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October 15, 2010

VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Informational Filing Public Service Electric and Gas Company,
Docket No. ER09-1257-000
2011 Formula Rate Annual Update

Dear Ms. Bose:

Attached for informational purposes, please find the 2011 Annual Update of Public Service Electric and Gas Company ("PSE&G") in the above referenced docket.

This annual Update is being filed in accordance with the Commission Order at 124 FERC ¶ 61,303 (2008).¹ The attachment has been submitted to PJM for posting on its Internet website.

This filing requires no action by the Commission. Thank you for your attention to this matter and please advise the undersigned of any questions.

Very truly yours,

A handwritten signature in blue ink that reads "Gregory Eisenstark".

Gregory Eisenstark

Attachments

¹ As amended by errata issued by the Commission, 125 FERC ¶ 61,024 (2008)

Public Service Electric and Gas Company
ATTACHMENT H-10A

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

12 Months Ended
12/31/2011

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	(Note O)	Attachment 5	19,944,198
2	Total Wages Expense	(Note O)	Attachment 5	149,963,118
3	Less A&G Wages Expense	(Note O)	Attachment 5	3,751,396
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	146,211,722
5	Wages & Salary Allocator		(Line 1 / Line 4)	13.6406%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	Attachment 5	9,126,016,804
7	Common Plant in Service - Electric		(Line 22)	115,602,277
8	Total Plant in Service		(Line 6 + 7)	9,241,619,081
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	Attachment 5	2,696,477,596
10	Accumulated Intangible Amortization - Electric	(Note B)	Attachment 5	140,077
11	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	35,760,011
12	Accumulated Common Amortization - Electric	(Note B)	Attachment 5	0
13	Total Accumulated Depreciation		(Line 9 + Line 10 + Line 11 + Line 12)	2,732,377,684
14	Net Plant		(Line 8 - Line 13)	6,509,241,397
15	Transmission Gross Plant		(Line 31)	2,273,703,088
16	Gross Plant Allocator		(Line 15 / Line 8)	24.6029%
17	Transmission Net Plant		(Line 43)	1,493,849,153
18	Net Plant Allocator		(Line 17 / Line 14)	22.9497%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	Attachment 5	2,214,586,954
20	General	(Note B)	Attachment 5	222,010,874
21	Intangible - Electric	(Note B)	Attachment 5	903,473
22	Common Plant - Electric	(Note B)	Attachment 5	115,602,277
23	Total General, Intangible & Common Plant		(Line 20 + Line 21 + Line 22)	338,516,624
24	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	27,862,984
25	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	5,854,998
26	General and Intangible Excluding Acct. 397		(Line 23 - Line 24 - Line 25)	304,798,642
27	Wage & Salary Allocator		(Line 5)	13.6406%
28	General and Intangible Plant Allocated to Transmission		(Line 26 * Line 27)	41,576,451
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	17,539,684
30	Total General and Intangible Functionalized to Transmission		(Line 28 + Line 29)	59,116,135
31	Total Plant In Rate Base		(Line 19 + Line 30)	2,273,703,088
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	755,736,953
33	Accumulated General Depreciation	(Note B & J)	Attachment 5	94,483,550
34	Accumulated Common Plant Depreciation - Electric	(Note B & J)	Attachment 5	35,760,011
35	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	14,955,958
36	Balance of Accumulated General Depreciation		(Line 33 + Line 34 - Line 35)	115,287,604
37	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	140,077
38	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 36 + 37)	115,427,681
39	Wage & Salary Allocator		(Line 5)	13.6406%
40	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 38 * Line 39)	15,745,061
41	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	8,371,921
42	Total Accumulated Depreciation		(Lines 32 + 40 + 41)	779,853,936
43	Total Net Property, Plant & Equipment		(Line 31 - Line 42)	1,493,849,153

Public Service Electric and Gas Company
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12 Months Ended
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Adjustment To Rate Base

44	Accumulated Deferred Income Taxes ADIT net of FASB 106 and 109	(Note Q)	Attachment 1	-297,608,508
45	CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year	(Note B & H)	Attachment 6	118,390,650
46	Plant Held for Future Use	(Note C & Q)	Attachment 5	1,778,167
47	Prepayments	(Note A & Q)	Attachment 5	5,831,232
48	Materials and Supplies Undistributed Stores Expense	(Note Q)	Attachment 5	0
49	Wage & Salary Allocator		(Line 5)	13.6406%
50	Total Undistributed Stores Expense Allocated to Transmission		(Line 48 * Line 49)	0
51	Transmission Materials & Supplies	(Note N & Q)	Attachment 5	3,514,264
52	Total Materials & Supplies Allocated to Transmission		(Line 50 + Line 51)	3,514,264
53	Cash Working Capital Operation & Maintenance Expense		(Line 80)	81,707,455
54	1/8th Rule		1/8	12.5%
55	Total Cash Working Capital Allocated to Transmission		(Line 53 * Line 54)	10,213,432
56	Network Credits Outstanding Network Credits	(Note N & Q)	Attachment 5	0
57	Total Adjustment to Rate Base		(Lines 44 + 45 + 46 + 47 + 52 + 55 - 56)	-157,880,762
58	Rate Base		(Line 43 + Line 57)	1,335,968,391

Operations & Maintenance Expense

59	Transmission O&M	(Note O)	Attachment 5	52,212,698
60	Plus Transmission Lease Payments	(Note O)	Attachment 5	0
61	Transmission O&M		(Lines 59 + 60)	52,212,698
62	Allocated Administrative & General Expenses Total A&G	(Note O)	Attachment 5	199,116,808
63	Plus: Fixed PBOP expense	(Note J)	Attachment 5	77,745,482
64	Less: Actual PBOP expense	(Note O)	Attachment 5	52,639,903
65	Less Property Insurance Account 924	(Note O)	Attachment 5	1,170,000
66	Less Regulatory Commission Exp Account 928	(Note E & O)	Attachment 5	11,425,582
67	Less General Advertising Exp Account 930.1	(Note O)	Attachment 5	1,919,371
68	Less EPRI Dues	(Note D & O)	Attachment 5	0
69	Administrative & General Expenses		Sum (Lines 62 to 63) - Sum (Lines 64 to 68)	209,707,434
70	Wage & Salary Allocator		(Line 5)	13.6406%
71	Administrative & General Expenses Allocated to Transmission		(Line 69 * Line 70)	28,605,412
72	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G & O)	Attachment 5	620,834
73	General Advertising Exp Account 930.1	(Note K & O)	Attachment 5	0
74	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 72 + Line 73)	620,834
75	Property Insurance Account 924		(Line 65)	1,170,000
76	General Advertising Exp Account 930.1	(Note F & O)	Attachment 5	0
77	Total Accounts 928 and 930.1 - General		(Line 75 + Line 76)	1,170,000
78	Net Plant Allocator		(Line 18)	22.9497%
79	A&G Directly Assigned to Transmission		(Line 77 * Line 78)	268,511
80	Total Transmission O&M		(Lines 61 + 71 + 74 + 79)	81,707,455

Public Service Electric and Gas Company
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Formula Rate -- Appendix A

Notes

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Depreciation & Amortization Expense

81	Depreciation Expense			
	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	51,290,500
82	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	26,429,391
83	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	3,364,772
84	Balance of General Depreciation Expense		(Line 82 - Line 83)	23,064,619
85	Intangible Amortization	(Note A & O)	Attachment 5	5,044,689
86	Total		(Line 84 + Line 85)	28,109,308
87	Wage & Salary Allocator		(Line 5)	13.6406%
88	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 86 * Line 87)	3,834,286
89	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	1,753,968
90	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 88 + Line 89)	5,588,255
91	Total Transmission Depreciation & Amortization		(Lines 81 + 90)	56,878,754

Taxes Other than Income Taxes

92	Taxes Other than Income Taxes	(Note O)	Attachment 2	9,342,688
93	Total Taxes Other than Income Taxes		(Line 92)	9,342,688

