

Gregory Eisenstark, Esq.
Assistant General Corporate Rate Counsel

PSEG Services Corporation
80 Park Plaza – T5G, Newark, New Jersey 07102
973-430-6281 fax: 973-430-5983
e-mail: Gregory.Eisenstark@pseg.com



October 7, 2009

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
2010 Formula Rate Annual Update**

Dear Ms. Bose:

Attached for information purposes, please find the 2010 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 ¶ 61,303¹ (2008). 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 black ink, appearing to read "Gregory Eisenstark", written in a cursive style.

Gregory Eisenstark

GE/jb
Attachments

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

Public Service Electric and Gas Company
ATTACHMENT H-10A

12 Months Ended
12/31/2010

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	(Note O)	Attachment 5	15,696,251
2	Total Wages Expense	(Note O)	Attachment 5	170,066,699
3	Less A&G Wages Expense	(Note O)	Attachment 5	11,575,685
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	158,491,014
5	Wages & Salary Allocator		(Line 1 / Line 4)	9.9036%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	Attachment 5	8,336,665,448
7	Common Plant in Service - Electric		(Line 22)	116,795,499
8	Total Plant in Service		(Line 6 + 7)	8,453,460,946
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	Attachment 5	2,655,840,955
10	Accumulated Intangible Amortization - Electric	(Note B)	Attachment 5	7,064
11	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	33,229,278
12	Accumulated Common Amortization - Electric	(Note B)	Attachment 5	0
13	Total Accumulated Depreciation		(Line 9 + Line 10 + Line 11 + Line 12)	2,689,077,298
14	Net Plant		(Line 8 - Line 13)	5,764,383,649
15	Transmission Gross Plant		(Line 31)	2,020,322,379
16	Gross Plant Allocator		(Line 15 / Line 8)	23.8994%
17	Transmission Net Plant		(Line 43)	1,275,640,358
18	Net Plant Allocator		(Line 17 / Line 14)	22.1297%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	Attachment 5	1,973,845,213
20	General	(Note B)	Attachment 5	230,325,363
21	Intangible - Electric	(Note B)	Attachment 5	34,473
22	Common Plant - Electric	(Note B)	Attachment 5	116,795,499
23	Total General, Intangible & Common Plant		(Line 20 + Line 21 + Line 22)	347,155,334
24	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	31,433,904
25	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	14,283,433
26	General and Intangible Excluding Acct. 397		(Line 23 - Line 24 - Line 25)	301,437,997
27	Wage & Salary Allocator		(Line 5)	9.9036%
28	General and Intangible Plant Allocated to Transmission		(Line 26 * Line 27)	29,853,090
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	16,624,076
30	Total General and Intangible Functionalized to Transmission		(Line 28 + Line 29)	46,477,166
31	Total Plant In Rate Base		(Line 19 + Line 30)	2,020,322,379
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	727,556,076
33	Accumulated General Depreciation	(Note B & J)	Attachment 5	98,706,367
34	Accumulated Common Plant Depreciation - Electric	(Note B & J)	Attachment 5	33,229,278
35	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	25,054,549
36	Balance of Accumulated General Depreciation		(Line 33 + Line 34 - Line 35)	106,880,797
37	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	7,064
38	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 36 + 37)	106,887,860
39	Wage & Salary Allocator		(Line 5)	9.9036%
40	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 38 * Line 39)	10,585,702
41	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	6,540,242
42	Total Accumulated Depreciation		(Lines 32 + 40 + 41)	744,682,021
43	Total Net Property, Plant & Equipment		(Line 31 - Line 42)	1,275,640,358

Public Service Electric and Gas Company
ATTACHMENT H-10A

12 Months Ended
12/31/2010

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	-188,435,121
45	CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year	(Note B & H)	Attachment 6	91,311,242
46	Plant Held for Future Use	(Note C & Q)	Attachment 5	4,096,903
47	Prepayments	(Note A & Q)	Attachment 5	874,374
48	Materials and Supplies Undistributed Stores Expense	(Note Q)	Attachment 5 (Line 5)	0 9,9036%
49	Wage & Salary Allocator		(Line 48 * Line 49)	0
50	Total Undistributed Stores Expense Allocated to Transmission		Attachment 5	3,480,728
51	Transmission Materials & Supplies	(Note N & Q)	(Line 50 + Line 51)	3,480,728
52	Total Materials & Supplies Allocated to Transmission			
53	Cash Working Capital Operation & Maintenance Expense		(Line 80)	70,852,406
54	1/8th Rule		1/8	12.5%
55	Total Cash Working Capital Allocated to Transmission		(Line 53 * Line 54)	8,856,551
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)	-79,815,322
58	Rate Base		(Line 43 + Line 57)	1,195,825,036

Operations & Maintenance Expense

59	Transmission O&M	(Note O)	Attachment 5	45,589,226
60	Plus Transmission Lease Payments	(Note O)	Attachment 5	0
61	Transmission O&M		(Lines 59 + 60)	45,589,226
62	Allocated Administrative & General Expenses Total A&G	(Note O)	Attachment 5	257,502,133
63	Plus: Fixed PBOP expense	(Note J)	Attachment 5	77,745,482
64	Less: Actual PBOP expense	(Note O)	Attachment 5	74,972,711
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	12,832,629
67	Less General Advertising Exp Account 930.1	(Note O)	Attachment 5	3,279,688
68	Less EPRI Dues	(Note D & Q)	Attachment 5	0
69	Administrative & General Expenses Wage & Salary Allocator		Sum (Lines 62 to 63) - Sum (Lines 64 to 68) (Line 5)	242,992,587 9,9036%
70	Administrative & General Expenses Allocated to Transmission		(Line 69 * Line 70)	24,064,914
71	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G & O)	Attachment 5	939,349
72	General Advertising Exp Account 930.1	(Note K & O)	Attachment 5	0
73	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 72 + Line 73)	939,349
74	Property Insurance Account 924		(Line 65)	1,170,000
75	General Advertising Exp Account 930.1	(Note F & O)	Attachment 5	0
76	Total Accounts 928 and 930.1 - General		(Line 75 + Line 76)	1,170,000
77	Net Plant Allocator		(Line 18)	22,1297%
78	A&G Directly Assigned to Transmission		(Line 77 * Line 78)	258,917
79	Total Transmission O&M		(Lines 61 + 71 + 74 + 79)	70,852,406

