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May 26, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Informational Filing
Public Service Electric and Gas Company,
Annual True-Up Adjustment
Docket No. ER09-1257-000

Dear Secretary Bose:

Public Service Electric and Gas Company ("PSE&G"), hereby submits for informational purposes its annual true-up adjustment ("True-Up Adjustment") for its transmission formula rate in accordance with its Formula Rate Implementation Protocols ("Protocols") set forth in Attachment H-10B of the Open Access Transmission Tariff ("OATT") of PJM Interconnection, L.L.C. ("PJM").¹ Section 1.b of the Protocols requires PSE&G to annually calculate the true-up of its formula rate on or before June 15th and cause it to be posted on the PJM website (www.PJM.com), and filed with the Commission for informational purposes. In accordance with the Protocols section 1.b, this True-Up Adjustment does not require any Commission action.

This 2011 True-Up Adjustment pertains to PSE&G's formula rates in effect for 2010. In accordance with the Protocols, adjustments from this True-Up Adjustment will be incorporated into the Annual Update to be filed by PSE&G on or before October 15, 2011 for its 2012 Rate Year.

As required by section 1.e(i) of the Protocols, this True-Up Adjustment is based upon PSE&G's FERC Form 1 data for the most recent calendar year, and to the extent

¹ PSE&G's Formula Rate Implementation Protocols were approved by the Commission on September 30, 2008, *Public Service Electric and Gas Company*, 124 FERC ¶ 61,303 (2008), and by *Public Service Electric and Gas Company*, Docket No. ER08-1233-001 (January 13, 2009) (unpublished letter order).

The Honorable Kimberly D. Bose

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specified in the Formula Rate, is based upon the books and records of PSE&G consistent with FERC accounting policies. To the extent that PSE&G has used data not otherwise available in the FERC Form 1 for the attached True-Up Adjustment, it has provided supporting documentation as required by section 1.e(ii) of the Protocols.

PSE&G's Annual True-Up Adjustment filing includes two attachments. Attachment A contains a recalculated Appendix A to Attachment H-10A that sets forth PSE&G's ATRR and NITS rate both at page 4. There were no material changes in PSE&G's accounting policies and practices since PSE&G's previous True-Up adjustment filing made on June 1, 2010. Attachment B contains a report for each transmission project listed in PSE&G's formula rate for which the Commission has authorized PSE&G to include CWIP in transmission rate base, in accordance with section 2.b of the Protocols.

As specified in the Protocols, this True-Up Adjustment is subject to review and challenge by Interested Parties. PSE&G is providing this annual True-Up Adjustment to parties identified in the official service list in this docket as well as all Interested Parties who have informed PSE&G that they wish to receive such updates. Additionally, PSE&G has provided this true-up to PJM for posting on its website www.PJM.com.

Thank you for your attention to this informational filing. Please advise if you have any questions.

Very truly yours,

Matthew M. Weissman

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ATTACHMENT A

Public Service Electric and Gas Company
ATTACHMENT H-10A

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

2010 Actual

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	(Note O)	Attachment 5	19,533,925
2	Total Wages Expense	(Note O)	Attachment 5	167,503,516
3	Less A&G Wages Expense	(Note O)	Attachment 5	7,165,718
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	160,337,798
5	Wages & Salary Allocator		(Line 1 / Line 4)	12.1830%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	Attachment 5	8,256,316,686
7	Common Plant in Service - Electric		(Line 22)	100,122,023
8	Total Plant in Service		(Line 6 + 7)	8,356,438,709
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	Attachment 5	2,569,587,077
10	Accumulated Intangible Amortization - Electric	(Note B)	Attachment 5	230,908
11	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	20,871,992
12	Accumulated Common Amortization - Electric	(Note B)	Attachment 5	6,021,538
13	Total Accumulated Depreciation		(Line 9 + Line 10 + Line 11 + Line 12)	2,596,711,515
14	Net Plant		(Line 8 - Line 13)	5,759,727,194
15	Transmission Gross Plant		(Line 31)	2,034,784,627
16	Gross Plant Allocator		(Line 15 / Line 8)	24.3499%
17	Transmission Net Plant		(Line 43)	1,284,678,218
18	Net Plant Allocator		(Line 17 / Line 14)	22.3045%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	Attachment 5	1,982,231,541
20	General	(Note B)	Attachment 5	230,344,466
21	Intangible - Electric	(Note B)	Attachment 5	555,921
22	Common Plant - Electric	(Note B)	Attachment 5	100,122,023
23	Total General, Intangible & Common Plant		(Line 20 + Line 21 + Line 22)	331,022,410
24	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	36,272,311
25	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	6,561,379
26	General and Intangible Excluding Acct. 397		(Line 23 - Line 24 - Line 25)	288,188,720
27	Wage & Salary Allocator		(Line 5)	12.1830%
28	General and Intangible Plant Allocated to Transmission		(Line 26 * Line 27)	35,109,980
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	17,443,107
30	Total General and Intangible Functionalized to Transmission		(Line 28 + Line 29)	52,553,086
31	Total Plant In Rate Base		(Line 19 + Line 30)	2,034,784,627
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	730,468,236
33	Accumulated General Depreciation	(Note B & J)	Attachment 5	112,759,935
34	Accumulated Common Plant Depreciation - Electric	(Note B & J)	Attachment 5	20,871,992
35	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	26,838,753
36	Balance of Accumulated General Depreciation		(Line 33 + Line 34 - Line 35)	106,793,175
37	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	230,908
38	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 36 + 37)	107,024,082
39	Wage & Salary Allocator		(Line 5)	12.1830%
40	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 38 * Line 39)	13,038,725
41	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	6,589,448
42	Total Accumulated Depreciation		(Lines 32 + 40 + 41)	750,106,409
43	Total Net Property, Plant & Equipment		(Line 31 - Line 42)	1,284,678,218

