.853241	1.004519	0.832332	0.697051	0.631573	0.420681	0.94	0.52	0.16	5.76	\$0.74	861.76	0.09%
Oct 27 - Sep 28	207,130	0.000070	0.000075	0.852570	1.003848	0.831681	0.696380	0.630902	0.420053	0.83	0.46	0.14	5.08	\$0.06	861.08	0.01%
Oct 28 - Sep 29	(192,493)	(0.000065)	(0.000069)	0.852426	1.003704	0.831517	0.696236	0.630758	0.419918	0.81	0.45	0.14	4.98	-\$0.04	860.98	0.00%
Oct 29 - Sep 30	(139,054)	(0.000047)	(0.000050)	0.852445	1.003723	0.831536	0.696255	0.630777	0.419936	0.81	0.45	0.14	4.98	-\$0.04	860.98	0.00%
Oct 30 - Sep 31	(35,600)	(0.000012)	(0.000013)	0.852482	1.003760	0.831573	0.696292	0.630814	0.419971	0.82	0.45	0.14	5.02	\$0.00	861.02	0.00%
Total	31,259,298															
From Schedule SS-EE17-3G Col 18			Col 1 / Therm Sales	Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 10)						(Cur. GPRC + Col 3) * Dec-Mar Monthly Therms Rnd 2	(Cur. GPRC + Col 3) * Nov & Apr Monthly Therms Rnd 2	(Cur. GPRC + Col 3) * May-Oct Monthly Therms Rnd 2	(4 * Col 10) + (2 * Col 11) + (6 * Col 12)	Col 13 - Current Col 13	Current Col 15 + Col 14	Col 14 / Current Col 15 Rnd 4
			Col 2 * (1 + SUT Rate) Rnd 6													
				% Change from Current Class Average Rate w/SUT												
				RSG	GSG	LVG	TSG-F	TSG-NF	CIG							
			Oct 17 - Sep 19	0.11%	0.09%	0.11%	0.13%	0.15%	0.22%							
			Oct 19 - Sep 20	0.18%	0.15%	0.19%	0.22%	0.25%	0.37%							
			Oct 20 - Sep 21	0.18%	0.15%	0.19%	0.22%	0.25%	0.37%							
			Oct 21 - Sep 22	0.15%	0.12%	0.15%	0.18%	0.20%	0.30%							
			Oct 22 - Sep 23	0.13%	0.11%	0.13%	0.16%	0.18%	0.26%							
			Oct 23 - Sep 24	0.12%	0.10%	0.12%	0.14%	0.16%	0.23%							
			Oct 24 - Sep 25	0.12%	0.10%	0.13%	0.15%	0.17%	0.25%							
			Oct 25 - Sep 26	0.14%	0.12%	0.15%	0.18%	0.20%	0.29%							
			Oct 26 - Sep 27	0.09%	0.07%	0.09%	0.11%	0.12%	0.18%							
			Oct 27 - Sep 28	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%							
			Oct 28 - Sep 29	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.02%							
			Oct 29 - Sep 30	-0.01%	0.00%	-0.01%	-0.01%	-0.01%	-0.01%							
			Oct 30 - Sep 31	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							

<sup>1</sup> All customers assumed to have BGSS Supply  
<sup>2</sup> Initial Rate period is October 2017 to September 2019 for EE 2017 Program  
<sup>3</sup> SUT is assumed at the current SUT rate effective January 1, 2017 through the life of the Program  
<sup>4</sup> The rates are based on a typical residential bill as of March 1, 2017

**PSE&G EE 2017 Program  
Electric Over/(Under) Calculation**

**Attachment 1  
Schedule SS-EE17-5E**

Reflects a tax rate of	40.85%
Existing Rate / kWh (w/o SUT)	0.000000
Proposed Rate / kWh (w/o SUT)	0.000089