Public Service Electric and Gas Company
ATTACHMENT H-10A

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

12 Months Ended
12/31/2010

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	45,499,229
82	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	27,533,975
83	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	3,714,034
84	Balance of General Depreciation Expense		(Line 82 - Line 83)	23,819,941
85	Intangible Amortization	(Note A & O)	Attachment 5	4,356,652
86	Total		(Line 84 + Line 85)	28,176,593
87	Wage & Salary Allocator		(Line 5)	9,9036%
88	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 86 * Line 87)	2,790,485
89	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	1,662,408
90	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 88 + Line 89)	4,452,893
91	Total Transmission Depreciation & Amortization		(Lines 81 + 90)	49,952,122

Taxes Other than Income Taxes

92	Taxes Other than Income Taxes	(Note O)	Attachment 2	9,634,702
93	Total Taxes Other than Income Taxes		(Line 92)	9,634,702

Return \ Capitalization Calculations

94	Long Term Interest		p117.62.c through 67.c	193,848,362
95	Preferred Dividends	enter positive	p118.29.d	3,987,876
Common Stock				
96	Proprietary Capital	(Note P)	Attachment 5	3,549,490,730
97	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	2,220,567
98	Less Preferred Stock		(Line 106)	79,523,400
99	Less Account 216.1	(Note P)	Attachment 5	4,006,682
100	Common Stock		(Line 96 - 97 - 98 - 99)	3,463,740,081
Capitalization				
101	Long Term Debt	(Note P)	Attachment 5	3,438,111,677
102	Less Loss on Reacquired Debt	(Note P)	Attachment 5	95,892,748
103	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
104	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	33,905,934
105	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	3,308,312,995
106	Preferred Stock	(Note P)	Attachment 5	79,523,400
107	Common Stock		(Line 100)	3,463,740,081
108	Total Capitalization		(Sum Lines 105 to 107)	6,851,576,476
109	Debt %	Total Long Term Debt	(Line 105 / Line 108)	48.29%
110	Preferred %	Preferred Stock	(Line 106 / Line 108)	1.16%
111	Common %	Common Stock	(Line 107 / Line 108)	50.55%
112	Debt Cost	Total Long Term Debt	(Line 94 / Line 105)	0.0586
113	Preferred Cost	Preferred Stock	(Line 95 / Line 106)	0.0501
114	Common Cost	Common Stock	(Note J) Fixed	0.1168
115	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 109 * Line 112)	0.0283
116	Weighted Cost of Preferred	Preferred Stock	(Line 110 * Line 113)	0.0006
117	Weighted Cost of Common	Common Stock	(Line 111 * Line 114)	0.0590
118	Rate of Return on Rate Base (ROR)		(Sum Lines 115 to 117)	0.0879
119	Investment Return = Rate Base * Rate of Return		(Line 58 * Line 118)	105,138,765

Public Service Electric and Gas Company
ATTACHMENT H-10A

12 Months Ended
12/31/2010

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)		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)
				-1,198,000
				169.06%
				22.1297%
				-448,206
129	Income Tax Component =	$(T/(1-T)) * \text{Investment Return} * (1 - (\text{WCLTD}/\text{ROR})) =$		[Line 124 * Line 119 * (1 - (Line 115 / Line 118))]
				49,245,046
130	Total Income Taxes			(Line 128 + Line 129)
				48,796,840

Revenue Requirement

Summary				
131	Net Property, Plant & Equipment		(Line 43)	1,275,640,358
132	Total Adjustment to Rate Base		(Line 57)	-79,815,322
133	Rate Base		(Line 58)	1,195,825,036
134	Total Transmission O&M		(Line 80)	70,852,406
135	Total Transmission Depreciation & Amortization		(Line 91)	49,952,122
136	Taxes Other than Income		(Line 93)	9,634,702
137	Investment Return		(Line 119)	105,138,765
138	Income Taxes		(Line 130)	48,796,840
139	Gross Revenue Requirement		(Sum Lines 134 to 138)	284,374,836
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
140	Transmission Plant In Service		(Line 19)	1,973,845,213
141	Excluded Transmission Facilities		(Note B & M)	Attachment 5
142	Included Transmission Facilities		(Line 140 - Line 141)	1,973,845,213
143	Inclusion Ratio		(Line 142 / Line 140)	100.00%
144	Gross Revenue Requirement		(Line 139)	284,374,836
145	Adjusted Gross Revenue Requirement		(Line 143 * Line 144)	284,374,836
Revenue Credits & Interest on Network Credits				
146	Revenue Credits		(Note O)	Attachment 3
147	Interest on Network Credits		(Note N & O)	Attachment 5
				30,529,264
				0
148	Net Revenue Requirement		(Line 145 - Line 146 + Line 147)	253,845,573
Net Plant Carrying Charge				
149	Gross Revenue Requirement		(Line 144)	284,374,836
150	Net Transmission Plant		(Line 19 - Line 32)	1,246,289,137
151	Net Plant Carrying Charge		(Line 149 / Line 150)	22.8177%
152	Net Plant Carrying Charge without Depreciation		(Line 149 - Line 81) / Line 150	19.1669%
153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 149 - Line 81 - Line 119 - Line 130) / Line 150	6.8154%
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)	130,439,230
155	Increased Return and Taxes		Attachment 4	164,156,001
156	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 154 + Line 155)	294,595,231
157	Net Transmission Plant		(Line 19 - Line 32)	1,246,289,137
158	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 156 / Line 157)	23.6378%
159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 156 - Line 81) / Line 157	19.9870%
160	Net Revenue Requirement		(Line 148)	253,845,573
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	936,016
163	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	0
164	Net Zonal Revenue Requirement		(Line 160 + 161 + 162 + 163)	251,064,989
Network Zonal Service Rate				
165	1 CP Peak		(Note L)	Attachment 5
166	Rate (\$/MW-Year)			(Line 164 / 165)
				9,686.7
				25,919
167	Network Service Rate (\$/MW/Year)		(Line 166)	25,919