Public Service Electric and Gas Company ATTACHMENT H-10A			2010 Actual
Formula Rate -- Appendix A	Notes	FERC Form 1 Page # or Instruction	
Shaded cells are input cells			
Adjustment To Rate Base			
44	Accumulated Deferred Income Taxes ADIT net of FASB 106 and 109	(Note Q) Attachment 1	-224,384,587
45	CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year	(Note B & H) Attachment 6	64,906,564
46	Plant Held for Future Use	(Note C & Q) Attachment 5	2,599,231
47	Prepayments	(Note A & Q) Attachment 5	6,174,942
Materials and Supplies			
48	Undistributed Stores Expense	(Note Q) Attachment 5	0
49	Wage & Salary Allocator	(Line 5)	12.1830%
50	Total Undistributed Stores Expense Allocated to Transmission	(Line 48 * Line 49)	0
51	Transmission Materials & Supplies	(Note N & Q) Attachment 5	3,747,353
52	Total Materials & Supplies Allocated to Transmission	(Line 50 + Line 51)	3,747,353
Cash Working Capital			
53	Operation & Maintenance Expense	(Line 80)	77,109,482
54	1/8th Rule	1/8	12.5%
55	Total Cash Working Capital Allocated to Transmission	(Line 53 * Line 54)	9,638,685
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)	-137,317,812
58	Rate Base	(Line 43 + Line 57)	1,147,360,406
Operations & Maintenance Expense			
Transmission O&M			
59	Transmission O&M	(Note O) Attachment 5	52,764,208
60	Plus Transmission Lease Payments	(Note O) Attachment 5	0
61	Transmission O&M	(Lines 59 + 60)	52,764,208
Allocated Administrative & General Expenses			
62	Total A&G	(Note O) Attachment 5	201,696,884
63	Plus: Fixed PBOP expense	(Note J) Attachment 5	77,745,482
64	Less: Actual PBOP expense	(Note O) Attachment 5	72,759,412
65	Less Property Insurance Account 924	(Note O) Attachment 5	1,202,721
66	Less Regulatory Commission Exp Account 928	(Note E & O) Attachment 5	11,017,668
67	Less General Advertising Exp Account 930.1	(Note O) Attachment 5	2,311,162
68	Less EPRI Dues	(Note D & O) Attachment 5	0
69	Administrative & General Expenses	Sum (Lines 62 to 63) - Sum (Lines 64 to 68)	192,151,403
70	Wage & Salary Allocator	(Line 5)	12.1830%
71	Administrative & General Expenses Allocated to Transmission	(Line 69 * Line 70)	23,409,771
Directly Assigned A&G			
72	Regulatory Commission Exp Account 928	(Note G & O) Attachment 5	667,242
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)	667,242
75	Property Insurance Account 924	(Line 65)	1,202,721
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)	1,202,721
78	Net Plant Allocator	(Line 18)	22.3045%
79	A&G Directly Assigned to Transmission	(Line 77 * Line 78)	268,261
80	Total Transmission O&M	(Lines 61 + 71 + 74 + 79)	77,109,482

Public Service Electric and Gas Company ATTACHMENT H-10A				2010 Actual
Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	
Shaded cells are input cells				
Depreciation & Amortization Expense				
Depreciation Expense				
81	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	45,749,831
82	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	16,264,735
83	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	1,853,238
84	Balance of General Depreciation Expense		(Line 82 - Line 83)	14,411,497
85	Intangible Amortization	(Note A & O)	Attachment 5	4,221,374
86	Total		(Line 84 + Line 85)	18,632,871
87	Wage & Salary Allocator		(Line 5)	12.1830%
88	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 86 * Line 87)	2,270,039
89	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	1,761,315
90	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 88 + Line 89)	4,031,355
91	Total Transmission Depreciation & Amortization		(Lines 81 + 90)	49,781,186
Taxes Other than Income Taxes				
92	Taxes Other than Income Taxes	(Note O)	Attachment 2	9,150,095
93	Total Taxes Other than Income Taxes		(Line 92)	9,150,095
Return \ Capitalization Calculations				
94	Long Term Interest		p117.62.c through 67.c	219,757,808
95	Preferred Dividends	enter positive	p118.29.d	884,971
Common Stock				
96	Proprietary Capital	(Note P)	Attachment 5	4,363,450,066
97	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	2,750,973
98	Less Preferred Stock		(Line 106)	39,761,700
99	Less Account 216.1	(Note P)	Attachment 5	3,399,070
100	Common Stock		(Line 96 - 97 - 98 - 99)	4,317,538,323
Capitalization				
101	Long Term Debt	(Note P)	Attachment 5	3,927,191,576
102	Less Loss on Reacquired Debt	(Note P)	Attachment 5	104,233,693
103	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
104	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	36,320,422
105	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	3,786,637,461
106	Preferred Stock	(Note P)	Attachment 5	39,761,700
107	Common Stock		(Line 100)	4,317,538,323
108	Total Capitalization		(Sum Lines 105 to 107)	8,143,937,484
109	Debt %		(Line 105 / Line 108)	46.50%
110	Preferred %		(Line 106 / Line 108)	0.49%
111	Common %		(Line 107 / Line 108)	53.02%
112	Debt Cost		(Line 94 / Line 105)	0.0580
113	Preferred Cost		(Line 95 / Line 106)	0.0223
114	Common Cost	(Note J)	Fixed	0.1168
115	Weighted Cost of Debt		(Line 109 * Line 112)	0.0270
116	Weighted Cost of Preferred		(Line 110 * Line 113)	0.0001
117	Weighted Cost of Common		(Line 111 * Line 114)	0.0619
118	Rate of Return on Rate Base (ROR)		(Sum Lines 115 to 117)	0.0890
119	Investment Return = Rate Base * Rate of Return		(Line 58 * Line 118)	102,132,098