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	<u>Over / (Under) Recovery Beginning Balance</u>	<u>Electric Revenues</u>	<u>Revenue Requirement Excluding WACC. Cost</u>	<u>Over / (Under) Recovery</u>	<u>Over / (Under) Recovery Ending Balance</u>	<u>Over / (Under) Average Monthly Balance</u>	<u>Interest Rate (Annualized)</u>	<u>Interest On Over / (Under) Average Monthly Balance</u>	<u>Interest Roll-In</u>	<u>Cumulative Interest</u>
<b>Monthly Calculation</b>										
Oct-17	-	313,775	250,759	63,016	63,016	31,508	0.55%	9	-	9
Nov-17	63,016	284,353	250,759	33,595	96,611	79,814	0.55%	22	-	30
Dec-17	96,611	269,642	250,759	18,883	115,494	106,053	0.55%	29	-	59
Jan-18	115,494	303,522	260,066	43,456	158,950	137,222	0.55%	37	-	96
Feb-18	158,950	322,458	260,066	62,392	221,342	190,146	0.55%	52	-	148
Mar-18	221,342	293,669	260,066	33,602	254,944	238,143	0.55%	65	-	212
Apr-18	254,944	301,519	268,846	32,673	287,618	271,281	0.55%	74	-	286
May-18	287,618	271,427	245,581	25,845	313,463	300,541	0.55%	81	-	367
Jun-18	313,463	299,296	248,301	50,996	364,459	338,961	0.55%	92	-	459
Jul-18	364,459	334,737	250,717	84,020	448,479	406,469	0.55%	110	-	569
Aug-18	448,479	407,845	252,684	155,162	603,640	526,059	0.55%	143	-	712
Sep-18	603,640	393,719	267,189	126,530	730,170	666,905	0.55%	181	-	893
Oct-18	730,170	312,383	284,416	27,968	758,138	744,154	0.55%	202	-	1,095
Nov-18	758,138	286,846	292,132	(5,286)	752,852	755,495	0.55%	205	-	1,299
Dec-18	752,852	266,996	301,807	(34,811)	718,041	735,446	0.55%	199	-	1,499
Jan-19	718,041	307,235	358,816	(51,581)	666,460	692,250	0.55%	188	-	1,686
Feb-19	666,460	326,997	368,170	(41,173)	625,287	645,873	0.55%	175	-	1,862
Mar-19	625,287	287,992	376,716	(88,723)	536,563	580,925	0.55%	157	-	2,019
Apr-19	536,563	307,948	389,015	(81,067)	455,496	496,030	0.55%	134	-	2,154
May-19	455,496	275,676	401,675	(126,000)	329,497	392,497	0.55%	106	-	2,260
Jun-19	329,497	287,852	411,963	(124,111)	205,386	267,441	0.55%	73	-	2,332
Jul-19	205,386	340,092	434,056	(93,964)	111,422	158,404	0.55%	43	-	2,375
Aug-19	111,422	410,068	460,142	(50,074)	61,348	86,385	0.55%	23	-	2,399
Sep-19	61,348	394,019	475,263	(81,244)	(19,896)	20,726	0.55%	6	-	2,404

(Prior Col 5) + (Col 9)	Forecasted kWh * Proposed Rate	See Revenue Requirements Schedule for Details	Col 2 - Col 3	Col 1 + Col 4	(Col 1 + Col 5) / 2	(Col 6 * (Col 7) / 12)*net of tax rate	Prior Month + Col 8 - Col 9
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**PSE&G EE 2017 Program  
Gas Over/(Under) Calculation**

Attachment 1  
Schedule SS-EE-17-7G

Reflects a tax rate of	40.85%
Existing Rate / Therms (w/o SUT)	0.000000
Proposed Rate /Therms (w/o SUT)	0.000902