Return \ Capitalization Calculations

94	Long Term Interest		p117.62.c through 67.c	195,974,631
95	Preferred Dividends	enter positive	p118.29.d	3,987,874
	Common Stock			
96	Proprietary Capital		Attachment 5	4,015,559,296
97	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	3,524,080
98	Less Preferred Stock		(Line 106)	79,523,400
99	Less Account 216.1	(Note P)	Attachment 5	3,941,456
100	Common Stock		(Line 96 - 97 - 98 - 99)	3,928,570,361
	Capitalization			
101	Long Term Debt	(Note P)	Attachment 5	3,547,156,489
102	Less Loss on Reacquired Debt	(Note P)	Attachment 5	109,213,413
103	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
104	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	36,995,999
105	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	3,400,947,077
106	Preferred Stock	(Note P)	Attachment 5	79,523,400
107	Common Stock		(Line 100)	3,928,570,361
108	Total Capitalization		(Sum Lines 105 to 107)	7,409,040,838
109	Debt %		Total Long Term Debt (Line 105 / Line 108)	45.90%
110	Preferred %		Preferred Stock (Line 106 / Line 108)	1.07%
111	Common %		Common Stock (Line 107 / Line 108)	53.02%
112	Debt Cost		Total Long Term Debt (Line 94 / Line 105)	0.0576
113	Preferred Cost		Preferred Stock (Line 95 / Line 106)	0.0501
114	Common Cost	(Note J)	Common Stock Fixed	0.1168
115	Weighted Cost of Debt		Total Long Term Debt (WCLTD) (Line 109 * Line 112)	0.0265
116	Weighted Cost of Preferred		Preferred Stock (Line 110 * Line 113)	0.0005
117	Weighted Cost of Common		Common Stock (Line 111 * Line 114)	0.0619
118	Rate of Return on Rate Base (ROR)		(Sum Lines 115 to 117)	0.0889
119	Investment Return = Rate Base * Rate of Return		(Line 58 * Line 118)	118,795,682

Public Service Electric and Gas Company
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12 Months Ended
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Composite Income Taxes

Income Tax Rates				
120	FIT=Federal Income Tax Rate		(Note I)	35.00%
121	SIT=State Income Tax Rate or Composite			9.00%
122	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
123	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.85%
124	T / (1-T)			69.06%
ITC Adjustment				
125	Amortized Investment Tax Credit	enter negative	(Note O)	Attachment 5
126	1/(1-T)			1 / (1 - Line 123)
127	Net Plant Allocation Factor			(Line 18)
128	ITC Adjustment Allocated to Transmission			(Line 125 * Line 126 * Line 127)
129	Income Tax Component =	$(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)) =$		[Line 124 * Line 119 * (1- (Line 115 / Line 118))]
130	Total Income Taxes			(Line 128 + Line 129)

Revenue Requirement

Summary				
131	Net Property, Plant & Equipment		(Line 43)	1,493,849,153
132	Total Adjustment to Rate Base		(Line 57)	-157,880,762
133	Rate Base		(Line 58)	1,335,968,391
134	Total Transmission O&M		(Line 80)	81,707,455
135	Total Transmission Depreciation & Amortization		(Line 91)	56,878,754
136	Taxes Other than Income		(Line 93)	9,342,688
137	Investment Return		(Line 119)	118,795,682
138	Income Taxes		(Line 130)	57,146,936
139	Gross Revenue Requirement		(Sum Lines 134 to 138)	323,871,516
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
140	Transmission Plant In Service		(Line 19)	2,214,586,954
141	Excluded Transmission Facilities	(Note B & M)	Attachment 5	0
142	Included Transmission Facilities		(Line 140 - Line 141)	2,214,586,954
143	Inclusion Ratio		(Line 142 / Line 140)	100.00%
144	Gross Revenue Requirement		(Line 139)	323,871,516
145	Adjusted Gross Revenue Requirement		(Line 143 * Line 144)	323,871,516
Revenue Credits & Interest on Network Credits				
146	Revenue Credits	(Note O)	Attachment 3	32,598,264
147	Interest on Network Credits	(Note N & O)	Attachment 5	0
148	Net Revenue Requirement		(Line 145 - Line 146 + Line 147)	291,273,252
Net Plant Carrying Charge				
149	Gross Revenue Requirement		(Line 144)	323,871,516
150	Net Transmission Plant		(Line 19 - Line 32)	1,458,850,000
151	Net Plant Carrying Charge		(Line 149 / Line 150)	22.2005%
152	Net Plant Carrying Charge without Depreciation		(Line 149 - Line 81) / Line 150	18.6846%
153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 149 - Line 81 - Line 119 - Line 130) / Line 150	6.6243%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE				
154	Gross Revenue Requirement Less Return and Taxes		(Line 144 - Line 137 - Line 138)	147,928,898
155	Increased Return and Taxes		Attachment 4	187,918,679
156	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 154 + Line 155)	335,847,576
157	Net Transmission Plant		(Line 19 - Line 32)	1,458,850,000
158	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 156 / Line 157)	23.0214%
159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 156 - Line 81) / Line 157	19.5056%
Net Revenue Requirement				
160	Net Revenue Requirement		(Line 148)	291,273,252
161	True-up amount		Attachment 6	3,835,973
162	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 7	1,284,229
163	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	0
164	Net Zonal Revenue Requirement		(Line 160 + 161 + 162 + 163)	296,393,455
Network Zonal Service Rate				
165	1 CP Peak	(Note L)	Attachment 5	10,761.4
166	Rate (\$/MW-Year)		(Line 164 / 165)	27,542
167	Network Service Rate (\$/MW/Year)		(Line 166)	27,542

Shaded cells are input cells

Notes

- A Electric portion only
- B Calculated using 13-month average balances.
- C Includes Transmission portion only. At each annual informational filing, Company will identify for each parcel of land an intended use within a 15 year period.
- D Includes all EPRI Annual Membership Dues
- E Includes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H CWIP can only be included if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes.
- J ROE will be supported in the original filing and no change in ROE will be made absent a filing at FERC.
PBOP expense is fixed until changed as the result of a filing at FERC.
Depreciation rates shown in Attachment 8 are fixed until changed as the result of a filing at FERC.
If book depreciation rates are different than the Attachment 8 rates, PSE&G will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to FERC Form 1 amounts.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A.
Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 147.
- O Expenses reflect full year plan
- P The projected capital structure shall reflect the capital structure from the FERC Form 1 data. For all other formula rate calculations, the projected capital structure and actual capital structure shall reflect the capital structure from the most recent FERC Form 1 data available.
Calculated using the average of the prior year and current year balances.
- Q Calculated using beginning and year end projected balances.

END

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31,2011

	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>	
ADIT-282	0	(1,131,309,811)	(87,798)		From Acct. 282 total, below
ADIT-283	(1,781,312)	(102,007,901)	(57,025,936)		From Acct. 283 total, below
ADIT-190	1,817,015	(85,112,549)	7,819,143		From Acct. 190 total, below
Subtotal	(164,297)	(1,318,430,261)	(49,294,591)		
Wages & Salary Allocator			13.6406%		
Net Plant Allocator		22.9497%			
End of Year ADIT	(164,297)	(302,575,340)	(6,724,092)	(309,463,729)	
End of Previous Year ADIT (from Sheet 1A-ADIT (3))	(164,297)	(282,670,292)	(2,918,698)	(285,753,286)	
Average Beginning and End of Year ADIT	(164,297)	(292,622,816)	(4,821,395)	(297,608,508)	Appendix A, Line 44

