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June 16, 2025

VIA Electronic Filing

Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Informational Filing
Public Service Electric and Gas Company
Annual Transmission Formula Rate True-Up Adjustment for Rate Year 2024
Docket No. ER09-1257-000

Dear Secretary Reese:

Public Service Electric and Gas Company (“PSE&G” or “Company”) 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 by June 15th and cause it to be posted on the PJM website (www.PJM.com), and filed with the Federal Energy Regulatory Commission (“Commission” or “FERC”) for

¹ PSE&G’s Formula Rate Implementation Protocols were originally approved by the Commission on September 30, 2008. *See Public Service Electric and Gas Company*, 124 FERC ¶ 61,303 (2008); *see Public Service Electric and Gas Company*, Docket No. ER08-1233-001 (January 13, 2009). On October 1, 2021, the Commission approved revisions to PSE&G’s Protocols that were submitted as part of a settlement. *See Public Service Electric and Gas Company*, 177 FERC ¶ 61,004 (2021).

informational purposes.² In accordance with Section 1.b of the Protocols, this True-Up Adjustment does not require any Commission action.

This True-Up Adjustment relates to PSE&G's transmission formula rates in effect for calendar year 2024.³ In accordance with the Protocols, adjustments from this True-Up Adjustment will be incorporated into the Transmission Formula Rate Annual Update to be filed by PSE&G on or before October 15, 2025 for the 2026 rate year.

PSE&G's True-Up Adjustment filing includes six Attachments (referred to as Attachments A-F). Attachment A contains a recalculated Appendix A to Attachment H-10A that sets forth PSE&G's Annual Transmission Revenue Requirement ("ATRR") and Network Integration Transmission Service ("NITS") rate for January 1, 2024 through December 31, 2024. Attachment B is a report on each transmission project listed in PSE&G's formula rate for which the Commission has authorized PSE&G to include Construction Work In Progress ("CWIP") in transmission rate base, in accordance with the Protocols. Attachment C contains supporting documentation for 2024 that is being provided consistent with the Commission Staff's Guidance on Formula Rate updates encouraging formula rate transparency.⁴ Attachment D shows the derivation of the 2024 Actual Annual Post-Retirement Benefits Other Than Pensions ("PBOP") Expense included in the formula rate.⁵ Attachment E contains confidential excerpts from PSE&G's annual actuarial valuation report, as of January 1, 2024, supporting the Actual Annual PBOP Expense shown in Attachment D. Attachment F contains additional supporting information pursuant to Commission Staff's Guidance on Formula Rate Updates for the computation of accumulated deferred income taxes ("ADIT").

The cost support in Attachment E contains actuarial report information and data that are both confidential and commercially sensitive. Accordingly, the Company is filing these data under the provisions of 18 C.F.R. § 388.112 (2024) and, as such, the Company is requesting privileged treatment of the information. The Company has maintained the confidentiality of this data in its confidential actuarial reports, and their public release would divulge commercially sensitive

² Because June 15, 2025 falls on a Sunday, PSE&G is submitting this annual true-up filing on the next business day.

³ Included in this true-up filing is the "Sewaren G&R" Project (s2646), a NERC CIP-014 mitigation project under Attachment M-4 of the PJM Tariff.

⁴ See <https://www.ferc.gov/sites/default/files/2020-04/staff-guidance.pdf>.

⁵ On October 2, 2015, the Commission issued a letter order accepting a tariff revision modifying the formula rate PBOP expense to the actual annual PBOP expense. *Public Service Electric and Gas Company*, Docket No. ER15-2397-000 (Issued Oct. 2, 2015).

information. A public version of Attachment E is included in the filing and the confidential version of Attachment E is being provided under the provisions of 18 C.F.R. § 388.112.

Section 1.j(iii) of the Protocols requires an explanation of any changes in PSE&G's accounting, including financial reporting changes in the FERC Form No. 1, from those in effect for the calendar year upon which the immediately preceding Annual Update was based that affects inputs to the Formula Rate or the resulting charges under the Formula Rate.