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, 2010

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	0	(784,527,723)	(2,710,259)	
ADIT-283	(1,781,312)	(93,325,145)	(23,265,958)	
ADIT-190	1,617,015	14,216,746	8,333,773	
Subtotal	(164,297)	(863,636,122)	(17,642,444)	
Wages & Salary Allocator			9.9036%	
Net Plant Allocator		22.1297%		
End of Year ADIT	(164,297)	(191,120,015)	(1,747,230)	(193,031,542)
End of Previous Year ADIT (from Sheet 1A-ADIT (3))	(164,297)	(182,180,505)	(1,493,897)	(183,838,699)
Average Beginning and End of Year ADIT	(164,297)	(186,850,260)	(1,620,563)	(188,435,121)

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

(37,663,575) < 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 (PURT)	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 taxes
Newark Center Renovations	10,804				10,804	Amort of Renovations of Newark Plaza - General Property
New Jersey Corporate Business Tax (NJCBT)	8,767,009			8,767,009		New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis	150,802,081	150,802,081				New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
ADIT - Real Estate Taxes	2,280,737			2,280,737		Book estimate accrued and expensed - tax reduction 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
Wire Closing Costs	1,357,594	1,357,594				Book estimate accrued and expensed - tax deduction when paid - Generation related
FR 47	1,393	1,393				Asset Retirement Obligation - Legal liability for environmental removal costs
Vacation Pay	3,271,731				3,271,731	Vacation pay earned and expensed for books - tax reduction when paid - employees in all functions
DBER	220,596,263				220,596,263	Fac 106 - Post Retirement Obligation - labor related
Deferred Dividend Equivalents	2,645,151				2,645,151	Book accrual of dividends on employee stock options affecting all functions
Deferred Compensation	1,489,821				1,489,821	Book estimate accrued and expensed - tax deduction when paid - employees in all functions
ADIT - Interest/AFDC Debt	3,160,000			3,160,000		Capitalized Interest - Book vs Tax relates to all plant in all functions
ADIT - Unallowable PIP Accrual	33,970				33,970	Book estimate accrued and expensed - tax reduction when paid - employees in all functions
ADIT - Rental Fees	337,144	337,144				Book estimate accrued and expensed - tax reduction when paid - employees in all functions
ADIT - Rev of 1985-1993 Settle Int Exp	(3,102,801)	(3,102,801)				Book estimate accrued and expensed - tax deduction when paid / audit settlement - Generation related
ADIT - Interest on Dismantling & Decommissioning	(1,940,681)	(1,940,681)				Book estimate accrued and expensed - tax deduction when paid / audit settlement - Generation related
ADIT - SETI Dissolution	60,619	60,619				Book estimate accrued and expensed - tax deduction when paid / audit settlement - Retail related
Minimum Pension Liability	137,435	137,435				Associated with Pension Liability not in rates
SN 48 Services Allocation	(256,902)	(256,902)				Uncertain Tax Positions - Assets/Liabilities not in rates
Bankruptcies S. Act	(28,555)	(28,555)				Book estimate accrued and expensed - tax deduction when paid - Generation Related
Repair Allowance Deferred	(7,811,972)	(7,811,972)				Deferred recovery of lost repair allowance deductions-Retail Related
Fin Def. Energy competition Act CT	(5,750,974)	(5,750,974)				Restructuring Costs - Generation related
Del Tax Meter Equipment	202,155	202,155				Book estimate accrued and expensed - tax reduction when paid - Retail - Distribution Meters
Inverzarz I/G Rabbi Trust	265,111				265,111	Book estimate accrued and expensed - tax deduction when paid for Executive Compensation
SECA Income Reversals Due to Reversals	(1,111,971)	(1,111,971)				Related to LSE SECA obligations - retail
Estimated Severance Pay Accruals	317,185				317,185	Book estimate accrued and expensed - tax deduction when paid - employees in all functions
Federal Taxes Deferred	19,579,108			19,579,108		Fac 103 - deferred tax asset primarily associated with items previously flowed through due to regulation
Federal Taxes Current	20,003,476			20,003,476		Fac 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Del Taxes Req Requirement	16,292,691			16,292,691		Fac 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Subtotal - p234	453,423,224	152,784,152	1,617,015	70,092,021	228,930,036	
Less FASB 109 Above if not separately removed	55,875,275			55,875,275		
Less FASB 106 Above if not separately removed					220,596,263	
Total	176,951,686	152,784,152	1,617,015	14,216,746	8,333,773	