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 108
(32,950,573) < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADIT-190						
Public Utility Realty Tax (PURTA)	1,617,015	-	1,617,015	-	-	Property Taxes for Transmission Switching Stations owned in Pennsylvania
Additional Maintenance Expense	1,348,125	1,348,125	-	-	-	Book estimate accrued expenses, generation related tax
Newark Center Renovations	10,804	-	-	-	10,804	Amort of Renovations of Newark Plaza - General Property
New Jersey Corporate Business Tax(NJCBT)	(89,404,672)	-	-	(89,404,672)	-	New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis	141,931,340	141,931,340	-	-	-	New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing difference
ADIT - Real Estate Taxes	2,769,110	-	-	2,769,110	-	Book estimate accrued and expensed, tax deduction when paid related to plant
Gross Receipts & Franchise Tax(GRAFT)	756,443	756,443	-	-	-	Retail related
Market Transition Charge Revenue	51,871,037	51,871,037	-	-	-	Stranded cost recovery - generation related
Mine Closing Costs	1,357,594	1,357,594	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Generation relate
FIN 47	11,354	11,354	-	-	-	Asset Retirement Obligation - Legal liability for environmental removal cost
Vacation Pay	2,995,169	-	-	-	2,995,169	Vacation pay earned and expensed for books, tax deduction when paid - employees in all function
OPEB	162,415,318	-	-	-	162,415,318	FASB 106 - Post Retirement Obligation, labor related
Deferred Dividend Equivalents	3,862,689	-	-	-	3,862,689	Book accrual of dividends on employee stock options affecting all function
Deferred Compensation	462,421	-	-	-	462,421	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Interest/AFDC Deb	1,523,013	-	-	1,523,013	-	Capitalized Interest - Book vs Tax relates to all plant in all function
ADIT - Unallowable PIP Accra	(792,552)	-	-	-	(792,552)	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Legal Fees	637,144	637,144	-	-	-	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Rev of 1985-1993 Settle Int Exr	(3,180,712)	(3,180,712)	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation relate
ADIT - Interest on Dismantling & Decommissioning	(1,940,681)	(1,940,681)	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation relate
ADIT - SETI Dissolution	60,619	60,619	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Retail relate
Minimum Pension Liability	137,435	137,435	-	-	-	Associated with Pension Liability not in rates
FIN 48 Services Allocation	(649,220)	(649,220)	-	-	-	Uncertain Tax Positions - Assets/(Liabilities) not in rates
Bankruptcies \$ Acfc	(5,845)	(5,845)	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Generation Relate
Repair Allowance Deferrec	(6,515,037)	(6,515,037)	-	-	-	Deferred recovery of lost repair allowance deductions-Retail Relate
Fin Def. Energy competition Act CT	(1,748,958)	(1,748,958)	-	-	-	Restructuring Costs - Generation related
Del Tax Meter Equipment	201,647	201,647	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Retail - Distribution Meter
Unrealized L/G Rabbi Trust	436,479	-	-	-	436,479	Book estimate accrued and expensed, tax deduction when paid for Executive Compensator
Reserve for SECA	(1,111,579)	(1,111,579)	-	-	-	Related to LSE SECA obligations - retail
Estimated Severance Pay Accruals	844,133	-	-	-	844,133	Book estimate accrued and expensed, tax deduction when paid - employees in all function
Federal Taxes Deferred	23,030,494	-	-	23,030,494	-	FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Federal Taxes Current	27,158,392	-	-	27,158,392	-	FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Fed Taxes Req Requirement	23,760,554	-	-	23,760,554	-	FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Subtotal - p234	343,849,073	183,160,706	1,617,015	(85,112,549)	170,234,461	
Less FASB 109 Above if not separately removed	73,949,440			73,949,440		
Less FASB 106 Above if not separately removed	162,415,318				162,415,318	
Total	107,484,315	183,160,706	1,617,015	(85,112,549)	7,819,143	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2011

A	B	C	D	E	F	G	
ADIT-283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor		
Fin 48	(17,958,042)	(17,958,042)	-	-	-	-	Uncertain Tax Positions - Assets/(Liabilities) not in rates
Securitization Regulatory Asset	1,137,456,772	1,137,456,772	-	-	-	-	Generation Related (Securitization of Stranded Costs)
Securitization - Federal	(1,292,307,692)	(1,292,307,692)	-	-	-	-	Generation Related (Securitization of Stranded Costs)
Securitization - State	(365,173,288)	(365,173,288)	-	-	-	-	Generation Related (Securitization of Stranded Costs)
Amortization of Hope Creek License Costs	(649,571)	(649,571)	-	-	-	-	Book vs Tax Difference - Generation Related
Environmental Cleanup Costs	19,635,923	19,635,923	-	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Manufactured Gas Plant
Company-Owned Life Insurance (COLI)	(3,746,320)	(3,746,320)	-	-	-	-	Related to Uncertain Tax Position (FIN 48) which will be reclassified and not in rates
New Jersey Corporation Business Tax	(38,625,328)	-	-	(38,625,328)	-	-	New Jersey Corporate Income Tax - Plant Related- Contra Account of 190 NJCIBT
Obsolete Material Write Off	5,751,926	5,751,926	-	-	-	-	Book accrued write-off, tax deduction when actually disposed of - Generation Related
Energy Cost Adjustment	(48,480,219)	(48,480,219)	-	-	-	-	Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(52,270,844)	(52,270,844)	-	-	-	-	Demand Side management and Associated Programs - Retail Related
Take-or-Pay Costs	913,793	913,793	-	-	-	-	Gas Supply Contracts
Other Contract Cancellations	(7,904,692)	(7,904,692)	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Other Computer Software	(14,844,638)	-	-	-	(14,844,638)	-	Accelerated Amortization of Computer Software - General Plant
Loss on Recquired Debt	(32,950,573)	-	-	(32,950,573)	-	-	Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(95,612,551)	(95,612,551)	-	-	-	-	Associated with Pension Liability not in rates
Amortization of Peach Bottom HWC	(689,765)	(689,765)	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Radioactive Waste Storage Costs	(1,092,677)	(1,092,677)	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Severance Pay Costs	(11,608,502)	-	-	-	(11,608,502)	-	Book estimate accrued and expensed, tax deduction when paid related to all employee
Repair Allowance-Reverse Amortization	(2,347,178)	(2,347,178)	-	-	-	-	Retail Related - Electric Distribution
Public Utility Realty Tax Assessment (PURPA)	(1,781,312)	-	(1,781,312)	-	-	-	Property Taxes for Transmission Switching Stations owned in Pennsylvania
Federal Excise Tax Fuel Refunds	(137,133)	-	-	-	(137,133)	-	Vehicle Fuel Tax - Genera
Decommissioning and Decontamination Costs	12,603,383	12,603,383	-	-	-	-	Payments to DOE - Generation Related
Emission Allowance Sales	2,547,897	2,547,897	-	-	-	-	Sales of Emission Allowances - Generation Related
Interest Expense Adjustment	-	-	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Capitalization of Study Costs	(2,009,586)	(2,009,586)	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Lightnet Agreement - Audit Settlement	-	-	-	-	-	-	Fiber Optics - Electric Distribution - Retail Related
Mescalero Radioactive Waste Storage Costs	158,378	158,378	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Sale of Call Option	(70)	(70)	-	-	-	-	Book amortization expensed, tax deduction when occurred - Retail Related - distribution property
Vacation Pay Adjustment	(3,863)	-	-	-	(3,863)	-	Book estimate accrued and expensed, tax deduction when paid relating to all employee
Purchase Power - Audit Settlement	848,012	848,012	-	-	-	-	Purchased Power Settlements - Generation Related
Crude Oil Refunds	1,570,058	1,570,058	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Peach Bottom Interim Fuel Storage	(852,372)	(852,372)	-	-	-	-	Interim Nuclear Fuel Storage Costs - Generation Related
Amort UCLJA Property Loss	15	15	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
New Network Metering Equipment	(201,674)	(201,674)	-	-	-	-	New Upgraded Meter Equipments - Retail Related - Distribution Meters
Accounting for Income Taxes (FAS109) - Federal	(42,858,665)	-	-	(42,858,665)	-	-	FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - State	(3,529,662)	-	-	(3,529,662)	-	-	FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - Regulatory Requirement	(200,681,760)	-	-	(200,681,760)	-	-	FASB 109 - gross-up
Power (Deferred Project Costs)	(4,052,970)	(4,052,970)	-	-	-	-	Deferred Customer Information System Cost
Casualty Loss	(60,864,000)	-	-	(30,432,000)	(30,432,000)	-	Storm Related Loss
Subtotal - p277	(1,121,748,590)	(713,863,354)	(1,781,312)	(349,077,988)	(57,025,936)	-	
Less FASB 109 Above if not separately removed	(247,070,087)	-	-	(247,070,087)	-	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	-	
Total	(874,678,503)	(713,863,354)	(1,781,312)	(102,007,901)	(57,025,936)	-	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31,2010

	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>
<i>ADIT-282</i>	0	(1,079,099,811)	(87,798)	
<i>ADIT-283</i>	(1,781,312)	(82,153,401)	(29,128,436)	
<i>ADIT-190</i>	1,617,015	(70,443,549)	7,819,143	
<i>Subtotal</i>	(164,297)	(1,231,696,761)	(21,397,091)	
<i>Wages & Salary Allocator</i>		22.9497%	13.6406%	
<i>Net Plant Allocator</i>		(282,670,292)	(2,918,698)	(285,753,286)
<i>End of Year ADIT</i>				

Note: ADIT associated with Gain or Loss on Recquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 108