In 2024, PSE&G effectuated the following accounting change as required under Generally Accepted Accounting Principles ("GAAP"), as explained below. Note that this required GAAP accounting change had no impact on FERC Form 1 reporting.

Improvements to Reportable Segment Disclosures—Accounting Standards Update (ASU) 2023-07

This ASU requires disclosure of incremental segment information, including additional detail on certain significant segment expenses, on an annual and interim basis to enable investors to develop more decision-useful financial analyses. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. PSEG and PSE&G adopted this standard on December 31, 2024. The adoption of this standard did not have a material impact on the financial statements of PSE&G.

Mapping Changes: In 2024, PSE&G made the following mapping changes with respect to FERC Accounts:

1. Effective January 1, 2024, PSE&G changed the mapping for certain cost activities with respect to performing and supporting PJM energy settlement functions. Prior to January 1, 2024, these costs were charged to FERC Account 566. Effective January 1, 2024, these costs were charged to FERC Account 588.
2. Effective October 15, 2024, PSE&G changed the mapping for a subset of cost activities as described in item 1 above from FERC Account 588 to FERC Account 182.3 as allowed by the New Jersey Board of Public Utilities ("BPU") to start deferring certain costs associated with Basic Generation Supply ("BGS") costs for recovery through quarterly BGS Reconciliation charge filings to the BPU.
3. Effective January 1, 2024, PSE&G changed the mapping for support from PSE&G's Rates and Revenue Requirements Service Company Support team from FERC Account 923 to FERC Accounts 566, 588 and 888. Specifically, direct support provided by PSEG Service Company employees for formal rate proceedings specific to PSE&G's Transmission, Electric Distribution and Gas Distribution rate proceedings, previously charged to FERC Account 923, are charged directly to FERC

Accounts 566, 588 and 888, respectively, effective January 1, 2024.

Section 2 of PSE&G's Protocols sets forth Annual Review Procedures that permit interested parties to review annual true-up filings. During the course of the review of PSE&G's 2023 True-Up Adjustment filing, PSE&G agreed that several error corrections should be included in this current True-Up Adjustment as follows:

- Adjustment to Account 566 to exclude expenses associated with tower maintenance expense that should have been recorded to Account 904 (\$557,066 ATRR reduction impact)
- Adjustment to rate base to exclude certain unfunded reserve amount related to severance accrual (\$97,066 ATRR reduction impact)
- Adjustment to remove severance-related Account 190 ADIT from transmission rates (\$22,253 ATRR reduction impact)
- Adjustment to Account 454, which is part of the total revenue credits to the transmission formula rate, to increase transmission rent from electric property for parking and road access leases ((\$18,394 ATRR reduction impact)
- Adjustment to Account 454, which is part of the total revenue credits to the transmission formula rate, to increase transmission rent from electric property (\$10,662 ATRR reduction impact); and
- Adjustment to Account 930.2 to exclude a portion of expenses associated with the New Jersey Chamber of Commerce (\$1,215 ATRR reduction impact).

The sum of these adjustments (\$706,656) with interest (\$128,282) for a total of \$834,938 will be subtracted from the 2024 True-Up Revenue Requirement,⁶ and will be incorporated into the Transmission Formula Rate Annual Update to be filed by PSE&G on or before October 15, 2025 for the 2026 rate year.

PSE&G is providing this annual True-Up Adjustment to parties identified on the 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.

⁶ See cell B8 on Attachment 6 – True-up Adjustment of Formula Rate Template.

Honorable Debbie-Anne A. Reese

June 16, 2025

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Thank you for your attention to this informational filing. Please contact the undersigned should you have any questions.

Respectfully submitted,

s/ Viet H. Ngo

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CERTIFICATE OF SERVICE

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

Dated at Newark, New Jersey this 16th day of June 2025.

Robert Gardinor

Robert Gardinor

Paralegal