

**Viet H. Ngo**  
**Managing Counsel – Federal Regulatory**

**Law Department**  
**PSEG Services Corporation**  
601 New Jersey Ave NW, STE 310  
Washington, DC 20001  
Email: Viet.Ngo@pseg.com



June 15, 2026

**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 2025  
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”).<sup>1</sup> Section 1.b of the Protocols requires PSE&G to annually calculate the true-up of its formula rate by June 15<sup>th</sup> and cause it to be posted on the PJM website ([www.PJM.com](http://www.PJM.com)), and filed with the Federal Energy Regulatory Commission (“Commission” or “FERC”) for informational purposes. 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 2025. In accordance with the Protocols, adjustments from this True-Up Adjustment

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<sup>1</sup> 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).

will be incorporated into the Transmission Formula Rate Annual Update to be filed by PSE&G on or before October 15, 2026 for the 2027 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, 2025 through December 31, 2025. 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 2025 that is being provided consistent with the Commission Staff's Guidance on Formula Rate updates encouraging formula rate transparency.<sup>2</sup> Attachment D shows the derivation of the 2025 Actual Annual Post-Retirement Benefits Other Than Pensions ("PBOP") Expense included in the formula rate.<sup>3</sup> Attachment E contains confidential excerpts from PSE&G's annual actuarial valuation report, as of January 1, 2025, 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 and, as such, PSE&G 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 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.

### **Accounting Changes**

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.

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<sup>2</sup> See <https://www.ferc.gov/sites/default/files/2020-04/staff-guidance.pdf>.

<sup>3</sup> 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).

In 2025, 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 Income Tax Disclosures—ASU 2023-09

This ASU makes amendments to the current footnote reconciliation disclosure to improve transparency by requiring consistent categories and greater jurisdictional disaggregation. The ASU also provides for the inclusion of income taxes paid disclosure by jurisdiction. The ASU is effective for annual periods beginning after December 15, 2024. PSE&G adopted this standard on December 31, 2025 without a material impact on their financial statements.

#### Order No. 898 Accounting-Related Changes

In 2025, PSE&G effectuated the following accounting change as required under Order No. 898.<sup>4</sup> Specifically, Order 898 amended the Uniform System of Accounts (USofA) for public utilities and licensees to create new accounts for wind, solar, and other renewable generating assets; created new functional classes for energy storage accounts; codified the accounting treatment of environmental credits; and created new accounts within existing functions for computer hardware, software, and communication equipment. PSE&G specifically adopted the new accounts associated with solar generating assets and functionalized computer hardware, software, and communication equipment. There was no impact to PSE&G’s FERC Form 1 reporting with respect to the other Order No. 898 changes associated with wind and other renewable generating assets, energy storage assets, and treatment of environmental credits.

#### ATRR Adjustments

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 2024 True-Up Adjustment filing, PSE&G identified several error corrections that should be included in this current True-Up Adjustment as follows:

- Adjustment to remove severance-related Account 190 ADIT from transmission rates (\$20,479 ATRR reduction impact);
- Adjustment to Account 923 to exclude a portion of expenses that should have been excluded from transmission rates (134,132 ATRR reduction impact); and

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<sup>4</sup> *Accounting and Reporting Treatment of Certain Renewable Energy Assets*, Order No. 898, 183 FERC ¶ 61,205 (2023)

Honorable Debbie-Anne A. Reese

June 16, 2026

Page 4

- An adjustment to remove \$7,500 from ATRR to correctly exclude below-the-line expenses from transmission rates.

The sum of these adjustments (\$162,111) with interest (\$35,177) totals \$197,288. This will be subtracted from the 2025 True-Up Revenue Requirement and will be incorporated into the Transmission Formula Rate Annual Update to be filed by PSE&G on or before October 15, 2026 for the 2027 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](http://www.PJM.com).

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

Respectfully submitted,

*s/ Viet H. Ngo*

Viet H. Ngo

Managing Counsel – Federal  
Regulatory

PSEG Services Corporation  
601 New Jersey Ave NW Suite 310  
Washington, D.C. 20001  
(202) 460-9356  
Viet.Ngo@pseg.com

*Attorney for Public Service Gas &  
Electric Company*

**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 15<sup>th</sup> day of June 2026.

*Robert Gardinor*

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Robert Gardinor

Paralegal