Public Service Electric and Gas Company ATTACHMENT H-10A				2010 Actual
Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	
Shaded cells are input cells				
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	-1,317,900
126	1/(1-T)		1 / (1 - Line 123)	169.06%
127	Net Plant Allocation Factor		(Line 18)	22.3045%
128	ITC Adjustment Allocated to Transmission		(Line 125 * Line 126 * Line 127)	-496,959
129	Income Tax Component =	$(T/(1-T)) * Investment\ Return * (1-(WCLTD/ROR)) =$	[Line 124 * Line 119 * (1-(Line 115 / Line 118))]	49,152,233
130	Total Income Taxes		(Line 128 + Line 129)	48,655,275
Revenue Requirement				
Summary				
131	Net Property, Plant & Equipment		(Line 43)	1,284,678,218
132	Total Adjustment to Rate Base		(Line 57)	-137,317,812
133	Rate Base		(Line 58)	1,147,360,406
134	Total Transmission O&M		(Line 80)	77,109,482
135	Total Transmission Depreciation & Amortization		(Line 91)	49,781,186
136	Taxes Other than Income		(Line 93)	9,150,095
137	Investment Return		(Line 119)	102,132,098
138	Income Taxes		(Line 130)	48,655,275
139	Gross Revenue Requirement		(Sum Lines 134 to 138)	286,828,135
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
140	Transmission Plant In Service		(Line 19)	1,982,231,541
141	Excluded Transmission Facilities	(Note B & M)	Attachment 5	0
142	Included Transmission Facilities		(Line 140 - Line 141)	1,982,231,541
143	Inclusion Ratio		(Line 142 / Line 140)	100.00%
144	Gross Revenue Requirement		(Line 139)	286,828,135
145	Adjusted Gross Revenue Requirement		(Line 143 * Line 144)	286,828,135
Revenue Credits & Interest on Network Credits				
146	Revenue Credits	(Note O)	Attachment 3	33,534,468
147	Interest on Network Credits	(Note N & O)	Attachment 5	0
148	Net Revenue Requirement		(Line 145 - Line 146 + Line 147)	253,293,667
Net Plant Carrying Charge				
149	Gross Revenue Requirement		(Line 144)	286,828,135
150	Net Transmission Plant		(Line 19 - Line 32)	1,251,763,305
151	Net Plant Carrying Charge		(Line 149 / Line 150)	22.9139%
152	Net Plant Carrying Charge without Depreciation		(Line 149 - Line 81) / Line 150	19.2591%
153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 149 - Line 81 - Line 119 - Line 130) / Line 150	7.2131%
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)	136,040,763
155	Increased Return and Taxes		Attachment 4	161,071,013
156	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 154 + Line 155)	297,111,775
157	Net Transmission Plant		(Line 19 - Line 32)	1,251,763,305
158	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 156 / Line 157)	23.7355%
159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 156 - Line 81) / Line 157	20.0806%
160	Net Revenue Requirement		(Line 148)	253,293,667
161	True-up amount		Attachment 6	-3,716,600
162	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 7	666,536
163	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	0
164	Net Zonal Revenue Requirement		(Line 160 + 161 + 162 + 163)	250,243,603
Network Zonal Service Rate				
165	1 CP Peak	(Note L)	Attachment 5	9,686.7
166	Rate (\$/MW-Year)		(Line 164 / 165)	25,834
167	Network Service Rate (\$/MWYear)		(Line 166)	25,834

Public Service Electric and Gas Company
ATTACHMENT H-10A

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

2010 Actual

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 Transmisison 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 31,2010

	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>	
ADIT-282	0	(1,049,701,698)	(273,418)		From Acct. 282 total, below
ADIT-283	(1,781,312)	(62,048,407)	(25,067,454)		From Acct. 283 total, below
ADIT-190	1,617,015	(66,654,693)	8,746,231		From Acct. 190 total, below
Subtotal	(164,297)	(1,178,404,798)	(16,594,641)		
Wages & Salary Allocator		22.3045%	12.1830%		
Net Plant Allocator					
End of Year ADIT	(164,297)	(262,837,271)	(2,021,722)	(265,023,290)	
End of Previous Year ADIT (from Sheet 1A-ADIT (3))	(164,297)	(181,667,175)	(1,914,413)	(183,745,884)	
Average Beginning and End of Year ADIT	(164,297)	(222,252,223)	(1,968,067)	(224,384,587)	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
(34,557,105) < 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	C	D	E	F	G
ADIT-190	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
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)	(71,510,516)			(71,510,516)		New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis	150,801,919	150,801,919				New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
ADIT - Real Estate Taxes	2,669,658			2,669,658		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	46,921,893	46,921,893				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	12,863	12,863				Asset Retirement Obligation - Legal liability for environmental removal cost
Vacation Pay	3,625,103				3,625,103	Vacation pay earned and expensed for books, tax deduction when paid - employees in all function
OPFB	154,953,273				154,953,273	FASB 106 - Post Retirement Obligation, labor related
Deferred Dividend Equivalents	3,761,808				3,761,808	Book accrual of dividends on employee stock options affecting all functions
Deferred Compensation	473,527				473,527	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Interest/AFDC Deb	2,186,165			2,186,165		Capitalized Interest - Book vs Tax relates to all plant in all function
ADIT - Unallowable PIP Accrua	(1,213,324)				(1,213,324)	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	(3,248,269)	(3,248,269)				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 rater
FIN 48 Services Allocation	(728,100)	(728,100)				Uncertain Tax Positions - Assets/(Liabilities) not in rater
Bankruptcies S Acfc	(55,303)	(55,303)				Book estimate accrued and expensed, tax deduction when paid - Generation Relate
Repair Allowance Deferrac	(9,514,503)	(9,514,503)				Deferred recovery of lost repair allowance deductions-Retail Relate
Fin Del Energy competition Act CT	(4,062,698)	(4,062,698)				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	559,820				559,820	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 Accrual	1,528,493				1,528,493	Book estimate accrued and expensed, tax deduction when paid - employees in all function
Federal Taxes Deferred	25,184,953			25,184,953		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Federal Taxes Current	34,278,918			34,278,918		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulatio
Fed Taxes Req Requirement	30,320,435			30,320,435		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Subtotal - p234	370,020,681	181,574,549	1,617,015	23,129,613	163,699,504	
Less FASB 109 Above if not separately removed	89,784,306			89,784,306		
Less FASB 106 Above if not separately removed	154,953,273				154,953,273	
Total	125,283,102	181,574,549	1,617,015	(66,654,693)	8,746,231	

