



Agenda Date: 1/22/20  
Agenda Item: 2C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )	ORDER APPROVING
SERVICE ELECTRIC AND GAS COMPANY FOR )	STIPULATION FOR
APPROVAL OF CHANGES IN ITS ELECTRIC )	PROVISIONAL RATES
TAX ADJUSTMENT CREDIT AND GAS TAX )	
ADJUSTMENT CREDIT ("2019 TAC FILING") )	BPU DOCKET NOS.
	ER19091302 and GR19091303

**Parties of Record:**

**Danielle Lopez, Esq.**, Public Service Electric and Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 26, 2019, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition ("September 2019 TAC Petition") with the New Jersey Board of Public Utilities ("Board") seeking approval for electric and gas base rate changes associated with the Electric Tax Adjustment Credit ("ETAC") and Gas Tax Adjustment Credit ("GTAC") (collectively, "TACs") to reset for 2020. By this Decision and Order, the Board considers a stipulation of settlement for Provisional Rates ("Provisional Rate Stipulation") entered into by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively the "Parties"), requesting that the Board approve changes in the TAC on a provisional basis, subject to refund with interest.

**BACKGROUND**

On December 22, 2017, the Tax Cuts and Job Act ("2017 Act") was signed into law, with an effective date of January 1, 2018. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code, including a reduction in the maximum corporate tax rate from thirty-five percent (35%) to twenty-one (21%). The Board reviewed the 2017 Act in January 2018 and issued an Order dated January 31, 2018.<sup>1</sup> In the Consideration Order, the Board found that the reduction in the corporate tax rate resulted in a savings to New Jersey public utilities, and thus in an over-collection of tax revenue that would not be paid in federal income taxes. Additionally, the Consideration Order directed several New Jersey public utilities, including PSE&G, to make filings detailing

<sup>1</sup> In re the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001 (January 31, 2018). ("Consideration Order").

certain impacts of the 2017 Act with the intent of ensuring that tax savings are passed onto the customers. On March 2, 2018, the Company filed a petition pursuant to the Consideration Order that included a proposed plan as well as tariff sheets reducing its electric and gas distribution rates to reflect the impact of the 2017 Act.

By Order dated March 26, 2018, the Board directed that PSE&G's proposed plan be reviewed in the Company's 2018 Base Rate Case.<sup>2,3</sup> The March 2018 Order also directed the Company to file tariffs reflecting its proposed rate reduction to be effective April 1, 2018, on an interim basis, subject to the outcome of its 2018 base rate proceeding.

Pursuant to the March 2018 Order, the Company reduced its base rates effective April 1, 2018 to eliminate any further over-collection. PSE&G deferred the over-collection for the period January 1, 2018 through March 31, 2018 ("Stub Period") on the books for return to customers.

By Order dated October 29, 2018, the Board approved a stipulation in PSE&G's 2018 Base Rate Case, where the initial TACs were implemented along with the revenue requirement increase, the excess income tax recovery for the Stub Period was refunded to customers over a two (2) month period, November and December 2018, with interest. The TACs were then reset in January 2019.

### **September 2019 TAC Petition**

In the September 2019 TAC Petition, the Company proposed an ETAC refund from January 1, 2020 through December 31, 2020 of approximately \$87.7 million, which when added to the Company's estimated December 31, 2019 over-collected balance with interest of \$8.2 million, resulted in a total proposed refund to customers of approximately \$95.9 million. The proposed refund is based on actual results through June 2019 and a forecast through December 31, 2020, and represents a decrease to electric customers of approximately \$15.5 million compared to the current ETAC. The Company proposed to decrease the residential ETAC rate from a credit rate of \$0.004423 to a credit rate of \$0.005275 per kWh.<sup>4</sup>

For the GTAC, the Company proposed a refund from January 1, 2020 through December 31, 2020 of approximately \$145.6 million, which when added to the Company's estimated over-collected balance with interest at December 31, 2019 of \$10.4 million, resulted in a total proposed refund to customers of approximately \$156.0 million. The proposed refund is based on actual results through June 2019 and a forecast through December 31, 2020, and represents a decrease to gas customers of approximately \$10.1 million compared to the current GTAC. The Company proposed to decrease the residential GTAC rate from a credit rate of \$0.069574 to a credit rate of \$0.073907 per therm.

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<sup>2</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Revised Rates (Effective on an Interim Basis April 1, 2018) to Reflect the Reduction Under the Tax Cut and Jobs Act of 2017, BPU Docket No. ER18030231 (March 26, 2018) ("March 2018 Order").

<sup>3</sup> In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 16 Electric and B.P.U.N.J. No. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030 ("2018 Base Rate Case").

<sup>4</sup> All rates quoted herein exclude Sales and Use Tax.

While the Company proposed overall decreases for its electric and gas customers, PSE&G's Contract Service Gas ("CSG") rate class will see an increase in their rates from a credit rate of \$0.001285 to a credit rate of \$0.000956, due to the increase in the amount of therms utilized by this rate class during the recovery period.

Public hearings for the September 2019 TAC Petition were held on November 14, 2019, in Mt. Holly, November 19, 2019 in New Brunswick, and November 21, 2019 in Hackensack, New Jersey. No members of the public attended or filed written comments with the Board.

## **STIPULATION**

Following a review by and subsequent discussions among the Parties, it was determined that additional time is needed to complete a comprehensive review of the Company's September 2019 TAC Petition. On January 9, 2020, the Parties executed the Stipulation, which provides for the following:<sup>5</sup>

18. Tariff sheets consistent with the electric and gas TAC rate changes are set forth in Attachment 1 of the Stipulation. For the electric portion of the TAC ("ETAC"), the Company proposes a refund from January 1, 2020 through December 31, 2020 of approximately \$87.7 million, which when added to the Company's estimated over-collected ETAC balance with interest at December 31, 2019 of \$8.2 million, results in a total proposed refund to customers of approximately \$95.9 million. The proposed refund represents a decrease to electric customers of approximately \$15.5 million compared to the current ETAC.
19. For the gas portion of the TAC ("GTAC"), the Company proposes a refund from January 1, 2020 through December 31, 2020 of approximately \$145.6 million, which when added to the Company's estimated over-collected GTAC balance with interest at December 31, 2019 of approximately \$10.4 million, results in a total proposed refund to customers of approximately \$156.0 million. The proposed refund represents a decrease to gas customers of approximately \$10.1 million compared to the current GTAC.
20. As a result of the proposed rates set forth in Attachment 1 of the Stipulation, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see a decrease in the annual bill from \$1,229.48 to \$1,223.20, or \$6.28 or approximately 0.51%.
21. As a result of the proposed rates set forth in Attachment 1 of the Stipulation, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in the annual bill from \$567.94 to \$565.12, or \$2.82 or approximately 0.50%. Moreover, under the Company's proposal, a typical residential heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see a decrease in the annual bill from \$895.22 to \$890.40, or \$4.82 or approximately 0.54%.

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<sup>5</sup> Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

22. The Parties agree that pursuant to the terms of the Board's Order in the 2018 Base Rate Case, PSE&G may implement the rates in Attachment 2 of the Stipulation, effective February 1, 2020. The rate adjustments established in the Stipulation shall be provisional and subject to refund contingent upon the Parties' review and the Board's approval of final rates.

### **DISCUSSION AND FINDINGS**

The Board reviewed the record to date in this proceeding, including the September 2019 TAC Petition and the attached Stipulation, which allows the Company to implement its proposed TACs on a provisional basis, subject to refund. The Board **FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES**, on a provisional basis, subject to refund with interest on any net over recovered balance, the ETAC and GTAC rates set forth in Attachment 2 of the Stipulation. These changes shall become effective as of February 1, 2020.

As a result of the Stipulation, the annual impact of the proposed ETAC on the typical residential electric customer using 740 kWh in a summer month and 6,920 kWh would be a decrease of \$6.28 or approximately 0.51%. The annual impact of the proposed GTAC on the typical residential gas heating customer using 172 therms in a winter month and 1,040 therms annually would be a decrease of \$4.82 or approximately 0.54%.