(34,571,573) < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
<i>ADIT-190</i>						
Public Utility Realty Tax (PURTA)	1,617,015	-	1,617,015	-	-	Property Taxes for Transmission Switching Stations owned in Pennsylvania
Additional Maintenance Expense	1,348,125	1,348,125	-	-	-	Book estimate accrued expenses, generation related tax
Newark Center Renovations	10,804	-	-	-	10,804	Amort of Renovations of Newark Plaza - General Property
New Jersey Corporate Business Tax(NJCBT)	(74,735,672)	-	-	(74,735,672)	-	New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis	150,802,340	150,802,340	-	-	-	New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing difference
ADIT - Real Estate Taxes	2,769,110	-	-	2,769,110	-	Book estimate accrued and expensed, tax deduction when paid, related to plant
Gross Receipts & Franchise Tax(GRAFT)	756,443	756,443	-	-	-	Retail related
Market Transition Charge Revenue	51,871,037	51,871,037	-	-	-	Stranded cost recovery - generation related
Mine Closing Costs	1,357,594	1,357,594	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Generation relate
FIN 47	11,354	11,354	-	-	-	Asset Retirement Obligation - Legal liability for environmental removal cost
Vacation Pay	2,995,169	-	-	-	2,995,169	Vacation pay earned and expensed for books, tax deduction when paid - employees in all function
OPEB	160,013,318	-	-	-	160,013,318	Fas 106 - Post Retirement Obligation, labor related
Deferred Dividend Equivalents	3,862,689	-	-	-	3,862,689	Book accrual of dividends on employee stock options affecting all function
Deferred Compensation	462,421	-	-	-	462,421	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Interest/AFDC Deb	1,523,013	-	-	1,523,013	-	Capitalized Interest - Book vs Tax relates to all plant in all function
ADIT - Unallowable PIP Accrua	(792,552)	-	-	-	(792,552)	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Legal Fees	637,144	637,144	-	-	-	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Rev of 1985-1993 Settle Int Exp	(3,180,712)	(3,180,712)	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation relate
ADIT - Interest on Dismantling & Decommissioning	(1,940,681)	(1,940,681)	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation relate
ADIT - SETI Dissolution	60,619	60,619	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Retail relate
Minimum Pension Liability	137,435	137,435	-	-	-	Associated with Pension Liability not in rates
FIN 48 Services Allocator	(649,220)	(649,220)	-	-	-	Uncertain Tax Positions - Assets/(Liabilities) not in rates
Bankruptcies \$ Acft	(5,845)	(5,845)	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Generation Relate
Repair Allowance Deferred	(9,515,037)	(9,515,037)	-	-	-	Deferred recovery of lost repair allowance deductions-Retail Relate
Fin Def. Energy competition Act CT	(4,062,958)	(4,062,958)	-	-	-	Restructuring Costs - Generation relatec
Def Tax Meter Equipment	201,647	201,647	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Retail - Distribution Meter
Unrealized LIG Rabbi Trust	436,479	-	-	-	436,479	Book estimate accrued and expensed, tax deduction when paid for Executive Compensator
SECA Income Reversals Due to Reversals	(1,111,579)	(1,111,579)	-	-	-	Related to LSE SECA obligations - retail
Estimated Servance Pay Accrual	844,133	-	-	-	844,133	Book estimate accrued and expensed, tax deduction when paid - employees in all function
Federal Taxes Deferred	23,030,494	-	-	23,030,494	-	Fas109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Federal Taxes Current	27,158,392	-	-	27,158,392	-	Fas109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Fed Taxes Reg Requirement	23,760,554	-	-	23,760,554	-	Fas109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Subtotal - p234	359,673,073	186,717,706	1,617,015	3,505,891	167,832,461	
Less FASB 109 Above if not separately removed	73,949,440			73,949,440		
Less FASB 106 Above if not separately removed	160,013,318				160,013,318	
Total	125,711,315	186,717,706	1,617,015	(70,443,549)	7,819,143	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31,2010

A	B	C	D	E	F	G
	Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	
ADIT-283						
Fin 48	(17,958,042)	(17,958,042)	-	-	-	Uncertain Tax Positions - Assets/(Liabilities) not in rates
Securitization Regulatory Asset	997,889,772	997,889,772	-	-	-	Generation Related (Securitization of Stranded Costs)
Securitization - Federal	(1,292,307,692)	(1,292,307,692)	-	-	-	Generation Related (Securitization of Stranded Costs)
Securitization - State	(365,173,288)	(365,173,288)	-	-	-	Generation Related (Securitization of Stranded Costs)
Amortization of Hope Creek License Costs	(649,571)	(649,571)	-	-	-	Book vs Tax Difference - Generation Related
Environmental Cleanup Costs	19,841,923	19,841,923	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Manufactured Gas Plant
Company-Owned Life Insurance (COLI)	(3,746,320)	(3,746,320)	-	-	-	Related to Uncertain Tax Position (FIN 48) which will be reclassified and not in rates
New Jersey Corporation Business Tax	(42,489,328)	-	-	(42,489,328)	-	New Jersey Corporate Income Tax - Plant Related- Contra Account of 190 NUCBT
Obsolete Material Write Off	5,751,926	5,751,926	-	-	-	Book accrued write-off, tax deduction when actually disposed of - Generation Related
Fuel Cost Adjustment	(51,245,219)	(51,245,219)	-	-	-	Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(40,838,844)	(40,838,844)	-	-	-	Demand Side management and Associated Programs - Retail Related
Take-or-Pay Costs	913,793	913,793	-	-	-	Gas Supply Contracts
Other Contract Cancellations	(7,904,692)	(7,904,692)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Other Computer Software	(12,286,638)	-	-	-	(12,286,638)	Accelerated Amortization of Computer Software - General Plan
Loss on Reacquired Debt	(34,571,573)	-	-	(34,571,573)	-	Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(98,380,551)	(98,380,551)	-	-	-	Associated with Pension Liability not in rates
Amortization of Peach Bottom HWC	(689,765)	(689,765)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Radioactive Waste Storage Costs	(1,092,677)	(1,092,677)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Severance Pay Costs	(11,608,502)	-	-	-	(11,608,502)	Book estimate accrued and expensed, tax deduction when paid related to all employee
Repair Allowance-Reverse Amortization	(2,347,178)	(2,347,178)	-	-	-	Retail Related - Electric Distribution
Public Utility Realty Tax Assessment (PURPA)	(1,781,312)	-	(1,781,312)	-	-	Property Taxes for Transmission Switching Stations owned in Pennsylvania
Federal Excise Tax Fuel Refunds	(137,133)	-	-	-	(137,133)	Vehicle Fuel Tax - General
Decommissioning and Decontamination Costs	12,603,383	12,603,383	-	-	-	Payments to DOE - Generation Related
Emission Allowance Sales	2,547,897	2,547,897	-	-	-	Sales of Emission Allowances - Generation Related
Interest Expense Adjustment	-	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Capitalization of Study Costs	(2,009,586)	(2,009,586)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Lightnet Agreement - Audit Settlement	-	-	-	-	-	Fiber Optics - Electric Distribution - Retail Related
Mescalero Radioactive Waste Storage Costs	158,378	158,378	-	-	-	Generation Related (Non-Utility Asset/Liability)
Sale of Call Option	(70)	(70)	-	-	-	Book amortization expensed, tax deduction when occurred - Retail Related - distribution property
Vacation Pay Adjustment	(3,663)	-	-	-	(3,663)	Book estimate accrued and expensed, tax deduction when paid relating to all employee
Purchase Power - Audit Settlement	848,012	848,012	-	-	-	Purchased Power Settlements - Generation Related
Crude Oil Refunds	1,570,058	1,570,058	-	-	-	Generation Related (Non-Utility Asset/Liability)
Peach Bottom Interim Fuel Storage	(852,372)	(852,372)	-	-	-	Interim Nuclear Fuel Storage Costs - Generation Related
Amort UCUA Property Loss	15	15	-	-	-	Generation Related (Non-Utility Asset/Liability)
New Network Metering Equipment	(201,674)	(201,674)	-	-	-	New Upgraded Meter Equipments - Retail Related - Distribution Meters
Accounting for Income Taxes (FAS109) - Federal	(42,858,665)	-	-	(42,858,665)	-	FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - State	(3,529,662)	-	-	(3,529,662)	-	FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - Regulatory Requirements	(200,681,760)	-	-	(200,681,760)	-	FASB 109 - gross-up
Power (Deferred Project Costs)	(4,052,970)	(4,052,970)	-	-	-	Deferred Customer Information System
Casualty Loss	(10,185,000)	-	-	(5,092,500)	(5,092,500)	Storm Related Loss
Subtotal - p277	(1,207,458,590)	(847,325,354)	(1,781,312)	(329,223,488)	(29,128,436)	
Less FASB 109 Above if not separately removed	(247,070,087)	-	-	(247,070,087)	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(960,388,503)	(847,325,354)	(1,781,312)	(82,153,401)	(29,128,436)	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 2 - Taxes Other Than Income Worksheet - December 31, 2011