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
ADIT-283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	
Fin 48	(20,972,340)	(20,972,340)				Uncertain Tax Positions - Assets/(Liabilities) not in rates
Securitization Regulatory Asset	971,947,670	971,947,670				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	21,998,597	21,998,597				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	(27,491,302)			(27,491,302)		New Jersey Corporate Income Tax - Plant Related- Contra Account of 190 NJC/T
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	(64,359,230)	(64,359,230)				Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(58,462,633)	(58,462,633)				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	(13,532,974)				(13,532,974)	Accelerated Amortization of Computer Software - General Plan
Loss on Recquired Debt	(34,557,105)			(34,557,105)		Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(112,963,065)	(112,963,065)				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	(11,393,684)				(11,393,684)	Book estimate accrued and expensed, tax deduction when paid related to all employee
Repair Allowance-Reverse Amortization	(1,743,001)	(1,743,001)				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	2,868,153	2,868,153				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)
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)	0			(3,663)	Book estimate accrued and expensed, tax deduction when paid relating to all employee
Purchase Power - Audit Settlement	848,006	848,006				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	(11,037,372)	(11,037,372)				Interim Nuclear Fuel Storage Costs - Generation Related
Amort UCLIA 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) - Federa	(33,621,101)			(33,621,101)		FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - State	(16,672,959)			(16,672,959)		FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - Regulatory Requirement	(200,301,452)			(200,301,452)		FASB 109 - gross-up
iPower (Deferred Project Costs)	(3,770,807)	(3,770,807)				
Adj. Holding Account	(1,922,994)	(1,922,994)				
Subtotal - p277	(1,269,839,483)	(930,346,798)	(1,781,312)	(312,643,919)	(25,067,454)	
Less FASB 109 Above if not separately removed	(250,595,512)			(250,595,512)		
Less FASB 106 Above if not separately removed						
Total	(1,019,243,971)	(930,346,798)	(1,781,312)	(62,048,407)	(25,067,454)	

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 31,2009

	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>	
ADIT- 282	0	(770,641,870)	(3,526,320)		From Acct. 282 total, below
ADIT-283	(1,781,312)	(85,375,979)	(19,120,172)		From Acct. 283 total, below
ADIT-190	1,617,015	(13,342,645)	7,289,163		From Acct. 190 total, below
Subtotal	(164,297)	(869,360,494)	(15,357,329)		
Wages & Salary Allocator		20.8966%	12.4658%		
Net Plant Allocator					
End of Year ADIT	(164,297)	(181,667,175)	(1,914,413)	(183,745,884)	

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
 (36,320,422) < 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 (PURA)	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)	(18,769,801)			(18,769,801)		New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis	159,673,340	159,673,340				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	17,485,019	17,485,019				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	6,958	6,958				Asset Retirement Obligation - Legal liability for environmental removal cost
Vacation Pay	3,463,293				3,463,293	Vacation pay earned and expensed for books, tax deduction when paid - employees in all function
OPEB	228,781,548				228,781,548	FASB 106 - Post Retirement Obligation, labor related
Deferred Dividend Equivalents	3,117,491				3,117,491	Book accrual of dividends on employee stock options affecting all function
Deferred Compensation	442,786				442,786	Book estimate accrued and expensed, tax deduction when paid - employees in all function
ADIT - Interest/AFDC Debt	2,658,046			2,658,046		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 Allocation	(412,580)	(412,580)				Uncertain Tax Positions - Assets/(Liabilities) not in rates
Bankruptcies \$ Adc	(5,236)	(5,236)				Book estimate accrued and expensed, tax deduction when paid - Generation Relate
Repair Allowance Deferrec	(12,812,613)	(12,812,613)				Deferred recovery of lost repair allowance deductions-Retail Relate
Fin Def. Energy competition Act CT	(5,750,634)	(5,750,634)				Restructuring Costs - Generation relate
Def Tax Meter Equipment	201,673	201,673				Book estimate accrued and expensed, tax deduction when paid - Retail - Distribution Meter
Unrealized LUG Rabbi Trust	366,938	-			366,938	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	680,403				680,403	Book estimate accrued and expensed, tax deduction when paid - employees in all function
Federal Taxes Deferred	16,422,242			16,422,242		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Federal Taxes Current	34,820,257			34,820,257		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Fed Taxes Reg Requirement	24,344,752			24,344,752		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Subtotal - p234	456,382,647	156,450,315	1,617,015	62,244,606	236,070,711	
Less FASB 109 Above if not separately removed	75,587,251			75,587,251		
Less FASB 106 Above if not separately removed					228,781,548	
Total	152,013,848	156,450,315	1,617,015	(13,342,645)	7,289,163	

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 31,2009

A	B	C	D	E	F	G
	Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	
ADIT-283						
Fin 48	(29,247,746)	(29,247,746)				Uncertain Tax Positions - Assets/(Liabilities) not in rates
Securitization Regulatory Asset	886,136,370	886,136,370				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	20,730,168	20,730,168				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	(49,055,557)			(49,055,557)		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	(60,021,485)	(60,021,485)				Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(33,747,118)	(33,747,118)				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	(7,298,609)				(7,298,609)	Accelerated Amortization of Computer Software - General Plan
Loss on Reacquired Debt	(36,320,422)			(36,320,422)		Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(94,987,921)	(94,987,921)				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	(11,680,767)				(11,680,767)	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	2,868,153	2,868,153				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)	0			(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	(652,372)	(652,372)				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	(43,232,034)			(43,232,034)		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	(199,065,808)			(199,065,808)		FASB 109 - gross-up
Power (Deferred Project Costs)	(7,083,249)	(7,083,249)				
Subtotal - p277	(1,322,587,115)	(970,482,148)	(1,781,312)	(331,203,483)	(19,120,172)	
Less FASB 109 Above if not separately removed	(245,827,504)			(245,827,504)		
Less FASB 106 Above if not separately removed						
Total	(1,076,759,611)	(970,482,148)	(1,781,312)	(85,375,979)	(19,120,172)	