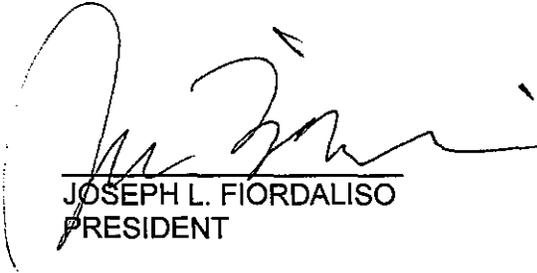
The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Provisional Rate Stipulation by February 1, 2020.

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

This Order shall be effective January 30, 2020.

DATED: 1/22/20

BOARD OF PUBLIC UTILITIES  
BY:



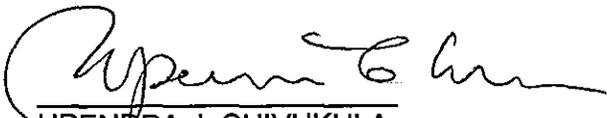
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DIANNE SOLOMON  
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UPENDRA J. CHIVUKULA  
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ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
BOARD SECRETARY

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR  
APPROVAL OF CHANGES IN ITS ELECTRIC TAX ADJUSTMENT CREDIT AND GAS TAX  
ADJUSTMENT CREDIT (2019 TAC FILING)  
BPU DOCKET NOS. ER19091302 & GR19091303

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January 9, 2020

In The Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of Changes in its Electric Tax Adjustment  
Credit and Gas Tax Adjustment Credit  
“2019 TAC Filing”

BPU Docket No.: ER19091302 and GR19091303

***VIA E-MAIL & OVERNIGHT DELIVERY***

Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Attached please find the fully executed Stipulation (of which 10 copies are enclosed) in the above-referenced matter resolving all aspects of this matter. All the 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.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written in a cursive style.

c: Attached Service List (E-Mail)

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF PUBLIC	)	STIPULATION FOR
SERVICE ELECTRIC AND GAS COMPANY FOR	)	PROVISIONAL RATES
APPROVAL OF CHANGES IN ITS ELECTRIC TAX	)	
ADJUSTMENT CREDIT AND GAS TAX	)	BPU DOCKET NOS.
ADJUSTMENT CREDIT (“2019 TAC FILING”)	)	ER19091302 & GR19091303

**STIPULATION AND AGREEMENT**

**APPEARANCES:**

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**Brian O. Lipman, Esq.**, Litigation Manager, **Ami Morita, Esq.**, Managing Attorney—Electric, **Felicia Thomas-Friel, Esq.**, Managing Attorney – Gas, **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director).

**Matko Ilic**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey).

**BACKGROUND**

On September 26, 2019, Public Service Electric and Gas Company (“Public Service,” “PSE&G” or the “Company”) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (“Board”) requesting a resetting of the Company’s Gas Tax Adjustment Credit (“GTAC”) and Electric Tax Adjustment Credit (“ETAC”) (collectively, “TACs”). (“September 2019 Petition”) Upon review of the September 2019 Petition, the Staff of the New Jersey Board of Public Utilities (“Board Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and PSE&G, the only parties to this proceeding (collectively, “Parties”), stipulate and agree as follows:

1. On December 22, 2017, the Tax Cuts and Jobs Act (“2017 Act”) was signed into law, with an effective date of January 1, 2018.

2. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code (“Tax Code”), including a reduction in the maximum corporate tax rate from thirty-five percent (35%) to twenty-one percent (21%).
3. The 2017 Act was reviewed by the Board in January 2018, and based upon this review, the Board found that the reduction in the corporate tax rate resulted in savings to New Jersey public utilities, and thus, in an over-collection of tax revenue that would not be paid in federal income taxes.<sup>1</sup>
4. The Consideration Order directed several New Jersey public utilities, including PSE&G, to make filings detailing certain impacts of the 2017 Act with the intent of ensuring that tax savings are passed onto PSE&G’s customers.
5. On March 2, 2018, PSE&G filed a petition pursuant to the Consideration Order that included a proposed plan as well as final issued tariff sheets, effective April 1, 2018, reducing its electric and gas distribution rates by approximately \$114 million annually to reflect the impact of the 2017 Act.
6. By Order dated March 26, 2018,<sup>2</sup> the Board directed that PSE&G’s proposed plan be reviewed in the Company’s 2018 base rate case.<sup>3</sup>
7. The March 26, 2018 Order also directed the Company to file tariffs reflecting its proposed rate reduction to be effective April 1, 2018 on an interim basis subject to the outcome of its 2018 base rate case proceeding.

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<sup>1</sup> *I/M/O The New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017*, Docket No. AX18010001, Order dated Jan. 31, 2018 (“Consideration Order”).

<sup>2</sup> *I/M/O The New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017, et. al.* Docket Nos. AX18010001 and ER1803023, Order dated Mar. 26, 2018.

<sup>3</sup> *I/M/O The Petition of Public Service Electric and Gas Company for the Approval of an Increase in Electric and Gas Rates and for Changes in Tariffs for Electric and Gas Service, B.P.U.N.J. NO. 16 Electric and B.P.U.N.J. NO. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A 48:2-21, and N.J.S. 48:2-21.1, and for Other Appropriate Relief*, Docket Nos. ER18010029 and GR18010030, Order dated Oct. 29, 2018.

8. Pursuant to the March 26, 2018 Order the Company reduced its base rates effective April 1, 2018, three (3) months after the effective date of the 2017 Act, to eliminate any further over-collection.
9. PSE&G deferred the over-collection for the period January 1, 2018 through March 31, 2018 on the books for return to customers (\$5.6 million for electric and \$21.8 million for gas, excluding interest).
10. On August 8, 2018, in the 2018 Base Rate Case, PSE&G updated its base rate request based upon twelve (12) months of actual data and no estimated data for its test year (“12+0 update”). The Company’s 12+0 update reflected a \$39 million refund as a result of excess tax recovery which was provided in the first three months of 2018 assuming rates effective October 1, 2018.<sup>4</sup>
11. After engaging in extensive discovery, testimony and participating in numerous settlement discussions, the parties came to a resolution of the 2018 Base Rate Case in early October, 2018.
12. The stipulation of settlement in the 2018 Base Rate Case was approved by the Board on October 29, 2018, and among other things, included the terms and operation of the tax adjustment credits applicable to electric and gas rates pursuant to the 2017 Act.
13. The TAC amounts were allocated to each rate class and then refunded to customers through a dollar per kWh or therm basis for each rate schedule.
14. Pursuant to the Board’s Order in the 2018 Base Rate Case, the Company was directed to flow back the unprotected excess deferred tax savings over the course of five (5) years by

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<sup>4</sup> On October 10, 2018, PSE&G filed an Errata to the stipulation and settlement to correct a mathematical error in this number. The actual refund of excess income tax recovery was \$27.8 million, which includes \$5.7 million for electric and \$22.1 million for gas.

way of the TACs. In addition, the Board's Order in the Base Rate Case directed the Company to refund the historic Safe Harbor Adjusted Repair Expense ("SHARE") balance as of October 31, 2018 over a 10-year period.