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, 2008

A	B	C	D	E	F	G
	Total	Gas, Prod or Other Related	D Only Transmission Related	Plant	Labor	
ADIT-283						
Fin 48	(26,140,626)	(26,140,626)	-	-	-	Uncertain Tax Positions - Assets/(Liabilities) not in rates
Securitization Regulatory Asset	975,438,224	375,438,224	-	-	-	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	19,891,668	19,891,668	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Manufactured Gas Plants
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	(55,661,570)	-	-	55,661,570	-	New Jersey Corporate Income Tax - Plant Related, Contra Account of 190 NCBT
Obsolete Material Write Off	5,751,926	5,751,926	-	-	-	Book accrued writeoff, tax deduction when actually disposed of - Generation Related
Fuel Cost Adjustment	(46,611,271)	(46,611,271)	-	-	-	Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(19,735,595)	(19,735,595)	-	-	-	Demand Side management and Associated Programs - Retail Related
Take-or-Pay Costs	313,793	313,793	-	-	-	Gas Supply Contracts
Other Contract Cancellations	(7,904,692)	(7,904,692)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Other Computer Software	(13,136,754)	-	-	-	13,136,754	Accelerated Amortization of Computer Software - General Plant
Loss on Reacquired Debt	(37,663,575)	-	-	37,663,575	-	Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(102,468,084)	(102,468,084)	-	-	-	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	(9,989,408)	-	-	-	9,989,408	Book estimate accrued and expensed, tax deduction when paid related to all employees
Repair Allowance-Reverse Amortization	(2,914,581)	(2,914,581)	-	-	-	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 Decommissioning 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	(2,001,557)	(2,001,557)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Capitalization of Study Costs	(2,009,586)	(2,009,586)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Budget Billing - Audit Settlement	6	6	-	-	-	Old Unbilled Revenue Issue - Retail Related
Lightnet Annuement - Audit Settlement	123,968	123,968	-	-	-	Fiber Optics - Electric Distribution - Retail Related
Miscellaneous 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 employees
Purchase Power - Audit Settlement	724,038	724,038	-	-	-	Purchased Power Settlements - Generation Related
Crude Oil Refunds	1,570,058	1,570,058	-	-	-	Generation Related (Non-Utility Asset/Liability)
	-	-	-	-	-	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	(40,824,693)	-	-	40,824,693	-	Fas109 - 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	-	Fas109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - Regulatory Requirement	(201,265,607)	-	-	201,265,607	-	Fas109 - gross-up
Power (Deferred Project Costs)	(3,771,000)	(3,771,000)	-	-	-	Book Deferred Project Costs
	-	-	-	-	-	
Subtotal - p277	(1,222,220,189)	(858,227,811)	(1,781,312)	(338,945,107)	(23,265,958)	
Less FASB 109 Above if not separately removed	(245,619,962)	-	-	(245,619,962)	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(976,600,226)	(858,227,811)	(1,781,312)	(93,325,145)	(23,265,958)	

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 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2009

	Only Transmission Related	Plant Related	Labor Related	Total ADIT	
ADIT-282	0	(740,486,723)	(2,710,259)		From Acct. 282 total, below
ADIT-283	(1,781,312)	(91,599,145)	(20,707,856)		From Acct. 283 total, below
ADIT-190	1,617,015	8,845,746	8,333,773		From Acct. 190 total, below
Subtotal	(164,297)	(823,240,122)	(15,084,444)		
Wages & Salary Allocator			9,9038%		
Net Plant Allocator		22.1297%			
End of Year ADIT	(164,297)	(182,180,505)	(1,493,897)	(183,838,699)	

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
(35,637,575) < 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 Beatty Tax (PIURTA)	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 taxes
Newark Center Renovations	10,804	-	-	-	10,804	Amort of Renovations of Newark Plaza - General Property
New Jersey Corporate Business Tax(NJCBT)	3,396,009	-	-	3,396,009	-	New Jersey Corporate Income Tax Plant Related- Contra Acct of 283 NJCBT
NJCBT - Step Up Basis	159,673,081	159,673,081	-	-	-	New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
ADIT - Real Estate Taxes	2,289,737	-	-	2,289,737	-	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 related
FN 47	1,393	1,393	-	-	-	Asset Retirement Obligation - Legal liability for environmental removal costs
Vacation Pay	3,271,731	-	-	-	3,271,731	Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
OPFR	220,596,263	-	-	-	220,596,263	FASB 106 - Post Retirement Obligation, labor related
Deferred Dividend Equivalents	2,645,151	-	-	-	2,645,151	Book accrual of dividends on employee stock options affecting all functions
Deferred Compensation	1,489,821	-	-	-	1,489,821	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Interest/AFDC Debt	3,160,000	-	-	3,160,000	-	Capitalized Interest - Book vs Tax relates to all plant in all functions
ADIT - Unallowable PIP Accrual	33,970	-	-	-	33,970	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Legal Fees	537,144	537,144	-	-	-	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Rev of 1985-1993 Settle Int Exp	(3,102,801)	(3,102,801)	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation related
ADIT - Interest on Dismantling & Decommissioning	(1,940,681)	(1,940,681)	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation related
ADIT - SETI Dissolution	30,619	30,619	-	-	-	Book estimate accrued and expensed, tax deduction when paid / audit settlement - Retail related
Banknotes & Acfr	137,435	137,435	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Generation Related
Repair Allowance Deferral	(756,902)	(756,902)	-	-	-	Deferred recovery of lost repair allowance deductions-Retail Related
Fin Def. Energy competition Act CT	(28,555)	(28,555)	-	-	-	Restructuring Costs - Generation related
Def Tax Meter Equipment	(12,811,972)	(12,811,972)	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Retail - Distribution Meters
Unrealized L/G Rabbi Trust	(5,750,974)	(5,750,974)	-	-	-	Book estimate accrued and expensed, tax deduction when paid for Executive Compensation
Reserve for SECA	202,155	202,155	-	-	-	Related to I SE SECA obligations - retail
Estimated Severance Pay Accruals	265,111	-	-	-	265,111	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
Federal Taxes Deferred	19,579,108	-	-	19,579,108	-	FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Federal Taxes Current	18,891,505	(1,111,971)	-	20,003,476	-	FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Fed Taxes Res Requirement	16,909,876	-	-	16,292,691	617,185	FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Subtotal - p234	451,923,224	156,655,152	1,617,015	64,721,021	228,930,036	
Less FASB 109 Above if not separately removed	55,875,275			55,875,275		
Less FASB 106 Above if not separately removed	220,596,263				220,596,263	
Total	175,451,686	156,655,152	1,617,015	8,845,746	8,333,773	