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, 2010

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related			
1 Real Estate	18,542,785		
2 Total Plant Related	18,542,785 N/A		7,568,464
Labor Related			
Wages & Salary Allocator			
3 FICA	11,780,835		
4 Federal Unemployment Tax	106,818		
5 New Jersey Unemployment Tax	419,517		
6 New Jersey Workforce Development	675,130		
7			
8 Total Labor Related	12,982,300	12.1830%	1,581,631
Other Included			
Net Plant Allocator			
9			
10			
11			
12			
13 Total Other Included	0	22.3045%	0
14 Total Included (Lines 8 + 14 + 19)	31,525,085		9,150,095
Currently Excluded			
15 Corporate Business Tax			
16 TEFA	\$ 93,922,805		
17 Use & Sales Tax			
18 Local Franchise Tax			
19 PA Corporate Income Tax			
20 Municipal Utility			
21 Public Utility Fund			
22 Subtotal, Excluded	93,922,805		
23 Total, Included and Excluded (Line 20 + Line 28)	125,447,890		
24 Total Other Taxes from p114.14.g - Actual	125,447,890		
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, 2010

Accounts 450 & 451

1 Late Payment Penalties Allocated to Transmission		0
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Account 454 - Rent from Electric Property

2 Rent from Electric Property - Transmission Related (Note 2)		633,519
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Account 456 - Other Electric Revenues

3 Transmission for Others		0
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4 Schedule 1A		4,884,511
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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		4,444,635
--	--	-----------

7 Professional Services (Note 2)		75,786
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8 Revenues from Directly Assigned Transmission Facility Charges (Note 1)		22,613,686
--	--	------------

9 Rent or Attachment Fees associated with Transmission Facilities (Note 2)		4,672,388
--	--	-----------

10 Gross Revenue Credits	(Sum Lines 1-9)	<u>37,324,525</u>
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11 Less line 18	- line 18	(3,790,057)
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12 Total Revenue Credits	line 10 + line 11	<u>33,534,468</u>
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13 Revenues associated with lines 2, 7, and 9 (Note 2)		5,381,693
--	--	-----------

14 Income Taxes associated with revenues in line 13		2,198,422
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15 One half margin (line 13 - line 14)/2		1,591,636
--	--	-----------

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		1,591,636
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18 Line 13 less line 17		3,790,057
-------------------------	--	-----------

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	161,071,013
B	100 Basis Point increase in ROE		1.00%

Return Calculation

		Appendix A Line or Source Reference	
1	Rate Base	(Line 43 + Line 57)	1,147,360,406
2	Long Term Interest	p117.62.c through 67.c	219,757,808
3	Preferred Dividends	enter positive p118.29.d	884,971
	Common Stock		
4	Proprietary Capital	Attachment 5	4,363,450,066
5	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	2,750,973
6	Less Preferred Stock	(Line 106)	39,761,700
7	Less Account 216.1	Attachment 5	3,399,070
8	Common Stock	(Line 96 - 97 - 98 - 99)	4,317,538,323
	Capitalization		
9	Long Term Debt	Attachment 5	3,927,191,576
10	Less Loss on Reacquired Debt	Attachment 5	104,233,693
11	Plus Gain on Reacquired Debt	Attachment 5	0
12	Less ADIT associated with Gain or Loss	Attachment 5	36,320,422
13	Total Long Term Debt	(Line 101 - 102 + 103 - 104)	3,786,637,461
14	Preferred Stock	Attachment 5	39,761,700
15	Common Stock	(Line 100)	4,317,538,323
16	Total Capitalization	(Sum Lines 105 to 107)	8,143,937,484
17	Debt %	Total Long Term Debt (Line 105 / Line 108)	46.5%
18	Preferred %	Preferred Stock (Line 106 / Line 108)	0.5%
19	Common %	Common Stock (Line 107 / Line 108)	53.0%
20	Debt Cost	Total Long Term Debt (Line 94 / Line 105)	0.0580
21	Preferred Cost	Preferred Stock (Line 95 / Line 106)	0.0223
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)	0.0270
24	Weighted Cost of Preferred	Preferred Stock (Line 110 * Line 113)	0.0001
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)	0.0943
27	Investment Return = Rate Base * Rate of Return	(Line 58 * Line 118)	108,214,871

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	-1,317,900
38	1/(1-T)	1 / (1 - Line 123)	169%
39	Net Plant Allocation Factor	(Line 18)	22.3045%
40	ITC Adjustment Allocated to Transmission	(Line 125 * Line 126 * Line 127)	-496,959
41	Income Tax Component =	CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =	53,353,100
42	Total Income Taxes		52,856,142

Public Service Electric and Gas Company
 ATTACHMENT H-10A
 Attachment 5 - Cost Support - December 31, 2010