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	<u>Over / (Under) Recovery Beginning Balance</u>	<u>Gas Revenues</u>	<u>Revenue Requirement Excluding WACC Cost</u>	<u>Over / (Under) Recovery</u>	<u>Over / (Under) Recovery Ending Balance</u>	<u>Over / (Under) Average Monthly Balance</u>	<u>Interest Rate (Annualized)</u>	<u>Interest On Over / (Under) Average Monthly Balance</u>	<u>Interest Roll-In</u>	<u>Cumulative Interest</u>
<b>Monthly Calculations</b>										
Oct-17	-	81,071	152,691	(71,621)	(71,621)	(35,810)	0.55%	-	-	-
Nov-17	(71,621)	133,979	152,691	(18,713)	(90,334)	(80,977)	0.55%	(22)	-	(22)
Dec-17	(90,334)	230,075	152,691	77,384	(12,949)	(51,642)	0.55%	(14)	-	(36)
Jan-18	(12,949)	341,446	157,406	184,040	171,091	79,071	0.55%	21	-	(15)
Feb-18	171,091	405,990	157,406	248,584	419,675	295,383	0.55%	80	-	66
Mar-18	419,675	354,433	157,406	197,027	616,702	518,188	0.55%	140	-	206
Apr-18	616,702	331,561	168,358	163,203	779,905	698,303	0.55%	189	-	395
May-18	779,905	199,696	163,074	36,621	816,526	798,215	0.55%	216	-	612
Jun-18	816,526	119,957	166,022	(46,066)	770,460	793,493	0.55%	215	-	827
Jul-18	770,460	86,673	168,339	(81,667)	688,793	729,627	0.55%	198	-	1,025
Aug-18	688,793	90,919	170,032	(79,113)	609,680	649,237	0.55%	176	-	1,201
Sep-18	609,680	77,418	173,423	(96,005)	513,675	561,678	0.55%	152	-	1,353
Oct-18	513,675	80,900	178,061	(97,161)	416,515	465,095	0.55%	126	-	1,479
Nov-18	416,515	135,459	182,750	(47,291)	369,223	392,869	0.55%	107	-	1,586
Dec-18	369,223	232,419	190,651	41,767	410,991	390,107	0.55%	106	-	1,691
Jan-19	410,991	346,316	228,015	118,301	529,292	470,141	0.55%	127	-	1,819
Feb-19	529,292	407,616	235,704	171,912	701,204	615,248	0.55%	167	-	1,986
Mar-19	701,204	355,464	243,261	112,203	813,406	757,305	0.55%	205	-	2,191
Apr-19	813,406	334,149	253,045	81,104	894,511	853,959	0.55%	232	-	2,423
May-19	894,511	201,583	263,386	(61,803)	832,708	863,609	0.55%	234	-	2,657
Jun-19	832,708	117,324	273,376	(156,052)	676,656	754,682	0.55%	205	-	2,861
Jul-19	676,656	88,290	291,584	(203,294)	473,362	575,009	0.55%	156	-	3,017
Aug-19	473,362	91,062	313,780	(222,718)	250,644	362,003	0.55%	98	-	3,115
Sep-19	250,644	77,301	326,708	(249,407)	1,237	125,940	0.55%	34	-	3,149
	(Prior Col 5) + (Col 9)		See Revenue Requirements Schedule for Details	Col 2 - Col 3	Col 1 + Col 4	(Col 1 + Col 5) / 2	PSE&G CP/STD Wght Avg Rate from Previous Month	(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

**Fixed Administrative Allowance**

Monthly Allowance	Total	Electric	Gas
Oct-17	370,117	228,872	141,244
Nov-17	370,117	228,872	141,244
Dec-17	370,117	228,872	141,244
Jan-18	367,472	227,237	140,235
Feb-18	367,472	227,237	140,235
Mar-18	367,472	227,237	140,235
Apr-18	367,472	227,237	140,235
May-18	367,472	227,237	140,235
Jun-18	367,472	227,237	140,235
Jul-18	367,472	227,237	140,235
Aug-18	367,472	227,237	140,235
Sep-18	367,472	227,237	140,235
Oct-18	367,472	227,237	140,235
Nov-18	367,472	227,237	140,235
Dec-18	367,472	227,237	140,235
Jan-19	429,189	265,402	163,787
Feb-19	429,189	265,402	163,787
Mar-19	429,189	265,402	163,787
Apr-19	429,189	265,402	163,787
May-19	429,189	265,402	163,787
Jun-19	429,189	265,402	163,787
Jul-19	429,189	265,402	163,787
Aug-19	429,189	265,402	163,787
Sep-19	429,189	265,402	163,787
Oct-19	429,189	265,402	163,787
Nov-19	429,189	265,402	163,787
Dec-19	429,189	265,402	163,787
Jan-20	184,144	113,871	70,273
Feb-20	184,144	113,871	70,273
Mar-20	184,144	113,871	70,273
Apr-20	184,144	113,871	70,273
May-20	184,144	113,871	70,273
Jun-20	184,144	113,871	70,273
Jul-20	184,144	113,871	70,273
Aug-20	184,144	113,871	70,273
Sep-20	184,144	113,871	70,273
Oct-20	184,144	113,871	70,273
Nov-20	184,144	113,871	70,273
Dec-20	184,144	113,871	70,273
Jan-21	64,521	39,898	24,622
Feb-21	64,521	39,898	24,622
Mar-21	64,521	39,898	24,622
Apr-21	64,521	39,898	24,622
May-21	64,521	39,898	24,622
Jun-21	64,521	39,898	24,622