15. The initial TACs were implemented along with the revenue requirement increase upon approval of the stipulation in the 2018 Base Rate Case, and the excess income tax recovery for the first quarter of 2018 was refunded to customers over the two-month period of November and December 2018, with interest. The TACs were then reset in January 2019.
16. PSE&G's September 2019 Petition in this matter seeks authority to reset the TACs for January 1, 2020. A recalculation of the TACs to be effective February 1, 2020 is supported by Attachment 2, Schedules SS-TAC-6E and SS-TAC-6G attached to the September 2019 Petition.
17. Notice of the Company's September 2019 Petition, including the date, time and place of public hearings was placed in newspapers having a circulation within the Company's gas service territory, and was served upon the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's gas service territory. In accordance with that notice, public hearings were held in the afternoon and evening on the following dates and locations in PSE&G's gas service territory: November 14, 2019 in Mt. Holly, New Jersey; November 19, 2019 in New Brunswick, New Jersey; and November 21, 2019 in Hackensack, New Jersey. No members of the public provided comments at any of the hearings or filed written comments with the Board.
18. Tariff sheets consistent with the electric and gas TAC rate changes are set forth in Attachment 1. For the electric portion of the TAC ("ETAC"), the Company proposes a refund from January 1, 2020 through December 31, 2020 of approximately \$87.7 million,

which when added to the Company's estimated over-collected ETAC balance with interest at December 31, 2019 of \$8.2 million, results in a total proposed refund to customers of approximately \$95.9 million. The proposed refund represents a decrease to electric customers of approximately \$15.5 million compared to the current ETAC.

19. For the gas portion of the TAC ("GTAC"), the Company proposes a refund from January 1, 2020 through December 31, 2020 of approximately \$145.6 million, which when added to the Company's estimated over-collected GTAC balance with interest at December 31, 2019 of approximately \$10.4 million, results in a total proposed refund to customers of approximately \$156.0 million. The proposed refund represents a decrease to gas customers of approximately \$10.1 million compared to the current GTAC.
20. As a result of the proposed rates set forth in Attachment 1, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see a decrease in the annual bill from \$1,229.48 to \$1,223.20, or \$6.28 or approximately 0.51%.
21. As a result of the proposed rates set forth in Attachment 1, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in the annual bill from \$567.94 to \$565.12, or \$2.82 or approximately 0.50%. Moreover, under the Company's proposal, a typical residential heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see a decrease in the annual bill from \$895.22 to \$890.40, or \$4.82 or approximately 0.54%.
22. The Parties agree that pursuant to the terms of the Board's Order in the 2018 Base Rate Case, PSE&G may implement the rates in Attachment 2, effective February 1, 2020. The

rate adjustments established herein shall be provisional and subject to refund contingent upon the Parties' review and the Board's approval of final rates.

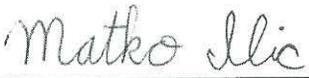
23. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved 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 that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), 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.
24. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
25. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

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

PUBLIC SERVICE ELECTRIC AND GAS  
COMPANY

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

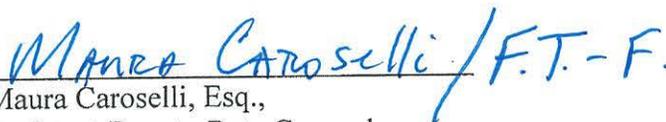
BY:   
Danielle Lopez, Esq.  
Associate Counsel - Regulatory

BY:   
Matko Ilic  
Deputy Attorney General

DATED: January 9, 2020

DATED: January 9, 2020

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

BY:  / F.T.-F.  
Maura Caroselli, Esq.,  
Assistant Deputy Rate Counsel

DATED: January 9, 2020

BPU DKTS NOS ER 19091302 and GR 19091303

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 69

B.P.U.N.J. No. 16 ELECTRIC

Superseding  
XXX Revised Sheet No. 69

TAX ADJUSTMENT CREDIT

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour Including SUT</u>
RS.....	(\$0.005275) (\$0.004423)	(\$0.005624) (\$0.004716)
RHS.....	(\$0.004739) (\$0.003974)	(\$0.005053) (\$0.004237)
RLM.....	(\$0.004076) (\$0.003418)	(\$0.004346) (\$0.003644)
WH.....	(\$0.000000) (\$0.002762)	(\$0.000000) (\$0.002945)
WHS.....	(\$0.000000) (\$0.093168)	(\$0.000000) (\$0.099340)
HS.....	(\$0.002068) (\$0.001734)	(\$0.002205) (\$0.001849)
GLP.....	(\$0.001514) (\$0.001269)	(\$0.001614) (\$0.001353)
LPL - Secondary.....	(\$0.000888) (\$0.000744)	(\$0.000947) (\$0.000793)
LPL - Primary.....	(\$0.000539) (\$0.000452)	(\$0.000575) (\$0.000482)
HTS - Subtransmission.....	(\$0.000554) (\$0.000465)	(\$0.000591) (\$0.000496)
HTS – High Voltage & HTS - Transmission.....	(\$0.000251) (\$0.000211)	(\$0.000268) (\$0.000225)
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.001320) (\$0.001107)	(\$0.001407) (\$0.001180)
PSAL.....	(\$0.000000)	(\$0.000000)

**Tax Adjustment Credit**

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset 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.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 69**

**B.P.U.N.J. No. 16 ELECTRIC**

**Superseding  
XXX Revised Sheet No. 69**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour Including SUT</u>
RS.....	(\$0.005275)	(\$0.005624)
RHS.....	(\$0.004739)	(\$0.005053)
RLM.....	(\$0.004076)	(\$0.004346)
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	(\$0.002068)	(\$0.002205)
GLP.....	(\$0.001514)	(\$0.001614)
LPL - Secondary.....	(\$0.000888)	(\$0.000947)
LPL - Primary.....	(\$0.000539)	(\$0.000575)
HTS - Subtransmission.....	(\$0.000554)	(\$0.000591)
HTS – High Voltage & HTS - Transmission.....	(\$0.000251)	(\$0.000268)
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.001320)	(\$0.001407)
PSAL.....	(\$0.000000)	(\$0.000000)

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**B.P.U.N.J. No. 16 GAS**

**XXX Revised Sheet No. 51**

**Superseding**

**XXX Revised Sheet No. 51**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	<del>(\$0.073907)</del> <del>(\$0.069574)</del>	<del>(\$0.078803)</del> <del>(\$0.074183)</del>
GSG.....	<del>(\$0.061330)</del> <del>(\$0.056346)</del>	<del>(\$0.065393)</del> <del>(\$0.060079)</del>
LVG.....	<del>(\$0.030730)</del> <del>(\$0.027547)</del>	<del>(\$0.032766)</del> <del>(\$0.029372)</del>
SLG.....	<del>(\$0.115242)</del> <del>(\$0.104035)</del>	<del>(\$0.122877)</del> <del>(\$0.110927)</del>
TSG-F.....	<del>(\$0.024296)</del> <del>(\$0.020566)</del>	<del>(\$0.025906)</del> <del>(\$0.021928)</del>
TSG-NF.....	<del>(\$0.009203)</del> <del>(\$0.009043)</del>	<del>(\$0.009813)</del> <del>(\$0.009642)</del>
CIG.....	<del>(\$0.013220)</del> <del>(\$0.010966)</del>	<del>(\$0.014096)</del> <del>(\$0.011692)</del>
CSG.....	<del>(\$0.000956)</del> <del>(\$0.001285)</del>	<del>(\$0.001019)</del> <del>(\$0.001370)</del>

**Tax Adjustment Credit**

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset 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.

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80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated in Docket No. Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 51**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 51**

**TAX ADJUSTMENT CREDIT**

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	(\$0.073907)	(\$0.078803)
GSG.....	(\$0.061330)	(\$0.065393)
LVG.....	(\$0.030730)	(\$0.032766)
SLG.....	(\$0.115242)	(\$0.122877)
TSG-F.....	(\$0.024296)	(\$0.025906)
TSG-NF.....	(\$0.009203)	(\$0.009813)
CIG.....	(\$0.013220)	(\$0.014096)
CSG.....	(\$0.000956)	(\$0.001019)

**Tax Adjustment Credit**

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset 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.