Electric / Non-electric Cost Support				Current Year - 2010 True Up													Average	Non-electric Portion	
Line #s	Descriptions	Notes	Page #'s & Instructions	Previous Year	Current Year - 2010 True Up												Average	Non-electric Portion	
				Form 1 Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec			
Plant Allocation Factors																			
6	Electric Plant in Service	(Note B)	p207.104g	7,942,358.051	7,933,178.784	7,993,442.576	8,030,399.545	8,113,989.660	8,186,075.283	8,240,534.752	8,303,875.277	8,348,913.242	8,397,539.836	8,487,088.732	8,607,229.199	8,746,925.044	8,256,316.686		
7	Common Plant in Service - Electric	(Note B)	p356	108,704.696	99,584.285	99,534.035	99,596.285	99,643.360	99,679.770	98,402.414	98,415.184	98,414.640	98,434.148	99,029.264	99,029.264	103,084.568	100,122.023		
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	p219.28c	2,440,680.626	2,531,348.835	2,545,172.425	2,552,947.558	2,562,336.391	2,569,790.617	2,559,914.465	2,571,268.861	2,571,987.363	2,579,260.870	2,577,948.807	2,579,787.393	2,611,388.024	2,620,847.213	2,569,587.077	
10	Accumulated Intangible Amortization	(Note B)	p200.21c	143.520	152.385	161.260	170.135	187.572	206.001	226.003	246.812	268.762	294.546	321.914	350.610	377.219	403.948	230.908	
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356	28,547.918	19,680.906	19,955.094	20,271.431	20,404.592	20,893.112	19,728.807	20,013.668	20,296.702	20,602.912	20,835.603	21,113.091	19,072.061	19,072.061	20,871.992	
12	Accumulated Common Amortization - Electric	(Note B)	p356	3,790.547	4,161.998	4,531.730	4,902.358	5,272.482	5,643.008	6,013.333	6,383.660	6,753.987	7,124.315	7,504.216	7,884.420	8,264.624	8,644.828	6,021.538	
Plant In Service																			
19	Transmission Plant in Service	(Note B)	p207.58.g	1,890,809.863	1,900,699.942	1,904,502.566	1,910,300.952	1,911,038.574	1,911,222.086	1,979,572.246	1,986,445.470	1,992,511.717	2,008,468.629	2,024,360.785	2,100,504.854	2,148,372.401	1,982,231.541		
20	General	(Note B)	p207.99.g	231,385.513	225,553.889	228,883.895	228,160.670	237,487.999	238,423.598	219,963.266	225,297.751	227,085.998	228,631.153	229,197.389	230,253.625	214,958.568	230,344.466		
21	Intangible - Electric	(Note B)	p205.5.g	34.479	34.479	34.479	34.479	471.782	518.899	588.887	632.096	687.457	833.081	962.070	992.340	1,001.065	555.521		
22	Common Plant in Service - Electric	(Note B)	p356	108,704.696	99,584.285	99,534.035	99,596.285	99,643.360	99,679.770	98,402.414	98,415.184	98,414.640	98,434.148	99,029.264	99,029.264	103,084.568	100,122.023		
24	General Plant Account 397 - Communications	(Note B)	p207.94g	38,344.811	38,498.709	38,533.685	39,270.479	39,496.976	39,464.165	34,333.073	34,427.243	34,570.235	34,522.670	34,553.679	34,621.485	30,784.893	36,272.311		
25	Common Plant Account 397 - Communications	(Note B)	p356	14,957.940	5,859.190	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226	5,859.226		
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Company Records	17,029.636	17,011.726	17,033.117	17,187.292	17,303.892	17,325.296	17,442.890	17,568.676	17,626.496	17,763.628	17,773.084	17,765.895	17,884.416	17,443.107		
Accumulated Depreciation																			
32	Transmission Accumulated Depreciation	(Note B & J)	p219.25.c	715,175.363	717,882.862	719,871.387	724,168.918	725,662.332	727,161.949	730,777.544	733,566.303	736,293.270	736,341.772	738,967.118	744,715.205	746,312.922	730,468.236		
33	Accumulated General Depreciation	(Note B & J)	p219.28.b	11,201.295	11,694.728	11,839.604	12,002.268	12,195.120	123,056.720	103,456.488	105,197.725	106,709.547	108,709.791	112,092.606	113,879.325	97,004.707	112,759.935		
1	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356	28,567.918	19,680.906	19,955.094	20,271.431	20,404.592	20,893.112	19,728.807	20,013.668	20,296.702	20,602.912	20,835.603	21,113.091	19,072.061	20,871.992		
35	Amount of General Depreciation Associated with Acct. 39	(Note B & J)	Company Records	56,248.197	25,859.977	26,187.478	26,533.214	26,873.777	27,209.508	22,428.067	22,762.140	23,096.329	23,436.896	23,745.047	24,077.198	20,652.272	26,838.753		
41	Acc. Deprec. Acct. 397 Directly Assigned to Transmission	(Note B & J)	Company Records	5,757.201	5,865.125	6,007.777	6,151.493	6,296.544	6,442.185	6,589.885	6,737.069	6,886.512	7,040.962	7,189.991	7,338.360	7,489.722	6,599.448		

Wages & Salary																	
Line #s	Descriptions	Notes	Page #'s & Instructions														End of Year
2	Total Wage Expense	(Note A)	p354.28b														167,503,516
3	Total A&G Wages Expense	(Note A)	p354.27b														7,165,718
1	Transmission Wages		p354.21b														19,533,925

Transmission / Non-transmission Cost Support																					
Line #s	Descriptions	Notes	Page #'s & Instructions														Beginning Year Balance	End of Year	Average		
Plant Held for Future Use (Including Land)				(Note C & Q)	p214.47.d														7,513,509	4,784,112	6,148,811
46	Transmission Only																3,993,930	1,204,533	2,599,231		

Prepayments																	
Line #s	Descriptions	Notes	Page #'s & Instructions	Previous Year	Electric Beginning Year Balance	Electric End of Year Balance	Average Balance	Wage & Salary Allocator	To Line 47								
47	Prepayments	(Note A & Q)	p111.57c	85,825,352	42,749,458	58,620,499	50,684,979	12.183%	6,174,942								

Materials and Supplies																			
Line #s	Descriptions	Notes	Page #'s & Instructions														Beginning Year Balance	End of Year	Average
Materials and Supplies																			
48	Undistributed Stores Exp	(Note Q)	p227.16.b,c														0	0	-
51	Transmission Materials & Supplies	(Note N & Q)	p227.8.b,c														3,514,264	3,980,441	3,747,353

Outstanding Network Credits Cost Support																			
Line #s	Descriptions	Notes	Page #'s & Instructions														Beginning Year Balance	End of Year	Average
Network Credits																			
56	Outstanding Network Credits	(Note N & Q)	From PJM														0	0	

O&M Expenses																	
Line #s	Descriptions	Notes	Page #'s & Instructions														End of Year
59	Transmission O&M	(Note O)	p.321.112.b														52,764,208
60	Transmission Lease Payments		p321.96.b														

Public Service Electric and Gas Company
 ATTACHMENT H-10A
 Attachment 5 - Cost Support - December 31, 2010

Property Insurance Expenses				
Line #	Descriptions	Notes	Page #'s & Instructions	End of Year
65	Property Insurance Account 924	(Note O)	p323.185b	1,202,721

Adjustments to A & G Expense				
Line #	Descriptions	Notes	Page #'s & Instructions	End of Year
62	Total A&G Expenses		p323.197b	201,696,884
63	Fixed PBOP expense	(Note J)	Company Records	77,745,482
64	Actual PBOP expense	(Note O)	Company Records	72,759,412