**Fixed Administrative Allowance**

Monthly Allowance	Total	Electric	Gas
Jul-21	64,521	39,898	24,622
Aug-21	64,521	39,898	24,622
Sep-21	64,521	39,898	24,622
Oct-21	64,521	39,898	24,622
Nov-21	64,521	39,898	24,622
Dec-21	64,521	39,898	24,622
Jan-22	1,366	845	521
Feb-22	1,366	845	521
Mar-22	1,366	845	521
Apr-22	1,366	845	521
May-22	1,366	845	521
Jun-22	1,366	845	521
Jul-22	1,366	845	521
Aug-22	1,366	845	521
Sep-22	1,366	845	521
Oct-22	1,366	845	521
Nov-22	1,366	845	521
Dec-22	1,366	845	521
Jan-23	1,407	870	537
Feb-23	1,407	870	537
Mar-23	1,407	870	537
Apr-23	1,407	870	537
May-23	1,407	870	537
Jun-23	1,407	870	537
Jul-23	1,407	870	537
Aug-23	1,407	870	537
Sep-23	1,407	870	537
Oct-23	1,407	870	537
Nov-23	1,407	870	537
Dec-23	1,407	870	537
Jan-24	1,449	896	553
Feb-24	1,449	896	553
Mar-24	1,449	896	553
Apr-24	1,449	896	553
May-24	1,449	896	553
Jun-24	1,449	896	553
Jul-24	1,449	896	553
Aug-24	1,449	896	553
Sep-24	1,449	896	553
Oct-24	1,449	896	553
Nov-24	1,449	896	553
Dec-24	1,449	896	553
Jan-25	1,492	923	570
Feb-25	1,492	923	570
Mar-25	1,492	923	570
Apr-25	1,492	923	570
May-25	1,492	923	570
Jun-25	1,492	923	570

**Fixed Administrative Allowance**

Monthly Allowance	Total	Electric	Gas
Jul-25	1,492	923	570
Aug-25	1,492	923	570
Sep-25	1,492	923	570
Oct-25	1,492	923	570
Nov-25	1,492	923	570
Dec-25	1,492	923	570
Jan-26	1,537	951	587
Feb-26	1,537	951	587
Mar-26	1,537	951	587
Apr-26	1,537	951	587
May-26	1,537	951	587
Jun-26	1,537	951	587
Jul-26	1,537	951	587
Aug-26	1,537	951	587
Sep-26	1,537	951	587
Oct-26	1,537	951	587
Nov-26	1,537	951	587
Dec-26	1,537	951	587
Jan-27	1,583	979	604
Feb-27	1,583	979	604
Mar-27	1,583	979	604
Apr-27	1,583	979	604
May-27	1,583	979	604
Jun-27	1,583	979	604
Jul-27	1,583	979	604
Aug-27	1,583	979	604
Sep-27	1,583	979	604
Oct-27	1,583	979	604
Nov-27	1,583	979	604
Dec-27	1,583	979	604
Jan-28	1,631	1,008	622
Feb-28	1,631	1,008	622
Mar-28	1,631	1,008	622
Apr-28	1,631	1,008	622
May-28	1,631	1,008	622
Jun-28	1,631	1,008	622
Jul-28	1,631	1,008	622
Aug-28	1,631	1,008	622
Sep-28	1,631	1,008	622
Oct-28	1,631	1,008	622
Nov-28	1,631	1,008	622
Dec-28	1,631	1,008	622
Jan-29	1,680	1,039	641
Feb-29	1,680	1,039	641
Mar-29	1,680	1,039	641
Apr-29	1,680	1,039	641
May-29	1,680	1,039	641
Jun-29	1,680	1,039	641