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80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

# PSE&G 2020 Tax Adjustment Credit (TACs)

## Proposed Rate Calculations

Schedule SS-TAC-1

Actual results through 12/31/2019

(\$'s Unless Specified)

SUT Rate 6.625%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>	<u>Source/Description</u>
1	Jan20 - Dec20	Net Revenue Requirements	(87,685,152)	(145,572,859)	(233,258,011)	SS-2E/G, Col 30
2	Dec-19	(Over) / Under Recovered Balance	(8,098,722)	(10,511,443)	(18,610,164)	- SS-3E/G, Col 5
3	Dec-19	Cumulative Interest Exp / (Credit)	<u>(101,383)</u>	<u>80,718</u>	<u>(20,664)</u>	- SS-3E/G, Col 10
4	Jan20 - Dec20	Total Target Rate Revenue	(95,885,256)	(156,003,584)	(251,888,840)	ln 1 + ln 2 + ln 3
5	2020	Revenues at Current TAC rates	<u>(80,400,177)</u>	<u>(145,861,531)</u>	<u>(226,261,708)</u>	SS-6E/G, ln 7
6		Proposed TAC Increase / (Decrease)	(15,485,079)	(10,142,053)	(25,627,132)	Ln 4 - ln 5

**PSE&G 2020 TAX ADJUSTMENT CREDIT**

ETAC Net Revenue Requirement  
\$000

Schedule SS-TAC-2E

Page 1 of 2

Current Excess Unprotected ADIT Balance	231,413
Deduction Storm/Other Regulatory Asset Offset	-
Net Historic Unprotected ADIT to Return to Customers	231,413

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	1. Return Excess Income Tax Expense						2. Return Historic ADIT								
							Unprotected Excess			Protected Excess			SHARE		
	Beginning Excess Income Tax Balance	Excess Income Tax	Excess Income Tax	Ending Excess Income Tax Balance	Short-Term Interest Rate	Interest On Excess Income Tax Balance	Beginning Balance	Amortization to Customers	Ending Balance	Beginning Balance	Amortization to Customers	Ending Balance	Beginning Balance	Amortization to Customers	Ending Balance
Nov-18	5,641	-	(2,821)	2,821	2.36%	(8)	235,031	(2,917)	232,114	438,903	(573)	438,330	130,493	(702)	129,791
Dec-18	2,821	-	(2,821)	-	2.48%	(3)	236,353	(2,917)	233,436	434,092	(1,254)	432,838	129,791	(702)	129,090
Jan-19	-	-	-	-	2.92%	-	233,436	(3,129)	230,307	432,838	(573)	432,265	129,090	(702)	128,388
Feb-19	-	-	-	-	2.92%	-	230,307	(3,129)	227,178	432,265	(573)	431,693	128,388	(702)	127,687
Mar-19	-	-	-	-	2.78%	-	227,178	(3,129)	224,049	431,693	(1,397)	430,296	127,687	(702)	126,985
Apr-19	-	-	-	-	2.88%	-	224,049	(3,129)	220,920	430,296	(848)	429,449	126,985	(702)	126,284
May-19	-	-	-	-	2.64%	-	220,920	(3,129)	217,791	429,449	(848)	428,601	126,284	(702)	125,582
Jun-19	-	-	-	-	2.64%	-	217,791	(3,129)	214,662	428,601	(846)	427,755	125,582	(702)	124,880
Jul-19	-	-	-	-	2.64%	-	214,662	(3,129)	211,533	427,755	(847)	426,908	124,880	(702)	124,179
Aug-19	-	-	-	-	2.64%	-	211,533	(3,129)	208,404	426,908	(847)	426,061	124,179	(702)	123,477
Sep-19	-	-	-	-	2.64%	-	208,404	(3,129)	205,275	426,061	(847)	425,214	123,477	(702)	122,776
Oct-19	-	-	-	-	2.64%	-	205,275	(3,129)	202,146	425,214	(847)	424,366	122,776	(702)	122,074
Nov-19	-	-	-	-	2.64%	-	202,146	(3,129)	199,017	424,366	(847)	423,519	122,074	(702)	121,373
Dec-19	-	-	-	-	2.64%	-	199,017	(3,129)	195,888	423,519	(847)	422,672	121,373	(702)	120,671
Jan-20	-	-	-	-	2.64%	-	195,888	(3,588)	192,300	422,672	(847)	421,825	120,671	(702)	119,969
Feb-20	-	-	-	-	2.64%	-	192,300	(3,588)	188,713	421,825	(847)	420,978	119,969	(702)	119,268
Mar-20	-	-	-	-	2.64%	-	188,713	(3,588)	185,125	420,978	(847)	420,130	119,268	(702)	118,566
Apr-20	-	-	-	-	2.64%	-	185,125	(3,588)	181,538	420,130	(847)	419,283	118,566	(702)	117,865
May-20	-	-	-	-	2.64%	-	181,538	(3,588)	177,950	419,283	(847)	418,436	117,865	(702)	117,163
Jun-20	-	-	-	-	2.64%	-	177,950	(3,588)	174,363	418,436	(847)	417,589	117,163	(702)	116,461
Jul-20	-	-	-	-	2.64%	-	174,363	(3,588)	170,775	417,589	(847)	416,742	116,461	(702)	115,760
Aug-20	-	-	-	-	2.64%	-	170,775	(3,588)	167,187	416,742	(847)	415,894	115,760	(702)	115,058
Sep-20	-	-	-	-	2.64%	-	167,187	(3,588)	163,600	415,894	(847)	415,047	115,058	(702)	114,357
Oct-20	-	-	-	-	2.64%	-	163,600	(3,588)	160,012	415,047	(847)	414,200	114,357	(702)	113,655
Nov-20	-	-	-	-	2.64%	-	160,012	(3,588)	156,425	414,200	(847)	413,353	113,655	(702)	112,954
Dec-20	-	-	-	-	2.64%	-	156,425	(3,588)	152,837	413,353	(847)	412,505	112,954	(702)	112,252
	= Prev Col 4	Input	Input	= Col 1 + Col 2 + Col 3	Input	= (Prev Col 4 + Col 4)/2 * Col 5 / 12	= Prev Col 9 + Col 1 & 2 of "Balances" Wkst	Input	= Col 7 + Col 8	= Prev Col 12 + Col 3 of "Balances" Wkst	Input	= Col 10 + Col 11	= Prev Col 15 + Col 4 of "Balances" Wkst	Input	= Col 13 + Col 14
Annual 2018			(5,641)			(93)		(5,834)			(1,826)			(1,403)	
2019			-			-		(37,548)			(10,166)			(8,419)	
2020			-			-		(43,051)			(10,167)			(8,419)	