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related			
1 Real Estate	18,597,320		Attachment #5
2 Total Plant Related	18,597,320	N/A	7,765,813
Labor Related			
Wages & Salary Allocator			
3 FICA	10,956,557		
4 Federal Unemployment Tax	87,196		
5 New Jersey Unemployment Tax	273,523		
6 New Jersey Workforce Development	242,857		
7			
8 Total Labor Related	11,560,133	13.6406%	1,576,875
Other Included			
Net Plant Allocator			
9			
10			
11			
12			
13 Total Other Included	0	22.9497%	0
14 Total Included (Lines 8 + 14 + 19)	30,157,453		9,342,688
Currently Excluded			
15 Corporate Business Tax			
16 TEFA	\$ 93,922,733		
17 Use & Sales Tax			
18 Local Franchise Tax			
19 PA Corporate Income Tax			
20 Municipal Utility			
21 Public Utility Fund			
22 Subtotal, Excluded	93,922,733		
23 Total, Included and Excluded (Line 20 + Line 28)	124,080,186		
24 Total Other Taxes from p114.14.g - Actual	124,080,186		
25 Difference (Line 29 - Line 30)	-		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Net Plant Allocator. If the taxes are 100% recovered at retail they shall not be included. Real Estate taxes are directly assigned to Transmission.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Net Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 3 - Revenue Credit Workpaper - December 31, 2011

Accounts 450 & 451		
1	Late Payment Penalties Allocated to Transmission	0
Account 454 - Rent from Electric Property		
2	Rent from Electric Property - Transmission Related (Note 2)	516,000
Account 456 - Other Electric Revenues		
3	Transmission for Others	0
4	Schedule 1A	5,121,000
5	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner)	0
6	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner	3,600,000
7	Professional Services (Note 2)	100,000
8	Revenues from Directly Assigned Transmission Facility Charges (Note 1)	22,476,000
9	Rent or Attachment Fees associated with Transmission Facilities (Note 2)	4,122,000
10	Gross Revenue Credits (Sum Lines 1-9)	<u>35,935,000</u>
11	Less line 18	- line 18
12	Total Revenue Credits	<u>line 10 + line 11</u> <u>32,598,264</u>
13	Revenues associated with lines 2, 7, and 9 (Note 2)	4,738,000
14	Income Taxes associated with revenues in line 13	1,935,473
15	One half margin (line 13 - line 14)/2	1,401,264
16	All expenses (other than income taxes) associated with revenues in line 13 that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
17	Line 15 plus line 16	1,401,264
18	Line 13 less line 17	3,336,737

Note 1 If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

Note 2 Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). PSE&G will retain 50% of net revenues consistent with *Pacific Gas and Electric Company*, 90 FERC ¶ 61,314. Note: in order to use lines 13-18, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE 100 Basis Point increase in ROE and Income Taxes	Line 27 + Line 42 from below	187,918,679
B	100 Basis Point increase in ROE		1.00%

Return Calculation

		Appendix A Line or Source Reference	
1	Rate Base	(Line 43 + Line 57)	1,335,968,391
2	Long Term Interest	p117.62.c through 67.c	195,974,631
3	Preferred Dividends	enter positive p118.29.d	3,987,874
	Common Stock		
4	Proprietary Capital	Attachment 5	4,015,559,296
5	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	3,524,080
6	Less Preferred Stock	(Line 106)	79,523,400
7	Less Account 216.1	Attachment 5	3,941,456
8	Common Stock	(Line 96 - 97 - 98 - 99)	3,928,570,361
	Capitalization		
9	Long Term Debt	Attachment 5	3,547,156,489
10	Less Loss on Reacquired Debt	Attachment 5	109,213,413
11	Plus Gain on Reacquired Debt	Attachment 5	0
12	Less ADIT associated with Gain or Loss	Attachment 5	36,995,999
13	Total Long Term Debt	(Line 101 - 102 + 103 - 104)	3,400,947,077
14	Preferred Stock	Attachment 5	79,523,400
15	Common Stock	(Line 100)	3,928,570,361
16	Total Capitalization	(Sum Lines 105 to 107)	7,409,040,838
17	Debt %	Total Long Term Debt (Line 105 / Line 108)	45.9%
18	Preferred %	Preferred Stock (Line 106 / Line 108)	1.1%
19	Common %	Common Stock (Line 107 / Line 108)	53.0%
20	Debt Cost	Total Long Term Debt (Line 94 / Line 105)	0.0576
21	Preferred Cost	Preferred Stock (Line 95 / Line 106)	0.0501
22	Common Cost	Common Stock (Line 114 + 100 basis points)	0.1268
23	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 109 * Line 112)	0.0265
24	Weighted Cost of Preferred	Preferred Stock (Line 110 * Line 113)	0.0005
25	Weighted Cost of Common	Common Stock (Line 111 * Line 114)	0.0672
26	Rate of Return on Rate Base (ROR)	(Sum Lines 115 to 117)	0.0942
27	Investment Return = Rate Base * Rate of Return	(Line 58 * Line 118)	125,879,522

Composite Income Taxes

Income Tax Rates			
28	FIT=Federal Income Tax Rate		35.00%
29	SIT=State Income Tax Rate or Composite		9.00%
30	p = percent of federal income tax deductible for state purposes	Per State Tax Code	0.00%
31	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	40.85%
35	CIT = T / (1-T)		69.06%
36	1 / (1-T)		169.06%
ITC Adjustment			
37	Amortized Investment Tax Credit	enter negative Attachment 5	-1,265,000
38	1/(1-T)	1 / (1 - Line 123)	169%
39	Net Plant Allocation Factor	(Line 18)	22.9497%
40	ITC Adjustment Allocated to Transmission	(Line 125 * Line 126 * Line 127)	-490,809
41	Income Tax Component =	CIT=(T/(1-T)) * Investment Return * (1-(WCLTD/R)) =	62,529,966
42	Total Income Taxes		62,039,157

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 5 - Cost Support - December 31, 2011

Property Insurance Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
65	Property Insurance Account 924	(Note O)	p323.185b	1,170,000

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
62	Total A&G Expenses		p323.197b	199,116,808
63	Fixed PBOP expense	(Note J)	Company Records	77,745,482
64	Actual PBOP expense	(Note O)	Company Records	52,639,903

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related
Allocated General & Common Expenses					
66	Regulatory Commission Exp Account 928	(Note E & O)	p323.189b	11,425,582	0
Directly Assigned A&G					
72	Regulatory Commission Exp Account 928	(Note G & O)	p351.11-13h	620,834	620,834

General & Common Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	EPRI Dues
68	Less EPRI Dues	(Note D & O)	p352-353	0	0

Safety Related Advertising Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Safety Related	Non-safety Related
Directly Assigned A&G						
73	General Advertising Exp Account 930.1	(Note K & O)	p323.191b	1,919,371	0	1,919,371

Education and Out Reach Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Education & Outreach	Other
Directly Assigned A&G						
76	General Advertising Exp Account 930.1	(Note K & O)	p323.191b	1,919,371	0	1,919,371

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
Depreciation Expense				
81	Depreciation-Transmission	(Note J & O)	p336.7.f	51,290,500
82	Depreciation-General & Common	(Note J & O)	p336.10&11.f	26,429,391
83	Depreciation-General Expense Associated with Acct. 397	(Note J & O)	Company Records	3,364,772
85	Depreciation-Intangible	(Note A & O)	p336.1.f	5,044,689
89	Transmission Depreciation Expense for Acct. 397	(Note J & O)	Company Records	1,753,968

Direct Assignment of Transmission Real Estate Taxes

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related	Non-Transmission
92	Real Estate Taxes - Directly Assigned to Transmission		p263.38i	18,597,320	7,765,813	10,831,507

Public Service Electric and Gas Company
ATTACHMENT H-10A
 Attachment 5 - Cost Support - December 31, 2011

PSE&G's real estate taxes detail is in an access database which contains a list of the towns PSE&G pays taxes to, which are billed on a quarterly basis for various parcels of property by major classification. Every parcel is associated with a Lot & Block number. These Lot & Blocks are identified to a particular type of property and are labeled. This is the breakout of transmission real estate taxes from total