<b>Fixed Administrative Allowance</b>
---------------------------------------

Monthly Allowance	Total	Electric	Gas
Jul-29	1,680	1,039	641
Aug-29	1,680	1,039	641
Sep-29	1,680	1,039	641
Oct-29	1,680	1,039	641
Nov-29	1,680	1,039	641
Dec-29	1,680	1,039	641
<b>Total</b>	<b>13,800,000</b>	<b>8,533,636</b>	<b>5,266,364</b>

Annual Allowance	Total	Electric	Gas
2017	1,110,350	686,617	423,732
2018	4,409,666	2,726,847	1,682,819
2019	5,150,270	3,184,821	1,965,449
2020	2,209,727	1,366,450	843,277
2021	774,249	478,780	295,469
2022	16,389	10,135	6,254
2023	16,881	10,439	6,442
2024	17,387	10,752	6,635
2025	17,909	11,075	6,834
2026	18,446	11,407	7,039
2027	19,000	11,749	7,251
2028	19,570	12,101	7,468
2029	20,157	12,464	7,692
<b>Total</b>	<b>13,800,000</b>	<b>8,533,636</b>	<b>5,266,364</b>

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 65

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

Superseding  
XXX Revised Sheet No. 65

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatthour)**

**Component:**

Carbon Abatement Program .....	\$ 0.000050
Energy Efficiency Economic Stimulus Program.....	\$ 0.000064
Demand Response Program .....	(\$ 0.000085)
Solar Generation Investment Program .....	\$ 0.000364
Solar Loan II Program .....	\$ 0.000038
Energy Efficiency Economic Extension Program.....	\$ 0.000280
Solar Generation Investment Extension Program .....	\$ 0.000005
Solar Loan III Program .....	\$ 0.000048
Energy Efficiency Economic Extension Program II.....	\$ 0.000142
Solar Generation Investment Extension II Program .....	\$ 0.000011
Energy Efficiency 2017 Program .....	\$ 0.000089
Sub-total per kilowatthour.....	<u>\$ 0.000947</u> <u>\$ 0.001006</u>
Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.000980</u> <u>\$ 0.001075</u>

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

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

Effective:

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

**XXX Revised Sheet No. 65**  
**Superseding**  
**XXX Revised Sheet No. 65**

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge**  
**(per kilowatthour)**

**Component:**

Carbon Abatement Program .....	\$ 0.000050
Energy Efficiency Economic Stimulus Program.....	\$ 0.000064
Demand Response Program .....	(\$ 0.000085)
Solar Generation Investment Program .....	\$ 0.000364
Solar Loan II Program.....	\$ 0.000038
Energy Efficiency Economic Extension Program.....	\$ 0.000280
Solar Generation Investment Extension Program .....	\$ 0.000005
Solar Loan III Program.....	\$ 0.000048
Energy Efficiency Economic Extension Program II.....	\$ 0.000142
Solar Generation Investment Extension II Program .....	\$ 0.000011
Energy Efficiency 2017 Program .....	\$ 0.000089
Sub-total per kilowatthour .....	\$ 0.001006
Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.001075

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 44

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

Superseding

XXX Revised Sheet No. 44

**GREEN PROGRAMS RECOVERY CHARGE**

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

**Component:**

Carbon Abatement Program .....	\$0.001446
Energy Efficiency Economic Stimulus Program.....	0.000450
Energy Efficiency Economic Extension Program.....	0.001618
Energy Efficiency Economic Extension Program II.....	0.001147
<u>Energy Efficiency 2017 Program .....</u>	<u>0.000902</u>
Green Programs Recovery Charge.....	<u>\$0.004664</u>
	<u>\$0.005563</u>
Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT).....	\$0.004984
	<u>\$0.005945</u>

**Green Programs Recovery Charge**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

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

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80 Park Plaza, Newark, New Jersey 07102  
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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 44