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 1A - 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	
Fin 48	(26,140,626)	(26,140,626)	-	-	-	Uncertain Tax Positions - Assets/(Liabilities) not in rates
Securitization Regulatory Asset	863,325,224	863,325,224	-	-	-	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	19,891,668	19,891,668	-	-	-	Book estimate accrued and expensed, tax deduction when paid - Manufactured Gas Plants
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	(55,661,570)	-	-	(55,661,570)	-	New Jersey Corporate Income Tax - Plant Related- Contra Account of 190 NJCBT
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	(46,611,271)	(46,611,271)	-	-	-	Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(19,735,595)	(19,735,595)	-	-	-	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	(10,577,754)	-	-	-	(10,577,754)	Accelerated Amortization of Computer Software - General Plant
Loss on Reacquired Debt	(35,937,575)	-	-	(35,937,575)	-	Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(99,469,084)	(99,469,084)	-	-	-	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	(9,889,408)	-	-	-	(9,889,408)	Book estimate accrued and expensed, tax deduction when paid related to all employees
Repair Allowance-Reverse Amortization	(2,914,581)	(2,914,581)	-	-	-	Retail Related - Electric Distribution
Public Utility Realty Tax Assessment (PIRPA)	(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	(2,001,557)	(2,001,557)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Centralization of Study Costs	(2,009,586)	(2,009,586)	-	-	-	Generation Related (Non-Utility Asset/Liability)
Budget Billing - Audit Settlement	3	3	-	-	-	Old Unbilled Revenue Issue - Retail Related
Lightnet Agreement - Audit Settlement	123,968	123,968	-	-	-	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 related to all employees
Purchase Power - Audit Settlement	724,038	724,038	-	-	-	Purchased Power Settlements - Generation Related
Crude Oil Refunds	1,570,058	1,570,058	-	-	-	Generation Related (Non-Utility Asset/Liability)
Loss of Union County Utility Authority	-	-	-	-	-	Generation Related (Non-Utility Asset/Liability)
Peach Bottom Interim Fuel Storage	(852,372)	(852,372)	-	-	-	Interim Nuclear Fuel Storage Costs - Generation Related
New Network Metering Equipment	15	15	-	-	-	New Unrated Meter Equipments - Retail Related - Distribution Meters
Accounting for Income Taxes (FAS109) - Federal	(41,026,367)	(201,674)	-	(40,824,693)	-	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	(201,265,607)	-	-	(201,265,607)	-	FASB 109 - cross-up
Power (Deferred Project Costs)	(3,771,000)	(3,771,000)	-	-	-	Book Deferred Project Costs
Subtotal - p277	(1,327,049,188)	(967,340,811)	(1,781,312)	(337,219,107)	(20,707,958)	
Less FASB 109 Above if not separately removed	(245,821,636)	-	-	(245,619,362)	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(1,081,227,552)	(967,340,811)	(1,781,312)	(681,599,145)	(20,707,958)	

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	18,720,000		Attachment #5
2 Total Plant Related	18,720,000 N/A		8,500,000
Labor Related			
<i>Wages & Salary Allocator</i>			
3 FICA	10,247,766		
4 Federal Unemployment Tax	231,374		
5 New Jersey Unemployment Tax	494,106		
6 New Jersey Workforce Development	484,273		
7			
8 Total Labor Related	11,457,519	9.9036%	1,134,702
Other Included			
<i>Net Plant Allocator</i>			
9			
10			
11			
12			
13 Total Other Included	0	22.1297%	0
14 Total Included (Lines 8 + 14 + 19)	30,177,519		9,634,702
Currently Excluded			
15 Corporate Business Tax			
16 TEFA	97,756,177		
17 Use & Sales Tax			
18 Local Franchise Tax			
19 PA Corporate Income Tax			
20 Municipal Utility			
21 Public Utility Fund			
22 Subtotal, Excluded	97,756,177		
23 Total, Included and Excluded (Line 20 + Line 28)	127,933,696		
24 Total Other Taxes from p114.14.g - Actual	127,933,696		
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
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		5,065,000
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		2,000,000
7 Professional Services (Note 2)		100,000
8 Revenues from Directly Assigned Transmission Facility Charges (Note 1)		22,063,000
9 Rent or Attachment Fees associated with Transmission Facilities (Note 2)		4,122,000
10 Gross Revenue Credits	(Sum Lines 1-9)	<u>33,866,000</u>
11 Less line 18	- line 18	<u>(3,336,737)</u>
12 Total Revenue Credits	line 10 + line 11	<u><u>30,529,264</u></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	164,156,001
B	100 Basis Point increase in ROE			1.00%

Return Calculation

Appendix A Line or Source Reference

1	Rate Base		(Line 43 + Line 57)	1,195,825,036
2	Long Term Interest		p117.62.c through 67.c	193,848,362
3	Preferred Dividends	enter positive	p118.29.d	3,987,876
Common Stock				
4	Proprietary Capital		Attachment 5	3,549,490,730
5	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	2,220,567
6	Less Preferred Stock		(Line 106)	79,523,400
7	Less Account 216.1		Attachment 5	<u>4,006,682</u>
8	Common Stock		(Line 96 - 97 - 98 - 99)	3,463,740,081
Capitalization				
9	Long Term Debt		Attachment 5	3,438,111,677
10	Less Loss on Reacquired Debt		Attachment 5	95,892,748
11	Plus Gain on Reacquired Debt		Attachment 5	0
12	Less ADIT associated with Gain or Loss		Attachment 5	<u>33,905,934</u>
13	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	3,308,312,995
14	Preferred Stock		Attachment 5	79,523,400
15	Common Stock		(Line 100)	<u>3,463,740,081</u>
16	Total Capitalization		(Sum Lines 105 to 107)	6,851,576,476
17	Debt %	Total Long Term Debt	(Line 105 / Line 108)	48.3%
18	Preferred %	Preferred Stock	(Line 106 / Line 108)	1.2%
19	Common %	Common Stock	(Line 107 / Line 108)	50.6%
20	Debt Cost	Total Long Term Debt	(Line 94 / Line 105)	0.0586
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)	0.0283
24	Weighted Cost of Preferred	Preferred Stock	(Line 110 * Line 113)	0.0006
25	Weighted Cost of Common	Common Stock	(Line 111 * Line 114)	0.0641
26	Rate of Return on Rate Base (ROR)		(Sum Lines 115 to 117)	0.0930
27	Investment Return = Rate Base * Rate of Return		(Line 58 * Line 118)	111,184,129

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	-1,198,000
38	1/(1-T)		1 / (1 - Line 123)	169%
39	Net Plant Allocation Factor		(Line 18)	22.1297%
40	ITC Adjustment Allocated to Transmission		(Line 125 * Line 126 * Line 127)	-448,206
41	Income Tax Component =	$CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R)) =$		53,420,077
42	Total Income Taxes			52,971,872