Regulatory Expense Related to Transmission Cost Support						
Line #	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	11,017,668	0	
Directly Assigned A&G						
72	Regulatory Commission Exp Account 928	(Note G & O)	p351.11-13h	667,242	667,242	

General & Common Expenses					
Line #	Descriptions	Notes	Page #'s & Instructions	End of Year	EPRI Dues
68	Less EPRI Dues	(Note D & O)	p352-353	1,227,410	

Safety Related Advertising Cost Support							
Line #	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	2,311,162	0	2,311,162	

Education and Out Reach Cost Support							
Line #	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	2,311,162		2,311,162	

Depreciation Expense					
Line #	Descriptions	Notes	Page #'s & Instructions	End of Year	
Depreciation Expense					
81	Depreciation-Transmission	(Note J & O)	p336.7.f	45,749,831	
82	Depreciation-General & Common	(Note J & O)	p336.10&11.f	16,264,735	
83	Depreciation-General Expense Associated with Acct. 397	(Note J & O)	Company Records	1,853,238	
85	Depreciation-Intangible	(Note A & O)	p536.1.f	4,221,374	
89	Transmission Depreciation Expense for Acct. 397	(Note J & O)	Company Records	1,781,315	

Direct Assignment of Transmission Real Estate Taxes						
Line #	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related	Non-Transmission
92	Real Estate Taxes - Directly Assigned to Transmission		p263.38i	18,542,785	7,568,464	10,974,321

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 electric.

Public Service Electric and Gas Company
 ATTACHMENT H-10A
 Attachment 5 - Cost Support - December 31, 2010

Return \ Capitalization

Line #s	Descriptions	Notes	Page #'s & Instructions	2009 End of Year	2010 End of Year	Average
96	Proprietary Capital	(Note P)	p112.16.c.d	4,302,112,315	4,424,787,817	4,363,450,066
97	Accumulated Other Comprehensive Income Account 219	(Note P)	p112.15.c.d	5,106,042	995,904	2,750,973
99	Account 216.1	(Note P)	p119.53.c&d	3,587,293	3,210,847	3,399,070
101	Long Term Debt	(Note P)	p112.18.c.d thru 23.c.d	3,570,606,752	4,283,776,399	3,927,191,576
102	Loss on Reacquired Debt	(Note P)	p111.81.c.d	106,330,803	102,136,583	104,233,693
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)	36,320,422	36,320,422	36,320,422
106	Preferred Stock	(Note P)	p112.3.c.d	79,523,400	0	39,761,700

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	1,317,900

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 9,686.7

**Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 6 - True-up Adjustment for Network Integration Transmission Service - December 31, 2010**

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	(Year)	TO calculates the Interest to include in the 2009 True-Up Adjustment
October	(Year)	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 reconciliator 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.	250,243,603
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	251,064,988
C	Difference (A-B)	-821,386 <Note: for the first rate year, divide this
D	Future Value Factor $(1+i)^{24}$	1.00000 reconciliation amount by 12 and multiply
E	True-up Adjustment (C*D)	-821,386 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	
January	Year 1		0.0000%
February	Year 1		0.0000%
March	Year 1		0.0000%
April	Year 1		0.0000%
May	Year 1		0.0000%
June	Year 1		0.0000%
July	Year 1		0.0000%
August	Year 1		0.0000%
September	Year 1		0.0000%
October	Year 1		0.0000%
November	Year 1		0.0000%
December	Year 1		0.0000%
January	Year 2		0.0000%
February	Year 2		0.0000%
March	Year 2		0.0000%
April	Year 2		0.0000%
May	Year 2		0.0000%
June	Year 2		0.0000%
July	Year 2		0.0000%
August	Year 2		0.0000%
September	Year 2		0.0000%
Average Interest Rate			0.0000%

**Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 6A - Project Specific Estimate and Reconciliation Worksheet - December 31, 2010**

Estimated Additions								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Other Projects PIS (Monthly additions)	Reconductor Hudson - South Waterfront B0813 (monthly additions)						Susquehanna Roseland >= 500KV (monthly additions)	Susquehanna Roseland < 500KV (monthly additions)
	(in service)	(in service)	(in service)	(in service)	(in service)		CWIP	CWIP
Dec							38,826,828	4,000,000
Jan	3,786,916						3,160,952	-
Feb	4,230,656						3,182,940	-
Mar	8,486,526						14,388,544	-
Apr	8,917,248						3,606,549	-
May	5,270,248						5,182,677	2,640,000
Jun	34,252,739						8,798,322	-
Jul	19,753,194						6,325,550	-
Aug	2,433,194	320,000					5,277,529	8,689,973
Sep	5,156,750	2,560,000					13,285,650	96,057
Oct	10,511,111	2,560,000					10,699,762	9,119,122
Nov	14,352,472	2,560,000					10,580,606	201,649
Dec	93,420,833	2,560,000					14,389,114	201,649
Total	210,471,883	10,560,000					137,675,026	24,948,450

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
Other Projects PIS (monthly balances)	Reconductor Hudson - South Waterfront B0813 (monthly balances)						Susquehanna Roseland >= 500KV (monthly balances)	Susquehanna Roseland < 500KV (monthly balances)
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP
Dec	-						38,826,828	4,000,000
Jan	3,786,916						41,987,780	4,000,000
Feb	8,017,571						45,170,720	4,000,000
Mar	16,504,097						59,559,264	4,000,000
Apr	25,321,345						63,165,813	4,000,000
May	30,591,592						68,348,490	6,640,000
Jun	64,844,331						77,146,812	6,640,000
Jul	84,597,525						83,472,362	6,640,000
Aug	87,030,718	320,000					88,749,891	15,329,973
Sep	92,187,468	2,890,000					102,035,541	15,426,031
Oct	102,698,579	5,440,000					112,705,303	24,545,153
Nov	117,051,050	8,000,000					123,285,911	24,746,801
Dec	210,471,883	10,560,000					137,675,026	24,948,450
Total	843,103,075	27,200,000					1,042,129,741	144,916,408
Average 13 Month Balance	64,854,083	2,092,308						
Average 13 Month in service	4.01	2.58					7.57	5.81
Average 13 Month Average CWIP to Appendix A, line 45							80,163,826	11,147,416