Return \ Capitalization

Line #s	Descriptions	Notes	Page #'s & Instructions	2008 End of Year	2009 End of Year	Average
96	Proprietary Capital	(Note P)	p112.16.c.d	3,729,006,276	4,302,112,315	4,015,559,296
97	Accumulated Other Comprehensive Income Account 219	(Note P)	p112.15.c.d	1,942,117	5,106,042	3,524,080
99	Account 216.1	(Note P)	p119.53.c&d	4,295,618	3,587,293	3,941,456
101	Long Term Debt	(Note P)	p112.18.c.d thru 23.c.d	3,523,706,225	3,570,606,752	3,547,156,489
102	Loss on Reacquired Debt	(Note P)	p111.81.c.d	112,096,023	106,330,803	109,213,413
103	Gain on Reacquired Debt	(Note P)	p113.61.c.d	0	0	0
104	ADIT associated with Gain or Loss on Reacquired Debt	(Note P)	p277.3.k (footnote)	37,671,575	36,320,422	36,995,999
106	Preferred Stock	(Note P)	p112.3.c.d	79,523,400	79,523,400	79,523,400

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	State 3
Income Tax Rates						
121	SIT=State Income Tax Rate or Composite	(Note I)		NJ	9.00%	

Amortized Investment Tax Credit

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
125	Amortized Investment Tax Credit	(Note O)	p266.8.f	1,265,000

Excluded Transmission Facilities

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average
141	Excluded Transmission Facilities	(Note B & M)		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Interest on Outstanding Network Credits Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
147	Interest on Network Credits	(Note N & O)		0

Facility Credits under Section 30.9 of the PJM OATT

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
163	Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT			0

PJM Load Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	1 CP Peak
165	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	Enter 10,761.4

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 6 - True-up Adjustment for Network Integration Transmission Service - December 31, 2011

The True-Up Adjustment component of the Formula Rate for each Rate Year beginning with 2010 shall be determined as follows:

- (i) Beginning with 2009, no later than June 15 of each year PSE&G shall recalculate an adjusted Annual Transmission Revenue Requirement for the previous calendar year based on its actual costs as reflected in its Form No. 1 and its books and records for that calendar year, consistent with FERC accounting policies.²
- (ii) PSE&G shall determine the difference between the recalculated Annual Transmission Revenue Requirement as determined in paragraph (i) above, and ATRR based on projected costs for the previous calendar year (True-Up Adjustment Before Interest).
- (iii) The True-Up Adjustment shall be determined as follows:

True-Up Adjustment equals the True-Up Adjustment Before Interest multiplied by $(1+i)^{24}$ months

Where: $i =$ Sum of (the monthly rates for the 10 months ending October 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year) divided by 21 months.

Summary of Formula Rate Process including True-Up Adjustment

Month	Year	Action
July	2008	TO populates the formula with Year 2008 estimated data
October	2008	TO populates the formula with Year 2009 estimated data
June	2009	TO populates the formula with Year 2008 actual data and calculates the 2008 True-Up Adjustment Before Interest
October	2009	TO calculates the Interest to include in the 2008 True-Up Adjustment
October	2009	TO populates the formula with Year 2010 estimated data and 2008 True-Up Adjustment
June	2010	TO populates the formula with Year 2009 actual data and calculates the 2009 True-Up Adjustment Before Interest
October	2010	TO calculates the Interest to include in the 2009 True-Up Adjustment
October	2010	TO populates the formula with Year 2011 estimated data and 2009 True-Up Adjustment
June	(Year)	TO populates the formula with (Year -1) actual data and calculates the (Year-1) True-Up Adjustment Before Interest
October	(Year)	TO calculates the Interest to include in the (Year-1) True-Up Adjustment
October	(Year)	TO populates the formula with (Year +1) estimated data and (Year-1) True-Up Adjustment

¹ - No True-Up Adjustment will be included in the Annual Transmission Revenue Requirement for 2008 or 2009 since the Formula Rate was not in effect for 2006 or 2007.

² - To the extent possible each input to the Formula Rate used to calculate the actual Annual Transmission Revenue Requirement included in the True-Up Adjustment either will be taken directly from the FERC Form No. 1 or will be reconcilable to the FERC Form 1 by the application of clearly identified and supported information. If the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

Calendar Year Complete for Each Calendar Year beginning in 2009

A	ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.	231,567,232
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	227,983,090
C	Difference (A-B)	3,584,143
D	Future Value Factor $(1+i)^{24}$	1.07026
E	True-up Adjustment (C*D)	3,835,973

-<Note: for the first rate year, divide this reconciliation amount by 12 and multiply by the number of months and fractional months the rate was in effect.

Where:
 $i =$ average interest rate as calculated below

Interest on Amount of Refunds or Surcharges		Interest 35.19a for	
Month	Yr	Month	Month
January	Year 1	January	0.3800%
February	Year 1	February	0.3400%
March	Year 1	March	0.3800%
April	Year 1	April	0.2800%
May	Year 1	May	0.2900%
June	Year 1	June	0.2800%
July	Year 1	July	0.2800%
August	Year 1	August	0.2800%
September	Year 1	September	0.2700%
October	Year 1	October	0.2700%
November	Year 1	November	0.2300%
December	Year 1	December	0.2800%
January	Year 2	January	0.2300%
February	Year 2	February	0.2300%
March	Year 2	March	0.2800%
April	Year 2	April	0.2700%
May	Year 2	May	0.2800%
June	Year 2	June	0.2700%
July	Year 2	July	0.2800%
August	Year 2	August	0.2800%
September	Year 2	September	0.2700%
Average Interest Rate			0.2833%

**Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 6A - Project Specific Estimate and Reconciliation Worksheet - December 31, 2011**

Estimated Additions - 2011								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Other Projects PIS (Monthly additions)	Reconductor South Mahwah 345 KV J-3410 Circuit (B1017) (monthly additions)	Reconductor South Mahwah 345 KV K-3411 Circuit (B1018) (monthly additions)	Susquehanna Roseland Breakers (monthly additions)	Susquehanna Roseland >= 500KV (monthly additions)	Susquehanna Roseland < 500KV (monthly additions)	CWIP	CWIP	
(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	
Dec			2,662,585			82,971,548		8,615,789
Jan	2,136,137		1,065,034			3,332,091		
Feb	1,765,971		1,597,551			3,386,466		
Mar	5,241,770		532,517			5,715,992		
Apr	4,634,145		1,065,034			3,983,634		
May	9,324,071		532,517			3,054,938		
Jun	47,248,299	18,900,000	532,518			2,683,840		
Jul	6,256,146					3,514,067		
Aug	1,388,233					3,527,989		
Sep	6,789,473					6,836,989		
Oct	9,265,381					6,336,634	496,202	
Nov	17,072,253					4,465,869	12,684,444	
Dec	103,563,542					1,025,525	12,682,877	
Total	214,685,421	18,900,000	18,514,000	7,867,756		130,837,983	34,659,312	

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
Other Projects PIS (monthly balances)	Reconductor South Mahwah 345 KV J-3410 Circuit (B1017) (monthly balances)	Reconductor South Mahwah 345 KV K-3411 Circuit (B1018) (monthly balances)	Susquehanna Roseland Breakers (monthly balances)	Susquehanna Roseland >= 500KV (monthly balances)	Susquehanna Roseland < 500KV (monthly balances)	CWIP	CWIP	
(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	
Dec				2,662,585		82,971,548		8,615,789
Jan	2,136,137			3,727,619		86,303,639		8,615,789
Feb	3,802,108			5,325,170		89,690,105		8,615,789
Mar	9,143,878			9,567,697		95,456,997		8,615,789
Apr	13,776,023			9,922,721		99,389,731		8,615,789
May	23,102,094			7,455,238		102,444,669		8,615,789
Jun	70,350,393	18,900,000		7,987,756		105,128,509		8,615,789
Jul	76,006,539	18,900,000		7,987,756		108,642,577		8,615,789
Aug	77,994,772	18,900,000		7,987,756		112,170,565		8,615,789
Sep	84,784,245	18,900,000		7,987,756		115,009,555		8,615,789
Oct	94,049,626	18,900,000		7,987,756		125,346,189		9,111,991
Nov	111,121,879	18,900,000		7,987,756		129,812,058		21,996,435
Dec	214,685,421	18,900,000	18,514,000	7,987,756		130,837,983		34,659,312
Total	781,655,115	132,300,000	18,514,000	87,865,212		1,387,152,826		151,925,830
Average 13 Month Balance	60,127,317	10,176,923	1,424,154	6,758,870				
Average 13 Month in service	3.64	7.00	1.00	11.00				
13 Month Average CWIP to Appendix A, line 45						106,704,064		11,686,587