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

Electric / Non-electric Cost Support			Previous Year		Current Year - 2010 Projected											Average	Non-electric Portion
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		
Plant Allocation Factors																	
6	Electric Plant in Service	(Note B)	p207.104g	8,020,657,074	8,054,589,466	8,093,743,442	8,136,043,723	8,181,990,037	8,223,548,638	8,347,822,352	8,410,205,802	8,459,928,681	8,508,036,154	8,567,896,375	8,620,004,723	8,752,184,351	8,336,665,448
7	Common Plant in Service - Electric	(Note B)	p356	112,402,750	113,192,600	113,875,799	114,672,272	115,718,335	116,737,365	117,742,178	118,586,942	119,434,371	120,223,310	120,925,623	121,627,937	113,201,999	116,795,499
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	p201.29c	2,603,925,503	2,613,219,737	2,619,509,868	2,626,359,355	2,634,739,502	2,644,361,299	2,654,994,543	2,665,350,393	2,675,834,675	2,684,651,601	2,692,049,088	2,700,823,840	2,710,113,014	2,655,840,955
10	Accumulated Intangible Amortization	(Note B)	p200.21c	3,616	4,191	4,766	5,340	5,915	6,489	7,064	7,638	8,213	8,788	9,362	9,937	10,511	7,064
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356	30,752,623	31,330,267	31,808,278	32,314,893	32,822,753	33,307,195	33,847,986	34,397,269	34,955,360	35,522,125	36,098,215	36,677,630	28,138,125	33,229,278
12	Accumulated Common Amortization - Electric	(Note B)	p356	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Plant in Service																	
19	Transmission Plant in Service	(Note B)	p207.58.g	1,910,140,625	1,912,947,541	1,916,198,196	1,923,704,722	1,931,821,970	1,936,392,217	1,969,944,465	1,988,437,659	1,989,930,852	1,995,827,602	2,018,278,713	2,035,191,184	2,131,172,017	1,973,845,213
20	General	(Note B)	p207.99.g	226,303,661	225,864,439	225,256,421	225,348,403	227,192,042	229,035,681	230,410,492	232,149,927	233,768,314	235,135,951	234,886,483	234,984,465	234,881,447	230,325,363
21	Intangible - Electric	(Note B)	p205.5.g	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473	34,473
22	Common Plant in Service - Electric	(Note B)	p356	112,402,750	113,192,600	113,875,799	114,672,272	115,718,335	116,737,365	117,742,178	118,586,942	119,434,371	120,223,310	120,925,623	121,627,937	113,201,999	116,795,499
24	General Plant Account 397 -- Communications	(Note B)	p207.94g	33,239,404	32,938,487	32,637,571	32,336,654	32,035,737	31,734,821	31,433,904	31,132,987	30,832,071	30,531,154	30,230,237	29,929,321	29,628,404	31,433,904
25	Common Plant Account 397 -- Communications	(Note B)	p356	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,985,645	14,283,433
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Company Records	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	16,624,076	
Accumulated Depreciation																	
32	Transmission Accumulated Depreciation	(Note B & J)	p219.25.c	721,456,048	722,931,704	721,790,781	721,411,632	722,279,159	724,008,777	726,490,949	728,910,803	731,317,144	732,866,905	733,895,598	734,846,098	736,023,390	727,556,076
33	Accumulated General Depreciation	(Note B & J)	p219.28.b	101,543,330	101,351,499	100,890,672	100,431,902	99,911,042	99,409,849	98,924,924	98,462,050	98,016,125	97,584,887	97,162,654	96,751,654	96,352,379	98,706,367
1	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356	30,752,623	31,330,267	31,808,278	32,314,893	32,832,753	33,307,195	33,847,886	34,397,269	34,955,360	35,522,125	36,098,215	36,677,630	28,138,125	33,229,278
35	Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Company Records	25,792,935	25,796,151	25,796,859	25,795,059	25,790,752	25,783,937	25,774,615	25,762,794	25,748,447	25,731,601	25,712,248	25,690,387	16,537,264	25,054,849
41	Acc. Deprec. Acct. 397 Directly Assigned to Transmission	(Note B & J)	Company Records	5,717,813	5,854,855	5,991,956	6,129,028	6,266,089	6,403,171	6,540,242	6,677,314	6,814,385	6,951,457	7,088,528	7,225,600	7,362,671	6,540,242

Wages & Salary														End of Year	
Line #s	Descriptions	Notes	Page #'s & Instructions												
2	Total Wage Expense	(Note A)	p354.28b												170,066,699
3	Total A&G Wages Expense	(Note A)	p354.27b												11,575,655
1	Transmission Wages	(Note A)	p354.21b												15,696,251

Transmission / Non-transmission Cost Support														Beginning Year Balance	End of Year	Average		
Line #s	Descriptions	Notes	Page #'s & Instructions															
Plant Held for Future Use (Including Land)			(Note C & Q)	p214.47.d												7,676,482	7,676,482	7,676,482
46	Transmission Only														4,096,903	4,096,903	4,096,903	

Prepayments														Electric Beginning Year Balance	Electric End of Year Balance	Average Balance	Wage & Salary Allocator	To Line 47		
Line #s	Descriptions	Notes	Page #'s & Instructions												Previous Year					
47	Prepayments	(Note A & Q)	p111.57c												44,621,587	8,828,890	8,828,890	8,828,890	9.904%	874,374

Materials and Supplies														Beginning Year Balance	End of Year	Average	
Line #s	Descriptions	Notes	Page #'s & Instructions														
Materials and Supplies																	
48	Undistributed Stores Exp	(Note Q)	p227.16.b.c														
51	Transmission Materials & Supplies	(Note N & Q)	p227.8.b.c												3,480,728	3,480,728	3,480,728

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

O&M Expenses														End of Year	
Line #s	Descriptions	Notes	Page #'s & Instructions												
59	Transmission O&M	(Note O)	p.321.112.b												45,589,226
60	Transmission Lease Payments		p321.96.b												-

Property Insurance Expenses														End of Year	
Line #s	Descriptions	Notes	Page #'s & Instructions												
65	Property Insurance Account 524	(Note O)	p323.185b												1,170,000