**PSE&G 2020 TAX ADJUSTMENT CREDIT**

ETAC Net Revenue Requirement  
\$000

Monthly After Tax WACC = 0.540%				Monthly After Tax WACC = 0.540%				Federal Tax Rate = 21.00%			Revenue Factor = 1.395				
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
2. Return Historic ADIT (cont.)				2a. Return Historic ADIT (cont.)				3. Current ESHARE Deducton			4. Other				
Return on Rate Base				Return on Non Rate Base											
Unprotected Excess ADIT Rate Base Related %	Rate Base Related Portion of Unprotected Excess ADIT Amortizaion to Customers	Cumulative Change in Rate Base	After-Tax Return on Cumulative Change in Rate Base	Beginning Non-Rate Base Related Portion of Unprotected Excess	Non-Rate Base Related Portion of Unprotected Excess ADIT Amortizaion to Customers	Ending Non-Rate Base Related Portion of Unprotected Excess	After-Tax Interest to Customers	Federal Tax SHARE Deduction	Book Depreciation Associated with SHARE Deduction	Actual SHARE Deduction Flow-Through	IRS ESHARE Deduction Audit Adjustments	Other Major Tax Adjustments	Net Tax Adjustment	Net Revenue Requirement	
Nov-18	76%	(2,207)	3,209	9	59,735	(710)	59,026	(312)	3,783	2,420	(286)	-	(4,780)	(9,495)	
Dec-18	76%	(2,207)	6,139	25	59,026	(710)	58,316	(317)	4,615	88	(951)	-	(6,115)	(11,350)	
Jan-19	76%	(2,368)	11,239	47	58,316	(761)	57,554	(313)	3,783	2,420	(286)	-	(4,955)	(6,913)	
Feb-19	76%	(2,368)	14,790	70	57,554	(761)	56,793	(309)	3,783	2,420	(286)	-	(4,928)	(6,875)	
Mar-19	76%	(2,368)	18,915	91	56,793	(761)	56,032	(305)	1,596	(1,185)	(584)	-	(6,025)	(8,405)	
Apr-19	76%	(2,368)	22,555	112	56,032	(761)	55,270	(301)	3,054	1,218	(386)	-	(5,252)	(7,327)	
May-19	76%	(2,368)	26,124	131	55,270	(761)	54,509	(297)	3,054	1,218	(386)	-	(5,229)	(7,294)	
Jun-19	76%	(2,368)	29,622	151	54,509	(761)	53,748	(292)	3,054	1,218	(386)	-	(5,204)	(7,259)	
Jul-19	76%	(2,368)	33,048	169	53,748	(761)	52,986	(288)	3,054	1,218	(386)	-	(5,182)	(7,229)	
Aug-19	76%	(2,368)	36,403	188	52,986	(761)	52,225	(284)	3,054	1,218	(386)	-	(5,160)	(7,198)	
Sep-19	76%	(2,368)	39,688	206	52,225	(761)	51,464	(280)	3,054	1,218	(386)	-	(5,138)	(7,167)	
Oct-19	76%	(2,368)	42,901	223	51,464	(761)	50,702	(276)	3,054	1,218	(386)	-	(5,116)	(7,137)	
Nov-19	76%	(2,368)	46,045	240	50,702	(761)	49,941	(272)	3,054	1,218	(386)	-	(5,095)	(7,107)	
Dec-19	76%	(2,368)	49,116	257	49,941	(761)	49,180	(268)	3,054	1,218	(386)	-	(5,074)	(7,078)	
Jan-20	75%	(2,683)	58,803	292	49,180	(905)	48,275	(263)	3,783	2,420	(286)	-	(5,394)	(7,525)	
Feb-20	75%	(2,683)	62,898	329	48,275	(905)	47,371	(258)	3,783	2,420	(286)	-	(5,352)	(7,466)	
Mar-20	75%	(2,683)	66,922	351	47,371	(905)	46,466	(253)	3,783	2,420	(286)	-	(5,325)	(7,429)	
Apr-20	75%	(2,683)	70,876	372	46,466	(905)	45,561	(249)	3,783	2,420	(286)	-	(5,299)	(7,392)	
May-20	75%	(2,683)	74,758	393	45,561	(905)	44,657	(244)	3,783	2,420	(286)	-	(5,273)	(7,356)	
Jun-20	75%	(2,683)	78,571	414	44,657	(905)	43,752	(239)	3,783	2,420	(286)	-	(5,247)	(7,320)	
Jul-20	75%	(2,683)	82,312	435	43,752	(905)	42,848	(234)	3,783	2,420	(286)	-	(5,222)	(7,285)	
Aug-20	75%	(2,683)	85,981	455	42,848	(905)	41,943	(229)	3,783	2,420	(286)	-	(5,197)	(7,250)	
Sep-20	75%	(2,683)	89,581	474	41,943	(905)	41,039	(224)	3,783	2,420	(286)	-	(5,173)	(7,216)	
Oct-20	75%	(2,683)	93,109	493	41,039	(905)	40,134	(219)	3,783	2,420	(286)	-	(5,148)	(7,182)	
Nov-20	75%	(2,683)	96,568	512	40,134	(905)	39,230	(214)	3,783	2,420	(286)	-	(5,125)	(7,149)	
Dec-20	75%	(2,683)	99,955	531	39,230	(905)	38,325	(209)	3,783	2,420	(286)	-	(5,101)	(7,116)	
	= Col 17 / Col 8	Input	See "RateBase-E", Col 8	= (Prev Col 18 + Col 18) / 2 * Monthly AT WACC	Previous Col 22	= (Prev Col 8 - Col 17)	= (Prev Col 20 - Col 21)	= (Prev Col 22 + Col 22) / 2 * Monthly AT WACC	Input	Input	= - (Col 24 - Col 25) * Fed Tax Rate	Input	Input	= Col 8 + Col 11 + Col 14 + Col 19 + Col 23 + Col 26+ Col 27+ Col 28	= Col 29 * Rev Fct + Col 3 + Col 6
Annual															
2018				34		(1,420)		(629)	8,398	2,507	(1,237)			(10,895)	(20,927)
2019				1,885		(9,136)		(3,484)	36,646	14,615	(4,626)			(62,358)	(86,990)
2020				5,051		(10,854)		(2,836)	45,391	29,034	(3,435)			(62,857)	(87,685)

**PSE&G 2020 TAX ADJUSTMENT CREDIT**

GTAC Net Revenue Requirement  
\$000

Current Excess Unprotected ADIT Balance	273,900
Deduction Storm/Other Regulatory Asset Offset	-
Net Historic Unprotected ADIT to Return to Customers	273,900

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	1. Return Excess Income Tax Expense						2. Return Historic ADIT								
							Unprotected Excess ADIT			Protected Excess ADIT			SHARE		
	Beginning Excess Income Tax Balance	Excess Income Tax	Excess Income Tax	Ending Excess Income Tax Balance	Short-Term Interest Rate	Interest On Excess Income Tax Balance	Beginning Balance	Amortization to Customers	Ending Balance	Beginning Balance	Amortization to Customers	Ending Balance	Beginning Balance	Amortization to Customers	Ending Balance
Nov-18	21,789	-	(10,895)	10,895	2.36%	(32)	272,801	(3,233)	269,568	336,524	(575)	335,949	287,201	(1,544)	285,657
Dec-18	10,895	-	(10,895)	-	2.48%	(11)	270,061	(3,233)	266,827	335,457	(471)	334,986	285,657	(1,544)	284,113
Jan-19	-	-	-	-	2.92%	-	266,827	(3,630)	263,197	334,986	(575)	334,411	284,113	(1,544)	282,569
Feb-19	-	-	-	-	2.92%	-	263,197	(3,630)	259,567	334,411	(575)	333,836	282,569	(1,544)	281,025
Mar-19	-	-	-	-	2.78%	-	259,567	(3,630)	255,937	333,836	(705)	333,131	281,025	(1,544)	279,481
Apr-19	-	-	-	-	2.88%	-	255,937	(3,630)	252,307	333,131	(618)	332,513	279,481	(1,544)	277,936
May-19	-	-	-	-	2.64%	-	252,307	(3,630)	248,676	332,513	(618)	331,895	277,936	(1,544)	276,392
Jun-19	-	-	-	-	2.64%	-	248,676	(3,630)	245,046	331,895	(618)	331,277	276,392	(1,544)	274,848
Jul-19	-	-	-	-	2.64%	-	245,046	(3,630)	241,416	331,277	(618)	330,659	274,848	(1,544)	273,304
Aug-19	-	-	-	-	2.64%	-	241,416	(3,630)	237,786	330,659	(618)	330,041	273,304	(1,544)	271,760
Sep-19	-	-	-	-	2.64%	-	237,786	(3,630)	234,156	330,041	(618)	329,422	271,760	(1,544)	270,216
Oct-19	-	-	-	-	2.64%	-	234,156	(3,630)	230,525	329,422	(618)	328,804	270,216	(1,544)	268,672
Nov-19	-	-	-	-	2.64%	-	230,525	(3,630)	226,895	328,804	(618)	328,186	268,672	(1,544)	267,128
Dec-19	-	-	-	-	2.64%	-	226,895	(3,630)	223,265	328,186	(618)	327,568	267,128	(1,544)	265,584
Jan-20	-	-	-	-	2.64%	-	223,265	(4,004)	219,261	327,568	(618)	326,949	265,584	(1,544)	264,040
Feb-20	-	-	-	-	2.64%	-	219,261	(4,004)	215,256	326,949	(618)	326,331	264,040	(1,544)	262,496
Mar-20	-	-	-	-	2.64%	-	215,256	(4,004)	211,252	326,331	(618)	325,713	262,496	(1,544)	260,951
Apr-20	-	-	-	-	2.64%	-	211,252	(4,004)	207,248	325,713	(618)	325,095	260,951	(1,544)	259,407
May-20	-	-	-	-	2.64%	-	207,248	(4,004)	203,244	325,095	(618)	324,477	259,407	(1,544)	257,863
Jun-20	-	-	-	-	2.64%	-	203,244	(4,004)	199,240	324,477	(618)	323,858	257,863	(1,544)	256,319
Jul-20	-	-	-	-	2.64%	-	199,240	(4,004)	195,235	323,858	(618)	323,240	256,319	(1,544)	254,775
Aug-20	-	-	-	-	2.64%	-	195,235	(4,004)	191,231	323,240	(618)	322,622	254,775	(1,544)	253,231
Sep-20	-	-	-	-	2.64%	-	191,231	(4,004)	187,227	322,622	(618)	322,004	253,231	(1,544)	251,687
Oct-20	-	-	-	-	2.64%	-	187,227	(4,004)	183,223	322,004	(618)	321,386	251,687	(1,544)	250,143
Nov-20	-	-	-	-	2.64%	-	183,223	(4,004)	179,219	321,386	(618)	320,767	250,143	(1,544)	248,599
Dec-20	-	-	-	-	2.64%	-	179,219	(4,004)	175,214	320,767	(618)	320,149	248,599	(1,544)	247,055
	= Prev Col 4	Input	Input	= Col 1 + Col 2 + Col 3	Input	= (Prev Col 4 + Col 4)/2 * Col 5 / 12	= Prev Col 9	Input	= Col 7 + Col 8	= Prev Col 12	Input	= Col 10 + Col 11	= Prev Col 15	Input	= Col 13 + Col 14
Annual 2018			(21,789)			(363)		(6,467)			(1,046)			(3,088)	
2019			-			-		(43,562)			(7,418)			(18,529)	
2020			-			-		(48,051)			(7,419)			(18,529)	