Estimated Transmission Enhancement Charges														
Total Projects	Branchburg (B0130)	Kittatinny (B0134)	Essex Aldene (B0145)	New Freedom Trans (B0411)	New Freedom Loop (B0498)	Metuchen Transformer (B0151)	Branchburg-Sommerville (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 Waterfront (B0813)	Susquehanna Roseland Breakers
70,035,729	4,143,821	1,760,950	17,663,639	4,554,773	6,767,186	5,442,721	4,837,505	1,401,234	4,768,898	7,560	16,186,705	2,250,800	450,848	-

**Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2010**

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	19.26%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	20.08%
5	C		Line B less Line A	0.82%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	7.21%
8	The FCR resulting from Formula in a given year is used for that year only.			
9	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"	Schedule 12 (Yes or No)	Yes		Yes		Yes		Yes		Yes			
11	Useful life of the project	Life	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			
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	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	19.2591%		19.2591%		19.2591%		19.2591%		19.2591%			
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	19.2591%		19.2591%		19.2591%		19.2591%		19.2591%			
16	Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	20,680,597		8,069,022		86,565,629		22,188,863					
17	Line 17 divided by line 12	Annual Depreciation Exp	492,395		192,120		2,061,086		528,306					
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00		13.00		13.00		13.00					
19			2006		2007		2007		2007		2007			
20														
21		Invest Yr	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue
22	W 11.68 % ROE	2006	20,680,597	492,395	4,652,471									
23	W Increased ROE	2006	20,680,597	492,395	4,652,471									
24	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
25	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
26	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
27	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
28	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
29	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
30	W 11.68 % ROE	2010	18,711,016	492,395	4,095,968	7,604,733	192,120	1,656,722	81,584,670	2,061,086	17,773,557	20,647,970	528,306	4,504,919
31	W Increased ROE	2010	18,711,016	492,395	4,095,968	7,604,733	192,120	1,656,722	81,584,670	2,061,086	17,773,557	20,647,970	528,306	4,504,919

**Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2010**

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a C			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	19.26%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	20.08%
5	C		Line B less Line A	0.82%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	7.21%
8	The FCR resulting from Formula in a giv			
9	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			
11	Useful life of the project	Life	42.00		42.00		42		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			
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	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	19.2591%		19.2591%		19.2591%		19.2591%		19.2591%			
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	19.2591%		19.2591%		19.2591%		19.2591%		19.2591%			
16	Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	27,005,248		25,777,006		15,773,874		6,961,495		6,961,495			
17	Line 17 divided by line 12	Annual Depreciation Exp	642,982		613,738		375,568		165,750		165,750			
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00		13.00		13.00		13.00		13.00			
19			2008		2009		2009		2008		2008			
20														
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	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	6,936,122	165,750	1,621,657
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	6,936,122	165,750	1,621,657
30	W 11.68 % ROE	2010	26,273,620	642,982	5,703,044	25,488,527	613,738	5,522,598	15,539,319	375,568	3,368,301	6,770,372	165,750	1,469,662
31	W Increased ROE	2010	26,273,620	642,982	5,703,044	25,488,527	613,738	5,522,598	15,539,319	375,568	3,368,301	6,770,372	165,750	1,469,662

**Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2010**

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a C			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	19.26%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	20.08%
5	C		Line B less Line A	0.82%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	7.21%
8	The FCR resulting from Formula in a giv			
9	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			
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes		Yes		Yes		Yes		Yes			
11	Useful life of the project	Life	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			
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	0		0		125		125		125			
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	19.2591%		19.2591%		19.2591%		19.2591%		19.2591%			
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	19.2591%		19.2591%		20.2860%		20.2860%		20.2860%			
16	Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	21,066,314		27,988		83,961,998		10,121,290		10,121,290			
17	Line 17 divided by line 12	Annual Depreciation Exp	501,579		666									
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00		13.00		8.67		11.47		11.47			
19			2009		2008		2015		2014		2014			
20														
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	20,797,967	501,579	4,507,079	27,122	666	5,890	83,961,998		10,780,919	10,121,290		1,719,499
31	W Increased ROE	2010	20,797,967	501,579	4,507,079	27,122	666	5,890	83,961,998		11,355,769	10,121,290		1,811,185

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2010

1		New Plant Carrying Charge			
2		Fixed Charge Rate (FCR) if not a C			
		Formula Line			
3	A	152	Net Plant Carrying Charge without Depreciation	19.26%	
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreci	20.08%	
5	C		Line B less Line A	0.82%	
6		FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Ta	7.21%	
8					
9					

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

Details		Reconductor Hudson - South Waterfront (B0813)			Susquehanna Roseland Breakers					
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes		Yes					
11	Useful life of the project	Life	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					
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	0		125					
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	19.2591%		19.2591%					
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	19.2591%		20.2860%					
16	Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	8,806,222		2,662,585					
17	Line 17 divided by line 12	Annual Depreciation Exp	209,672		63,395					
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		1.16		1.60					
19			2010		2010					
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										

	Invest Yr	Ending	Depreciation	Revenue	Ending	Depreciation	Revenue	Total	Incentive Charged	Revenue Credit
W 11.68 % ROE	2006							\$ 4,652,471		\$ 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							\$ 32,346,385	\$ 32,346,385	\$ -
W Increased ROE	2008							\$ 32,385,646	\$ 32,385,646	\$ 39,261
W 11.68 % ROE	2009							\$ 51,356,608	\$ 51,356,608	\$ 232,275
W Increased ROE	2009							\$ 51,588,883	\$ 51,588,883	\$ 232,275
W 11.68 % ROE	2010	8,806,222	18,700	169,959	2,662,585	7,802	70,915	\$ 61,349,032	\$ 61,349,032	\$ 666,536
W Increased ROE	2010	8,806,222	18,700	169,959	2,662,585	7,802	70,915	\$ 62,015,568	\$ 62,015,568	\$ 666,536

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

ATTACHMENT B