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

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
52	Total A&G Expenses		p323.197b	257,502,133
53	Fixed PBOP expense	Note J)	Company Records	77,745,482
54	Actual PBOP expense	(Note O)	Company Records	74,972,711

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related
56	Allocated General & Common Expenses Regulatory Commission Exo Account 928	(Note E & O)	c323.189b	12,832,629	0
72	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G & O)	p351.11-13h	939,349	939,349

General & Common Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	EPRI Dues
58	Less EPRI Dues	(Note D & O)	c352-353	-	0

Safety Related Advertising Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Safety Related	Non-safety Related
73	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K & O)	p323.191b	3,279,688	0	3,279,688

Education and Out Reach Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Education & Outreach	Other
76	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K & O)	c323.191b	3,279,688		3,279,688

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
81	Depreciation-Transmission	(Note J & O)	p336.7.f	45,499,229
82	Depreciation-General & Common	(Note J & O)	p336.10&11.f	27,533,975
83	Depreciation-General Expense Associated with Acct. 397	(Note J & O)	Company Records	3,714,024
85	Depreciation-Intangible	(Note A & O)	p336.1.f	4,356,652
89	Transmission Depreciation Expense for Acct. 397	(Note J & O)	Company Records	1,662,408

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		p353.38	18,720,000	8,500,000	10,220,000

PS&G's real estate taxes detail is in an access database which contains a list of the towns PS&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 & Block are id #ed to a particular type of property and are labeled. This is the breakout of transmission real estate taxes from

Return \ Capitalization

Line #s	Descriptions	Notes	Page #'s & Instructions	2007 End of Year	2008 End of Year	Average
96	Proprietary Capital	(Note P)	p112.16.c.d	3,369,975,183	1,729,006,276	3,549,490,730
97	Accumulated Other Comprehensive Income Account 219	(Note P)	c112.15.c.d	2,499,017	1,942,117	2,220,567
99	Account 216.1	(Note P)	p119.53.c&d	3,717,744	4,295,620	4,006,682
101	Long Term Debt	(Note P)	p112.18.c.d thru 23.c.d	3,352,517,129	3,523,706,225	3,438,111,677
102	Loss on Reacquired Debt	(Note P)	p111.81.c.d	79,689,473	112,096,023	95,892,748
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)	30,140,293	37,671,575	33,905,934
106	Preferred Stock	(Note P)	c112.3.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					

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

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)	p266.8.1		1,198,000

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	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.¹
- (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.	186,850,707	
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	200,671,504	
C	Difference (A-B)	-3,455,199	<Note: for the first rate year, divide this
D	Future Value Factor $(1+i)^{24}$	1.07565	reconciliation amount by 12 and multiply
E	True-up Adjustment (C*D)	-3,716,600	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	
February	Year 1	
March	Year 1	
April	Year 1	
May	Year 1	
June	Year 1	
July	Year 1	
August	Year 1	
September	Year 1	
October	Year 1	0.4200%
November	Year 1	0.4100%
December	Year 1	0.0420%
January	Year 2	0.3800%
February	Year 2	0.3400%
March	Year 2	0.3800%
April	Year 2	0.2800%
May	Year 2	0.2900%
June	Year 2	0.2800%
July	Year 2	0.2800%
August	Year 2	0.2800%
September	Year 2	0.2700%
Average Interest Rate		0.3043%

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

Estimated Additions - 2010								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Reconductor Other Projects PIS (Monthly additions)	Hudson - South Waterfront B0813 (monthly additions)	(in service)	(in service)	(in service)	(in service)	(in service)	Susquehanna Roseland >= 500KV (monthly additions)	Susquehanna Roseland < 500KV (monthly additions)
						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	8,817,248						3,606,549	-
May	5,270,248						5,182,677	2,640,000
Jun	34,252,239						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					10,669,762	9,119,122
Nov	14,352,472	2,560,000					10,580,808	201,649
Dec	63,420,833	2,560,000					14,389,114	201,649
Total	219,471,883	19,560,000					137,675,926	24,948,459

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
Reconductor Other Projects PIS (monthly balances)	Hudson - South Waterfront B0813 (monthly balances)	(in service)	(in service)	(in service)	(in service)	(in service)	Susquehanna Roseland >= 500KV (monthly balances)	Susquehanna Roseland < 500KV (monthly balances)
						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	2,880,000					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	144,916,498
Average 13 Month Balance	64,854,083	2,092,308						
Average 13 Month in service	4.01	2.58					7.57	5.81
13 Month Average CWIP to Appendix A, line 45							80,163,826	11,147,416

Estimated Transmission Enhancement Charges (Before True-Up) - 2010													
Total Projects	Branchburg (B0130)	Kititany (B0134)	Essex Aldene (B0145)	New Freedom Trans. (B0411)	New Freedom Loop (B0498)	Flagtown Sommerville Bridgewater (B0170)	Wave Trap Branchburg (B0172.2)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Sommerville (B0169)	Roseland Transformer (B0274)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP	Reconductor Hudson - South Waterfront (B0813)
70,035,729	1,143,821	1,760,950	17,663,638	4,554,773	3,767,186	1,400,234	7,560	5,442,721	4,637,505	4,768,898	16,186,705	2,250,890	450,848

Actual Transmission Enhancement Charges - 2008													
Total Projects	Branchburg (B0130)	Kititany (B0134)	Essex Aldene (B0145)	New Freedom Trans. (B0411)	New Freedom Loop (B0498)	Flagtown Sommerville Bridgewater (B0170)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP					
32,385,646	1,454,372	1,798,166	19,301,739	4,804,365	337,584	289,734		858,682					

True Up by Project (without interest) - 3 months 2008													
Total Projects	Branchburg (B0130)	Kititany (B0134)	Essex Aldene (B0145)	New Freedom Trans. (B0411)	New Freedom Loop (B0498)	Flagtown Sommerville Bridgewater (B0170)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP					
(409,656)	(90,438)	(62,512)	(269,806)	(60,756)	4,656	59,934		(30,964)					

Interest	1,07565	1,07565	1,07565	1,07565	1,07565	1,07565	1,07565	1,07565
-----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