PSE&G 2020 TAX ADJUSTMENT CREDIT

GTAC Net Revenue Requirement  
\$000

Schedule SS-TAC-2G

Page 2 of 2

Monthly After Tax WACC = 0.540%				Monthly After Tax WACC = 0.540%				Federal Tax Rate = 21.00%			Revenue Factor = 1.4178			
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
2. Return Historic ADIT (cont.)				2a. Return Historic ADIT (cont.)				3. Current GSHARE Deducton			4. Other			
Return on Rate Base				Return on Non Rate Base										
Unprotected Excess ADIT Rate Base Related %	Rate Base Related Portion of Unprotected Excess ADIT Amortizaion to Customers	Cumulative Change in Rate Base	After-Tax Return on Cumulative Change in Rate Base	Beginning Non-Rate Base Related Portion of Unprotected Excess	Non-Rate Base Related Portion of Unprotected Excess ADIT Amortizaion to Customers	Ending Non-Rate Base Related Portion of Unprotected Excess	After-Tax Interest to Customers	Federal Tax SHARE Deduction	Book Depreciation Associated with SHARE Deduction	Actual SHARE Deduction Flow-Through	IRS ESHARE Deduction Audit Adjustments	Other Major Tax Adjustments	Net Tax Adjustment	Revenue Requirement
78%	(2,525)	4,371	12	60,144	(708)	59,436	(323)	15,195	2,390	(2,689)	-	-	(8,352)	(22,764)
78%	(2,525)	8,448	35	59,436	(708)	58,728	(319)	34,838	3,047	(6,676)	-	-	(12,209)	(28,209)
78%	(2,835)	14,092	61	58,728	(795)	57,933	(315)	15,195	2,390	(2,689)	-	-	(8,693)	(12,324)
78%	(2,835)	18,955	89	57,933	(795)	57,138	(311)	15,195	2,390	(2,689)	-	-	(8,660)	(12,278)
78%	(2,835)	23,868	116	57,138	(795)	56,343	(307)	19,071	1,629	(3,663)	-	-	(9,733)	(13,799)
78%	(2,835)	28,664	142	56,343	(795)	55,548	(302)	16,487	2,136	(3,014)	-	-	(8,966)	(12,712)
78%	(2,835)	33,407	168	55,548	(795)	54,754	(298)	16,487	2,136	(3,014)	-	-	(8,936)	(12,670)
78%	(2,835)	38,100	193	54,754	(795)	53,959	(294)	16,487	2,136	(3,014)	-	-	(8,906)	(12,628)
78%	(2,835)	42,740	218	53,959	(795)	53,164	(289)	16,487	2,136	(3,014)	-	-	(8,877)	(12,586)
78%	(2,835)	47,328	243	53,164	(795)	52,369	(285)	16,487	2,136	(3,014)	-	-	(8,848)	(12,545)
78%	(2,835)	51,865	268	52,369	(795)	51,574	(281)	16,487	2,136	(3,014)	-	-	(8,819)	(12,504)
78%	(2,835)	56,349	292	51,574	(795)	50,779	(276)	16,487	2,136	(3,014)	-	-	(8,790)	(12,463)
78%	(2,835)	60,783	316	50,779	(795)	49,985	(272)	16,487	2,136	(3,014)	-	-	(8,762)	(12,423)
78%	(2,835)	65,164	340	49,985	(795)	49,190	(268)	16,487	2,136	(3,014)	-	-	(8,734)	(12,383)
78%	(3,121)	74,389	377	49,190	(883)	48,307	(263)	15,195	2,390	(2,689)	-	-	(8,742)	(12,394)
78%	(3,121)	79,573	416	48,307	(883)	47,423	(259)	15,195	2,390	(2,689)	-	-	(8,698)	(12,333)
78%	(3,121)	84,704	444	47,423	(883)	46,540	(254)	15,195	2,390	(2,689)	-	-	(8,666)	(12,286)
78%	(3,121)	89,785	471	46,540	(883)	45,657	(249)	15,195	2,390	(2,689)	-	-	(8,633)	(12,240)
78%	(3,121)	94,813	499	45,657	(883)	44,774	(244)	15,195	2,390	(2,689)	-	-	(8,601)	(12,195)
78%	(3,121)	99,791	526	44,774	(883)	43,891	(240)	15,195	2,390	(2,689)	-	-	(8,569)	(12,150)
78%	(3,121)	104,716	552	43,891	(883)	43,008	(235)	15,195	2,390	(2,689)	-	-	(8,538)	(12,105)
78%	(3,121)	109,589	579	43,008	(883)	42,125	(230)	15,195	2,390	(2,689)	-	-	(8,507)	(12,061)
78%	(3,121)	114,412	605	42,125	(883)	41,242	(225)	15,195	2,390	(2,689)	-	-	(8,476)	(12,017)
78%	(3,121)	119,182	631	41,242	(883)	40,359	(220)	15,195	2,390	(2,689)	-	-	(8,445)	(11,973)
78%	(3,121)	123,901	657	40,359	(883)	39,476	(216)	15,195	2,390	(2,689)	-	-	(8,415)	(11,930)
78%	(3,121)	128,568	682	39,476	(883)	38,593	(211)	15,195	2,390	(2,689)	-	-	(8,385)	(11,888)
Input	= Col 8 * Col 16	= Prev Col 18 - Col 11 - Col 14 - Col 17	= (Prev Col 18 + Col 18) / 2 * Monthly AT WACC	Previous Col 22	= (Prev Col 8 - Col 17)	= (Prev Col 20 - Col 21)	= (Prev Col 22 + Col 22) / 2 * Monthly AT WACC	Input	Input	= - (Col 24 - Col 25) * Fed Tax Rate	Input	Input	= Col 8 + Col 11 + Col 14 + Col 19 + Col 23 + Col 26 + Col 27 + Col 28	= Col 29 * Rev Fct + Col 3 + Col 6
			46		(1,416)		(642)	50,033	5,437	(9,365)			(20,561)	(51,292)
			2,447		(9,538)		(3,498)	197,847	25,635	(36,165)			(106,725)	(151,315)
			6,438		(10,597)		(2,845)	182,342	28,676	(32,270)			(102,675)	(145,573)