Superseding

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

XXX Revised Sheet No. 44

**GREEN PROGRAMS RECOVERY CHARGE**

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

**Component:**

Carbon Abatement Program.....	\$0.001446
Energy Efficiency Economic Stimulus Program.....	0.000450
Energy Efficiency Economic Extension Program.....	0.001618
Energy Efficiency Economic Extension Program II.....	0.001147
Energy Efficiency 2017 Program.....	<u>0.000902</u>
Green Programs Recovery Charge .....	\$0.005563
Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT).....	\$0.005945

**Green Programs Recovery Charge**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

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

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Attachment 4

Results		Multifamily	Direct Install	Hosp & Health	Smart Thermostat	Data Analytics	All Programs	
<b>Total Resource Cost Test (TRC)</b>								
1	Lifetime Avoided Supply Costs	<i>PV of bill reduction at wholesale</i>	\$ 15,289,924	\$ 11,127,923	\$ 13,468,090	\$ 22,705,214	\$ 4,029,754	\$ 66,620,905
2	Lifetime Capacity Costs	<i>PV of peak electric capacity cost</i>	\$ 805,504	\$ 1,909,957	\$ 1,992,028	\$ 1,832,392	\$ 579,877	\$ 7,119,758
3	Lifetime Avoided T&D Costs	<i>PV of avoided T&amp;D</i>	\$ 241,987	\$ 589,724	\$ 564,468	\$ 705,174	\$ 266,528	\$ 2,367,881
	<b>Total Benefit</b>	<b>1+2+3</b>	\$ 16,337,415	\$ 13,627,603	\$ 16,024,586	\$ 25,242,780	\$ 4,876,159	\$ 76,108,543
4	Lifetime Participant Costs	<i>PV of repayments by participants</i>	\$ 6,054,256	\$ 3,663,913	\$ 7,626,923	\$ 6,180,839	\$ -	\$ 23,525,931
5	Lifetime Administration Costs	<i>PV of administrative allowance</i>	\$ 2,759,857	\$ 2,383,513	\$ 1,881,721	\$ 4,139,786	\$ 1,379,929	\$ 12,544,805
6	Lifetime Program Investment Costs	<i>PV of incentives</i>	\$ 11,264,782	\$ 9,810,383	\$ 13,600,625	\$ 5,871,802	\$ 2,287,911	\$ 42,835,503
	<b>Total Costs</b>	<b>4+5+6</b>	\$ 20,078,895	\$ 15,857,808	\$ 23,109,269	\$ 16,192,427	\$ 3,667,840	\$ 78,906,239
<b>Participant Cost Test (PCT)</b>								
7	Lifetime Participant Benefits	<i>PV of bill reduction at retail</i>	\$ 24,218,930	\$ 28,055,222	\$ 26,656,015	\$ 43,702,774	\$ 9,887,703	\$ 132,520,645
<b>Program Administrator Cost Test (PAC)</b>								
8	Lifetime Program Incentive Costs							
<b>Ratepayer Impact Measure Test (RIM)</b>								
9	Lifetime Utility Revenue Gained		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Lifetime Utility Cost	<i>PV of T&amp;D costs after 12/31/2022</i>	\$ 3,004,960	\$ 2,674,134	\$ 2,457,287	\$ 7,302,490	\$ 299,017	\$ 15,737,888
<b>Societal Cost Test (SCT)</b>								
11	Lifetime Emission Savings	<i>PV of CO<sub>2</sub> + NO<sub>x</sub> + SO<sub>2</sub> emissions savings</i>	\$ 5,385,840	\$ 7,995,133	\$ 7,216,834	\$ 7,999,704	\$ 2,113,648	\$ 30,711,160

**Minimum Filing Requirements**

1. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation.
2. For the review period, actual revenues, by month and by rate class recorded under the programs.
3. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.
4. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.
5. The interest expense to be charged or credited to ratepayers each month.
6. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs.
7. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period.
8. Supporting details for all administrative costs included in the revenue requirement.
9. Information supporting the carrying cost used for the unamortized costs.
10. Number of program participants, including a breakdown by sub-program.
11. Estimated demand and energy savings, including a breakdown by sub-program.
12. Emissions reductions from the Program, including a breakdown by sub-program.
13. Participant costs (net of utility incentives), including a breakdown by sub-program.
14. Payback calculation for each multifamily and hospital project.
15. PAC test results for each multifamily and hospital project and for each measure within each multifamily and hospital project.