Estimated Transmission Enhancement Charges (Before True-Up) - 2011

Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Somerville (B0169)	Flagtown-Somerville Bridgewater (B0170)	Roseland Transformer (B0274)	Wave Trap Branchburg (B0172.2)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP	Reconductor Hudson - South Waterford (B0813)	Reconductor South Mahwah 345 KV J-3410 Circuit (B1017)	Reconductor South Mahwah 345 KV K-3411 Circuit (B1018)	Susquehanna Roseland Breakers
78,044,417	3,589,627	1,685,676	16,885,923	4,354,742	6,493,054	5,225,877	4,265,317	1,338,200	4,566,252	7,056	21,052,251	2,303,520	2,157,553	2,031,996	268,707	1,468,395

Actual Transmission Enhancement Charges - 2009

Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Somerville (B0169)	Flagtown-Somerville Bridgewater (B0170)	Roseland Transformer (B0274)	Wave Trap Branchburg (B0172.2)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP
51,588,883	4,523,234	1,828,696	19,619,517	4,973,254	6,292,837	2,831,673	2,302,423	1,621,957	2,634,066	8,376	4,120,411	833,737

True Up by Project (without interest) - 2009

Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Somerville (B0169)	Flagtown-Somerville Bridgewater (B0170)	Roseland Transformer (B0274)	Wave Trap Branchburg (B0172.2)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP
(3,073,579)	72,787	(80,753)	620,394	80,636	(825,214)	(886,732)	(749,732)	126,057	(734,765)	(8,376)	(827,146)	114,511

Interest	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026	1.07026
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True Up by Project (with interest) - 2009

Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Somerville (B0169)	Flagtown-Somerville Bridgewater (B0170)	Roseland Transformer (B0274)	Wave Trap Branchburg (B0172.2)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP
(3,289,537)	77,361	(86,426)	672,546	86,304	(883,196)	(949,036)	(802,410)	134,914	(786,391)	(8,367)	(885,266)	122,557

Estimated Transmission Enhancement Charges (After True-Up) - 2011

Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Somerville (B0169)	Flagtown-Somerville Bridgewater (B0170)	Roseland Transformer (B0274)	Wave Trap Branchburg (B0172.2)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP	Reconductor Hudson - South Waterford (B0813)	Reconductor South Mahwah 345 KV J-3410 Circuit (B1017)	Reconductor South Mahwah 345 KV K-3411 Circuit (B1018)	Susquehanna Roseland Breakers
74,754,880	4,037,638	1,589,150	17,558,470	4,441,046	5,609,858	4,276,941	3,462,906	1,473,114	3,779,831	16,038	20,146,965	2,426,077	2,157,553	2,031,996	268,707	1,468,395

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2011

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a CIAC	Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	18.6846%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.5056%
5	C		Line B less Line A	0.8209%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	6.6243%

The FCR resulting from Formula in a given year is used for that year only.
 Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Details		Branchburg (B0130)			Kittatinny (B0134)			Essex Aldene (B0145)			New Freedom Trans.(B0411)			
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"													
11	Schedule 12 (Yes or No)	Yes												
12	Useful life of the project	42.00												
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"													
14	CIAC (Yes or No)	No												
15	Input the allowed increase in ROE	0												
16	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13													
17	Line 14 plus (line 5 times line 15)/100	18.6846%												
18	FCR for This Project	18.6846%												
19	Investment	20,680,597			8,069,022			86,565,629			22,188,863			
20	Annual Depreciation Exp	492,395			192,120			2,061,086			528,306			
21	Line 17 divided by line 12	13.00			13.00			13.00			13.00			
22	depreciation expense from Attachment 6	2006			2007			2007			2007			
23	Year placed in Service (0 if CWIP)													
24		Invest Yr	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue
25	W 11.68 % ROE	2006	20,680,597	492,395	4,652,471									
26	W Increased ROE	2006	20,680,597	492,395	4,652,471									
27	W 11.68 % ROE	2007	20,188,202	492,395	4,553,422	8,069,022	80,050	1,703,202	86,565,629	858,786	18,272,191	22,188,863	484,281	4,947,757
28	W Increased ROE	2007	20,188,202	492,395	4,553,422	8,069,022	80,050	1,703,202	86,565,629	858,786	18,272,191	22,188,863	484,281	4,947,757
29	W 11.68 % ROE	2008	19,695,807	492,395	4,454,372	7,988,972	192,120	1,799,169	85,706,843	2,061,086	19,301,739	21,704,582	528,306	4,894,366
30	W Increased ROE	2008	19,695,807	492,395	4,454,372	7,988,972	192,120	1,799,169	85,706,843	2,061,086	19,301,739	21,704,582	528,306	4,894,366
31	W 11.68 % ROE	2009	19,203,412	492,395	4,523,234	7,796,853	192,120	1,828,696	83,645,756	2,061,086	19,618,517	21,176,276	528,306	4,973,254
32	W Increased ROE	2009	19,203,412	492,395	4,523,234	7,796,853	192,120	1,828,696	83,645,756	2,061,086	19,618,517	21,176,276	528,306	4,973,254
33	W 11.68 % ROE	2010	19,050,635	492,395	4,143,821	8,185,079	192,120	1,760,950	81,403,418	2,061,086	17,663,638	21,007,341	528,306	4,554,773
34	W Increased ROE	2010	19,050,635	492,395	4,143,821	8,185,079	192,120	1,760,950	81,403,418	2,061,086	17,663,638	21,007,341	528,306	4,554,773
35	W 11.68 % ROE	2011	18,558,240	492,395	3,959,937	7,992,960	192,120	1,685,576	79,342,332	2,061,086	16,885,923	20,479,035	528,306	4,354,742
36	W Increased ROE	2011	18,558,240	492,395	3,959,937	7,992,960	192,120	1,685,576	79,342,332	2,061,086	16,885,923	20,479,035	528,306	4,354,742

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2011

1		New Plant Carrying Charge		
2		Fixed Charge Rate (FCR) if not a CIAC		
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	18.6846%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.5056%
5	C		Line B less Line A	0.8209%
6		FCR if a CIAC		
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	6.6243%

The FCR resulting from Formula in a give
Therefore actual revenues collected in a

Details		New Freedom Loop (B0498)			Metuchen Transformer (B0161)			Branchburg-Flagtown-Somerville (B0169)			Flagtown Somerville Bridgewater (B0170)		
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12	(Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
11	Useful life of the project	Life		42.00	42.00	42	42	42.00	42.00	42.00	42.00	42.00	
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	CIAC	(Yes or No)	No	No	No	No	No	No	No	No	No	
13	Input the allowed increase in ROE	Increased ROE (Basis Points)		0	0	0	0	0	0	0	0	0	
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE		18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project		18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	18.6846%	
16	in Service Account 101 or 106 if not yet classified - End of year balance	Investment		27,005,442	25,789,958	15,773,869	15,773,869	6,961,495	6,961,495	6,961,495	6,961,495	6,961,495	
17	Line 17 divided by line 12 depreciation expense from Attachment 6	Annual Depreciation Exp		642,987	614,047	375,568	375,568	165,750	165,750	165,750	165,750	165,750	
18	Year placed in Service (0 if CWIP)			13.00	13.00	13.00	13.00	8.12	8.12	8.12	8.12	8.12	
19				2008	2009	2009	2009	2008	2008	2008	2008	2008	
20													
21			Invest Yr	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	
22	W 11.68 % ROE		2006										
23	W Increased ROE		2006										
24	W 11.68 % ROE		2007										
25	W Increased ROE		2007										
26	W 11.68 % ROE		2008	24,921,237	88,646	837,584				6,961,495	25,372	239,734	
27	W Increased ROE		2008	24,921,237	88,646	837,584				6,961,495	25,372	239,734	
28	W 11.68 % ROE		2009	26,916,602	642,982	6,292,837	19,700,217	288,478	2,831,673	15,773,880	234,561	2,302,423	
29	W Increased ROE		2009	26,916,602	642,982	6,292,837	19,700,217	288,478	2,831,673	15,773,880	234,561	2,302,423	
30	W 11.68 % ROE		2010	31,952,371	642,891	6,767,186	25,280,258	597,267	5,442,721	21,361,116	543,231	4,637,505	
31	W Increased ROE		2010	31,952,371	642,891	6,767,186	25,280,258	597,267	5,442,721	21,361,116	543,231	4,637,505	
32	W 11.68 % ROE		2011	31,309,481	642,987	6,493,054	24,682,991	614,047	5,225,977	20,817,885	375,568	4,265,317	
33	W Increased ROE		2011	31,309,481	642,987	6,493,054	24,682,991	614,047	5,225,977	20,817,885	375,568	4,265,317	