**PSE&G 2020 TAX ADJUSTMENT CREDIT  
Electric Over/(Under) Calculation**

Schedule SS-TAC-3E

Reflects a tax rate of 28.11%

	(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 Calculations</b>										
Nov-18	-	(9,317,330)	(9,577,046)	259,716	259,716	129,858	2.36%	184	-	184
Dec-18	259,716	(10,128,447)	(11,349,892)	1,221,445	1,481,161	870,438	2.48%	1,293	-	1,477
Jan-19	1,481,161	(7,107,816)	(6,912,847)	(194,969)	1,286,192	1,383,676	2.92%	2,420	-	3,897
Feb-19	1,286,192	(5,931,065)	(6,874,511)	943,446	2,229,638	1,757,915	2.92%	3,075	-	6,972
Mar-19	2,229,638	(6,581,784)	(8,404,908)	1,823,124	4,052,762	3,141,200	2.78%	5,232	-	12,204
Apr-19	4,052,762	(4,907,610)	(7,326,999)	2,419,389	6,472,151	5,262,457	2.88%	9,080	-	21,284
May-19	6,472,151	(5,459,041)	(7,294,097)	1,835,056	8,307,208	7,389,680	2.64%	11,687	-	32,971
Jun-19	8,307,208	(7,437,056)	(7,258,942)	(178,114)	8,129,094	8,218,151	2.64%	12,998	-	45,969
Jul-19	8,129,094	(9,693,618)	(7,229,338)	(2,464,280)	5,664,814	6,896,954	2.64%	10,908	-	56,877
Aug-19	5,664,814	(9,196,438)	(7,198,046)	(1,998,392)	3,666,422	4,665,618	2.64%	7,379	-	64,256
Sep-19	3,666,422	(6,669,001)	(7,167,289)	498,288	4,164,710	3,915,566	2.64%	6,193	-	70,449
Oct-19	4,164,710	(5,392,402)	(7,137,065)	1,744,663	5,909,372	5,037,041	2.64%	7,966	-	78,415
Nov-19	5,909,372	(5,498,746)	(7,107,374)	1,608,629	7,518,001	6,713,687	2.64%	10,618	-	89,033
Dec-19	7,518,001	(6,497,496)	(7,078,217)	580,721	8,098,722	7,808,361	2.64%	12,350	-	101,383
Jan-20	8,200,105	(7,085,034)	(7,525,084)	440,051	8,640,155	8,420,130	2.64%	13,317	101,383	13,317
Feb-20	8,640,155	(6,062,277)	(7,466,335)	1,404,058	10,044,214	9,342,184	2.64%	14,775	-	28,093
Mar-20	10,044,214	(6,085,987)	(7,428,925)	1,342,938	11,387,151	10,715,682	2.64%	16,948	-	45,040
Apr-20	11,387,151	(4,978,201)	(7,392,047)	2,413,846	13,800,997	12,594,074	2.64%	19,919	-	64,959
May-20	13,800,997	(5,591,212)	(7,355,702)	1,764,490	15,565,487	14,683,242	2.64%	23,223	-	88,181
Jun-20	15,565,487	(7,587,589)	(7,319,888)	(267,701)	15,297,785	15,431,636	2.64%	24,406	-	112,588
Jul-20	15,297,785	(9,680,046)	(7,284,607)	(2,395,440)	12,902,346	14,100,066	2.64%	22,300	-	134,888
Aug-20	12,902,346	(9,240,826)	(7,249,866)	(1,990,960)	10,911,385	11,906,866	2.64%	18,832	-	153,720
Sep-20	10,911,385	(6,675,898)	(7,215,657)	539,760	11,451,145	11,181,265	2.64%	17,684	-	171,404
Oct-20	11,451,145	(5,290,743)	(7,181,981)	1,891,238	13,342,383	12,396,764	2.64%	19,606	-	191,010
Nov-20	13,342,383	(5,456,832)	(7,148,836)	1,692,004	15,034,387	14,188,385	2.64%	22,440	-	213,451
Dec-20	15,034,387	(6,560,705)	(7,116,224)	555,519	15,589,906	15,312,146	2.64%	24,217	-	237,668
	(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	Input	(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

**PSE&G 2020 TAX ADJUSTMENT CREDIT  
Gas Over/(Under) Calculation**

Schedule SS-TAC-3G

Reflects a tax rate of 28.11%

	(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>										
Nov-18	-	(19,941,445)	(23,083,516)	3,142,071	3,142,071	1,571,035	2.36%	2,221	-	2,221
Dec-18	3,142,071	(27,781,180)	(28,208,646)	427,467	3,569,538	3,355,804	2.48%	4,986	-	7,207
Jan-19	3,569,538	(27,101,607)	(12,324,390)	(14,777,217)	(11,207,679)	(3,819,071)	2.92%	(6,681)	-	526
Feb-19	(11,207,679)	(23,608,645)	(12,278,063)	(11,330,582)	(22,538,261)	(16,872,970)	2.92%	(29,516)	-	(28,990)
Mar-19	(22,538,261)	(20,816,532)	(13,799,356)	(7,017,176)	(29,555,437)	(26,046,849)	2.78%	(43,380)	-	(72,370)
Apr-19	(29,555,437)	(9,479,322)	(12,712,402)	3,233,080	(26,322,357)	(27,938,897)	2.88%	(48,205)	-	(120,574)
May-19	(26,322,357)	(5,577,601)	(12,669,780)	7,092,179	(19,230,178)	(22,776,267)	2.64%	(36,022)	-	(156,597)
Jun-19	(19,230,178)	(3,812,619)	(12,627,554)	8,814,935	(10,415,243)	(14,822,710)	2.64%	(23,443)	-	(180,040)
Jul-19	(10,415,243)	(3,835,478)	(12,586,116)	8,750,638	(1,664,605)	(6,039,924)	2.64%	(9,553)	-	(189,593)
Aug-19	(1,664,605)	(3,588,032)	(12,544,687)	8,956,655	7,292,051	2,813,723	2.64%	4,450	-	(185,143)
Sep-19	7,292,051	(3,735,450)	(12,503,653)	8,768,202	16,060,253	11,676,152	2.64%	18,467	-	(166,676)
Oct-19	16,060,253	(6,873,192)	(12,463,015)	5,589,822	21,650,075	18,855,164	2.64%	29,821	-	(136,855)
Nov-19	21,650,075	(14,659,577)	(12,422,772)	(2,236,805)	19,413,270	20,531,673	2.64%	32,472	-	(104,383)
Dec-19	19,413,270	(21,284,753)	(12,382,925)	(8,901,828)	10,511,443	14,962,357	2.64%	23,664	-	(80,718)
Jan-20	10,430,724	(27,253,010)	(12,394,488)	(14,858,523)	(4,427,798)	3,001,463	2.64%	4,747	(80,718)	4,747
Feb-20	(4,427,798)	(24,205,190)	(12,332,541)	(11,872,649)	(16,300,448)	(10,364,123)	2.64%	(16,392)	-	(11,645)
Mar-20	(16,300,448)	(19,323,792)	(12,286,272)	(7,037,520)	(23,337,968)	(19,819,208)	2.64%	(31,346)	-	(42,990)
Apr-20	(23,337,968)	(11,091,482)	(12,240,398)	1,148,916	(22,189,052)	(22,763,510)	2.64%	(36,002)	-	(78,993)
May-20	(22,189,052)	(5,600,942)	(12,194,918)	6,593,976	(15,595,075)	(18,892,064)	2.64%	(29,879)	-	(108,872)
Jun-20	(15,595,075)	(3,608,640)	(12,149,833)	8,541,193	(7,053,882)	(11,324,479)	2.64%	(17,911)	-	(126,782)
Jul-20	(7,053,882)	(3,901,533)	(12,105,143)	8,203,610	1,149,728	(2,952,077)	2.64%	(4,669)	-	(131,451)
Aug-20	1,149,728	(3,632,430)	(12,060,853)	8,428,423	9,578,151	5,363,940	2.64%	8,483	-	(122,968)
Sep-20	9,578,151	(3,785,575)	(12,016,959)	8,231,384	17,809,535	13,693,843	2.64%	21,658	-	(101,310)
Oct-20	17,809,535	(6,996,554)	(11,973,459)	4,976,905	22,786,440	20,297,988	2.64%	32,103	-	(69,207)
Nov-20	22,786,440	(15,208,384)	(11,930,353)	(3,278,031)	19,508,410	21,147,425	2.64%	33,446	-	(35,761)
Dec-20	19,508,410	(21,274,535)	(11,887,642)	(9,386,893)	10,121,516	14,814,963	2.64%	23,431	-	(12,330)
	(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	Input	(Col 6 * (Col 7) / 12)*net of tax rate		Prior Month + Col 8 - Col 9