True Up by Project (with interest) - 3 months 2008													
Total Projects	Branchburg (B0130)	Kititany (B0134)	Essex Aldene (B0145)	New Freedom Trans. (B0411)	New Freedom Loop (B0498)	Flagtown Sommerville Bridgewater (B0170)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP					
440,648,06	(54,221)	(67,241)	290,003	(65,352)	5,009	64,463		(33,307)					

Estimated Transmission Enhancement Charges (After True-Up) - 2010													
Total Projects	Branchburg (B0130)	Kititany (B0134)	Essex Aldene (B0145)	New Freedom Trans. (B0411)	New Freedom Loop (B0498)	Flagtown Sommerville Bridgewater (B0170)	Wave Trap Branchburg (B0172.2)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Sommerville (B0169)	Roseland Transformer (B0274)	Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489.4) < 500KV CWIP	Reconductor Hudson - South Waterfront (B0813)
59,595,081.16	1,089,939.94	1,693,708.21	17,373,635.41	4,489,420.35	6,772,194.45	1,464,701	7,560	5,442,721	4,637,505	4,768,898	16,153,398.74	2,250,899.81	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	19.1669%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.9870%
5	C		Line B less Line A	0.8201%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	6.8154%

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)			Kittany (B0134)			Essex Aldene (B0145)			New Freedom Trans.(B0411)			New Freedom Loop (B0498)		
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	Yes	Yes	Yes	
11	Useful life of the project	Life		42.00	42.00	42.00	42.00	42.00	42.00	42.00	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	No	No	No	
13	Input the allowed increase in ROE	Increased ROE (Basis Points)		0	0	0	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		19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project		19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	19.1669%	
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	Investment		20,680,599	8,069,022	8,069,022	86,565,629	22,188,863	27,001,415	22,188,863	27,001,415	22,188,863	27,001,415	22,188,863	27,001,415	
17	Line 17 divided by line 12	Annual Depreciation Exp		492,395	192,120	192,120	2,061,086	528,306	642,891	528,306	642,891	528,306	642,891	528,306	642,891	
18	Months in Service for	Depreciation expense from		13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	
19	Year placed in Service (0 if CWIP)			2006	2007	2007	2007	2007	2008	2007	2007	2007	2007	2008	2008	
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		19,540,159	489,524	4,450,447	8,393,175	208,095	1,909,449	83,472,997	2,069,578	18,990,123	21,534,722	527,381	4,892,616	
29	W Increased ROE	2009		19,540,159	489,524	4,450,447	8,393,175	208,095	1,909,449	83,472,997	2,069,578	18,990,123	21,534,722	527,381	4,892,616	
30	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	
31	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	

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	19.1669%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.9670%
5	C		Line B less Line A	0.8201%
6	FCR if a CIAC			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	6.8154%

8 **The FCR resulting from Formula in a given row is the FCR that will be collected in a given year.**
9 **Therefore actual revenues collected in a given year are the actual revenues collected in a given year.**

Details		Flagtown Sommerville Bridgewater (B0170)	Wave Trap Branchburg (B0172.2)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Sommerville (B0169)	Roseland Transformer (B0274)								
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Yes	Yes	Yes	Yes	Yes								
11	Useful life of the project	42.00	42.00	42	42	42								
12	"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								
13	Input the allowed increase in ROE	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	11.669%	19.1669%	19.17%	19.17%	19.17%								
15	Line 14 plus (line 5 times line 15)/100	19.1669%	19.1669%	19.17%	19.17%	19.17%								
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	6,961,495	36,369	25,085,218	22,815,697	21,122,893								
17	Line 17 divided by line 12	165,750	866	597,267	543,231	502,926								
18	Months in service for	13.00	13.00	8.23	8.00	8.47								
19	Depreciation expense from Year placed in Service (0 if CWIP)	2008	2008	2009	2009	2009								
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	6,961,495	25,372	239,734	36,369	577	5,114						
27	W Increased ROE	2008	6,961,495	25,372	239,734	36,369	577	5,114						
28	W 11.68 % ROE	2009	6,598,691	158,001	1,495,601	35,792	866	8,048	25,700,000	419,742	3,718,406	21,705,650	344,534	3,052,154
29	W Increased ROE	2009	6,598,691	158,001	1,495,601	35,792	866	8,048	25,700,000	419,742	3,718,406	21,705,650	344,534	3,052,154
30	W 11.68 % ROE	2010	6,440,689	165,750	1,400,234	34,926	866	7,560	25,280,258	597,267	5,442,721	21,361,116	543,231	4,637,505
31	W Increased ROE	2010	6,440,689	165,750	1,400,234	34,926	866	7,560	25,280,258	597,267	5,442,721	21,361,116	543,231	4,637,505

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, 2010			
Required Transmission Enhancements			
Upgrade ID	RTEP Baseline Project Description	Estimated/Actual Project Cost (thru 2010) *	Anticipated / Actual In-Service Date *
b0130	Replace all derated Branchburg 500/230 kv transformers	\$ 20,680,599	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	\$ 36,369	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	\$ 27,001,415	Feb-09
b0161	Install 230-138kV transformer at Metuchen substation	\$ 25,085,218	May-09
b0169	Build a new 230 kV section from Branchburg - Flagtown and move the Flagtown - Somerville 230 kV circuit to the new section	\$ 22,815,697	May-09
b0274	Replace both 230/138 kV transformers at Roseland	\$ 21,122,893	May-09
b0813	Reconductor Hudson - South Waterfront 230kV circuit	\$ 10,560,000	Aug-10
b0489	Build new 500 kV transmission facilities from Pennsylvania - New Jersey border at Bushkill to Roseland (500kV and above elements of the project)	\$ 137,675,026	Jun-12
b0489.4	Build new 500 kV transmission facilities from Pennsylvania - New Jersey border at Bushkill to Roseland (Below 500 kV elements of the project)	\$ 24,948,450	Jun-12
* 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 each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Newark, New Jersey, this 7th day of October, 2009.

James E. Wrynn

James E. Wrynn

Paralegal