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2011

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a CIAC	Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	18.6846%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.5056%
5	C		Line B less Line A	0.8209%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	6.6243%

The FCR resulting from Formula in a give
Therefore actual revenues collected in a

Details		Roseland Transformers (B0274)	Wave Trap Branchburg (B0172.2)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP	Reconductor Hudson - South Waterfront (B0813)								
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Yes	Yes	Yes	Yes	Yes								
11	Schedule 12 (Yes or No)	42.00	42.00	42.00	42.00	42.00								
12	Useful life of the project													
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	No	No	No	No	No								
14	Input the allowed increase in ROE	0	0	125	125	0								
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	18.6846%	18.6846%	18.6846%	18.6846%								
16	Line 14 plus (line 5 times line 15)/100	FCR for This Project	18.6846%	19.7108%	19.7108%	18.6846%								
17	in Service Account 101 or 106 if not yet classified - End of year balance	Investment	21,065,727	29,460	130,837,583	34,659,312	8,138,000							
18	Line 17 divided by line 12	Annual Depreciation Exp	501,565	701			193,762							
19	depreciation expense from Attachment 6		13.00	13.00	10.60	4.38	2.84							
20	Year placed in Service (0 if CWIP)		2009	2008	2014	2014	2010							
21		Invest Yr	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue
22	W 11.68 % ROE	2006												
23	W Increased ROE	2006												
24	W 11.68 % ROE	2007												
25	W Increased ROE	2007												
26	W 11.68 % ROE	2008				36,369	577	5,114	8,927,082		819,421			
27	W Increased ROE	2008				36,369	577	5,114	8,927,082		858,682			
28	W 11.68 % ROE	2009	21,092,458	268,347	2,634,066	35,792	866	8,379	33,993,795	3,927,226	8,601,534		794,647	
29	W Increased ROE	2009	21,092,458	268,347	2,634,066	35,792	866	8,379	33,993,795	4,120,411	8,601,534		833,737	
30	W 11.68 % ROE	2010	22,256,919	502,926	4,768,898	34,926	866	7,560	137,675,026	15,364,960	24,948,450		2,136,620	10,560,000
31	W Increased ROE	2010	22,256,919	502,926	4,768,898	34,926	866	7,560	137,675,026	16,186,705	24,948,450		2,250,890	10,560,000
32	W 11.68 % ROE	2011	21,753,993	501,565	4,566,222	34,060	701	7,065	130,837,583	19,937,281	34,659,312		2,183,598	10,510,183
33	W Increased ROE	2011	21,753,993	501,565	4,566,222	34,060	701	7,065	130,837,583	21,032,231	34,659,312		2,303,520	10,510,183

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2011

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a CIAC	Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	18.6846%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.5056%
5	C		Line B less Line A	0.8209%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	6.6243%

The FCR resulting from Formula in a give
Therefore actual revenues collected in a

Details	Reconductor South Mahwah J-3410 Circuit (B1017)			Reconductor South Mahwah K-3410 Circuit (B1018)			Susquehanna Roseland Breakers			Total	Incentive Charged	Revenue Credit
	Invest Yr	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation			
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"		Yes			Yes			Yes				
Useful life of the project		42.00			42.00			42.00				
"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"		No			No			No				
Input the allowed increase in ROE		0			0			125				
From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13		11.68% ROE			18.6846%			18.6846%				
Line 14 plus (line 5 times line 15)/100		18.6846%			18.6846%			19.7108%				
in Service Account 101 or 106 if not yet classified - End of year balance		Investment			18,900,000			7,987,756				
Line 17 divided by line 12 depreciation expense from Attachment 6		Annual Depreciation Exp			450,000			190,185				
Year placed in Service (0 if CWIP)					7.00			11.00				
					2011			2011				
W 11.68 % ROE	2006									\$ 4,652,471		
W Increased ROE	2006									\$ 4,652,471	\$ 4,652,471	\$ -
W 11.68 % ROE	2007									\$ 29,476,571	\$ 29,476,571	\$ -
W Increased ROE	2007									\$ 29,476,571	\$ 29,476,571	\$ -
W 11.68 % ROE	2008									\$ 32,351,499	\$ 32,351,499	\$ -
W Increased ROE	2008									\$ 32,390,760	\$ 32,390,760	\$ 39,261
W 11.68 % ROE	2009									\$ 51,356,608	\$ 51,356,608	\$ -
W Increased ROE	2009									\$ 51,588,883	\$ 51,588,883	\$ 232,275
W 11.68 % ROE	2010									\$ 69,099,713	\$ 69,099,713	\$ -
W Increased ROE	2010									\$ 70,035,729	\$ 70,035,729	\$ 936,016
W 11.68 % ROE	2011	18,900,000	242,308	2,031,996	18,514,000	33,908	268,707	7,987,756	160,925	1,399,039	\$ 76,760,188	\$ -
W Increased ROE	2011	18,900,000	242,308	2,031,996	18,514,000	33,908	268,707	7,987,756	160,925	1,468,395	\$ 78,044,417	\$ 1,284,229

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 8 - Depreciation Rates

<u>Plant Type</u>	<u>PSE&G</u>
Transmission	2.40
Distribution	
High Voltage Distribution	2.49
Meters	2.49
Line Transformers	2.49
All Other Distribution	2.49
General & Common	
Structures and Improvements	1.40
Office Furniture	5.00
Office Equipment	25.00
Computer Equipment	14.29
Personal Computers	33.33
Store Equipment	14.29
Tools, Shop, Garage and Other Tangible Equipment	14.29
Laboratory Equipment	20.00
Communications Equipment	10.00
Miscellaneous Equipment	14.29

Public Service Electric and Gas Company
Projected Costs of Plant in Forecasted Rate Base and In-Service Dates
12 Months Ended December 31, 2011

Required Transmission Enhancements

Upgrade ID	RTEP Baseline Project Description	Estimated/Actual Project Cost (thru 2011) *	Anticipated / Actual In-Service Date *
b0130	Replace all derated Branchburg 500/230 kv transformers	\$ 20,680,597	Jan-06
b0134	Reconductor Kittatinny - Newtown 230 kV with 1590 ACSS	\$ 8,069,022	Aug-07
b0145	Build new Essex - Aldene 230 kV cable connected through phase angle regulator at Essex	\$ 86,565,629	Aug-07
b0411	Install 4th 500/230 kV transformer at New Freedom	\$ 22,188,863	Feb-07
b0172.2	Replace wave trap at Branchburg 500kV substation	\$ 29,460	May-08
b0170	Reconductor the Flagtown-Somerville-Bridgewater 230 kV circuit with 1590 ACSS	\$ 6,961,495	Nov-08
b0498	Loop the 5021 circuit into New Freedom 500 kV substation	\$ 27,005,442	Feb-09
b0161	Install 230-138kV transformer at Metuchen substation	\$ 25,789,958	May-09
b0169	Build a new 230 kV section from Branchburg - Flagtown and move the Flagtown - Somerville 230 kV circuit to the new section	\$ 15,773,869	May-09
b0274	Replace both 230/138 kV transformers at Roseland	\$ 21,065,727	May-09
b0489.5-.9	Susquehanna Roseland Breakers	\$ 7,987,756	Nov-10
b0813	Reconductor Hudson - South Waterfront 230kV circuit	\$ 8,138,000	Dec-10
b1017	Reconductor South Mahwah 345 kV J-3410 Circuit	\$ 18,900,000	Jun-11
b1018	Reconductor South Mahwah 345 kV K-3411 Circuit	\$ 18,514,000	Dec-11
b0489.4	Build new 500 kV transmission facilities from Pennsylvania - New Jersey border at Bushkill to Roseland (Below 500 kV elements of the project)	\$ 34,659,312	Jun-14
b0489	Build new 500 kV transmission facilities from Pennsylvania - New Jersey border at Bushkill to Roseland (500kV and above elements of the project)	\$ 130,837,583	Jun-15

* May vary from original PJM Data due to updated information.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the official service list in accordance with the requirement of Rule 2010 of the Commission's Rules of Practice.

Dated at Newark, New Jersey, this 15th day of October 2010.

James E. Wrynn

James E. Wrynn

Paralegal