**PSE&G 2020 TAX ADJUSTMENT CREDIT**  
**Weighted Average Cost of Capital**

	<b>Percent</b>	<b>Embedded Cost</b>	<b>Weighted Cost</b>	<b>Pre-Tax Weighted Cost</b>	<b>After-Tax Weighted Cost</b>
Long-Term Debt	45.53%	3.96%	1.80%	1.80%	1.30%
Customer Deposits	0.47%	0.87%	0.00%	0.00%	0.00%
Common Equity	54.00%	9.60%	5.18%	7.21%	5.18%
Total	<u>100.00%</u>		<u>6.99%</u>	<u>9.02%</u>	<u>6.48%</u>
Federal Tax Rate		21.00%			0.5402%
State Tax Rate		9.00%			
Fed Benefit of State Tax Deduction		<u>-1.89%</u>			
Effective Tax Rate		28.11%			

**PSE&G 2020 TAX ADJUSTMENT CREDIT**

Schedule SS-TAC-5

**Revenue Factor**

	<u><b>ELECTRIC</b></u>	<u><b>GAS</b></u>
Revenue Increase	100.0000	100.0000
Uncollectible Rate		1.6000
BPU Assessment Rate	0.2311	0.2311
Rate Counsel Assessment Rate	<u>0.0553</u>	<u>0.0553</u>
Income before State of NJ Bus. Tax	99.7136	98.1136
State of NJ Bus. Income Tax	<u>8.9742</u>	<u>8.8302</u>
Income Before Federal Income Taxes	90.7394	89.2834
Federal Income Taxes	<u>19.0553</u>	<u>18.7495</u>
Return	<u>71.6841</u>	<u>70.5339</u>
<b>Revenue Factor</b>	<u><u><b>1.3950</b></u></u>	<u><u><b>1.4178</b></u></u>

**PSE&G 2020 TAX ADJUSTMENT CREDIT**

**Proposed ETAC Calculation**

(\$'s Unless Specified)

Line	Date(s)	Current SUT Rate 6.625%		Electric												Total	Source/Description
		RS	RHS	RLM	WH	WHS	HS	GLP	LPL-S	LPL-P	HTS-S	HTS-HV	BPL	BPL-POF	PSAL		
1	2020 Billing Determinants (MWh)	12,934,045	126,581	211,824	1,086	16	16,145	7,764,699	11,276,802	3,235,414	4,566,472	417,997	282,858	14,450	151,732	41,000,121	Input
2	2020 Rate Class Allocation	71.15%	0.63%	0.90%	0.00%	0.00%	0.03%	12.26%	10.44%	1.82%	2.64%	0.11%	0.00%	0.02%	0.00%	100.00%	Line 2
3	Revenue Requirements	(68,223,881)	(599,818)	(863,356)	0	0	(33,389)	(11,758,455)	(10,008,489)	(1,743,407)	(2,530,444)	(104,938)	0	(19,080)	0	(95,885,256)	(SS-TAC-1, In 4 [Electric]) * Line 2 * 1000
4	Proposed Rate w/o SUT (\$/kWh)	(0.005275)	(0.004739)	(0.004076)	0.000000	0.000000	(0.002068)	(0.001514)	(0.000888)	(0.000539)	(0.000554)	(0.000251)	0.000000	(0.001320)	0.000000		(Line 3 / (Line 1 * 1,000)) [Rnd 6]
5	Proposed Rate w/ SUT (\$/kWh)	(0.005624)	(0.005053)	(0.004346)	0.000000	0.000000	(0.002205)	(0.001614)	(0.000947)	(0.000575)	(0.000591)	(0.000268)	0.000000	(0.001407)	0.000000		(Line 4 * (1 + SUT Rate)) [Rnd 6]
6	Current Rates w/o SUT (\$/kWh)	(0.004423)	(0.003974)	(0.003418)	(0.002762)	(0.093168)	(0.001734)	(0.001269)	(0.000744)	(0.000452)	(0.000465)	(0.000211)	0.000000	(0.001107)	0.000000		Att. C, page 9, In 4
7	2020 Revenues at Current Rates	(57,207,281)	(503,033)	(724,014)	(3,000)	(1,500)	(27,995)	(9,853,403)	(8,389,941)	(1,462,407)	(2,123,409)	(88,197)	0	(15,996)	0	(80,400,177)	Line 6 * Line 1 * 1000
8	Revenue Increase / (Decrease)	(11,016,600)	(96,785)	(139,341)	3,000	1,500	(5,394)	(1,905,051)	(1,618,549)	(280,999)	(407,034)	(16,741)	0	(3,084)	0	(15,485,079)	Line 3 - Line 7

<sup>1</sup>Rate Class Allocation remains the same and stays in effect until the conclusion of the Company's next Base Rate Case

**PSE&G 2020 TAX ADJUSTMENT CREDIT  
Proposed GTAC Calculation**

(\$'s Unless Specified)

Line	Date(s)	Current SUT Rate 6.625%				Gas				Total	Source/Description
		RSG	GSG	LVG	SLG	TSG-F	TSG-NF	CIG	CSG		
1	2020 Billing Determinants (Therms)	1,515,526	294,326	714,491	660	23,656	189,665	37,805	1,143,397	3,919,527	Input
2	2020 Rate Class Allocation	71.80%	11.57%	14.07%	0.05%	0.37%	1.12%	0.32%	0.70%	100.00%	Line 2
3	Revenue Requirements	(112,007,490)	(18,051,158)	(21,956,002)	(76,048)	(574,749)	(1,745,468)	(499,805)	(1,092,864)	(156,003,584)	(SS-TAC-1, In 4 [Gas]) * Line 2 * 1000
4	Proposed Rate w/o SUT (\$/Therms)	(0.073907)	(0.061330)	(0.030730)	(0.115242)	(0.024296)	(0.009203)	(0.013220)	(0.000956)		(Line 3 / (Line 1 * 1,000)) [Rnd 6]
5	Proposed Rate w/ SUT (\$/Therms)	(0.078803)	(0.065393)	(0.032766)	(0.122877)	(0.025906)	(0.009813)	(0.014096)	(0.001019)		(Line 4 * (1 + SUT Rate)) [Rnd 6]
6	Current Rates w/o SUT (\$/kWh)	(0.069574)	(0.056346)	(0.027547)	(0.104035)	(0.020566)	(0.009043)	(0.010966)	(0.001285)		Att. C, page 10, In 4
7	2020 Revenues at Current Rates	(105,441,188)	(16,584,119)	(19,682,081)	(68,653)	(486,512)	(1,715,138)	(414,574)	(1,469,266)	(145,861,531)	Line 6 * Line 1 * 1000
8	Revenue Increase / (Decrease)	(6,566,302)	(1,467,039)	(2,273,921)	(7,395)	(88,237)	(30,329)	(85,231)	376,402	(10,142,053)	Line 3 - Line 7

<sup>1</sup>Rate Class Allocation remains the same and stays in effect until the conclusion of the Company's next Base Rate Case