



May 22, 2020

VIA ELECTRONIC FILING

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

Re: Public Service Electric and Gas Company
ER20-1889-000
Order No. 864 Compliance Filing

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ Section 35 of the Rules and Regulations of the Federal Energy Regulatory Commission (“FERC” or “the Commission”),² and FERC Order No. 864,³ Public Service Electric and Gas Company (“PSE&G” or the “Company”) submits for filing, through PJM Interconnection, L.L.C. (“PJM”)⁴, a revised tariff record to replace the tariff record designated by PJM as “OATT ATT H-10A, OATT Attachment H-10A - Public Service Electric and Gas Comp” (“Formula Rate Template” or “Attachment H-10A”) to be included in the PJM Open Access Transmission Tariff (“OATT” or “Tariff”). This filing includes revisions to PSE&G’s transmission formula rate template (“TFR”). The Company is revising its TFR to include a new permanent worksheet to track information related to excess or deficient Accumulated Deferred Income Tax (“ADIT”) on an annual basis (Attachment 9) as required by Order No. 864. Additionally, PSE&G has made minor modifications to the descriptions, notes and instructions in Appendix A to provide further clarity and transparency. In this compliance filing, PSE&G also identifies how the Company’s previous TFR changes, associated with its FERC-approved 2018 tax filing,⁵ are consistent with a majority of the requirements in Order No. 864 and the Commission’s Notice of Proposed Rulemaking regarding

¹ 16 U.S.C. § 824d (2018).

² 18 C.F.R. § 35 (2020).

³ *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019) (“Order No. 864”).

⁴ Pursuant to Order No. 714, this filing is submitted by PJM on behalf of PSE&G as part of an XML filing package that conforms to the Commission’s regulations. *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008). PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, PSE&G has requested PJM submit this filing to update the Attachment H-10A in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

⁵ *Public Service Electric and Gas Co.*, 165 FERC ¶ 61,275 (2018).

public utility transmission rate changes to address ADIT (“ADIT NOPR”) issued on November 15, 2018 in Docket No. RM19-5-000.⁶

Order No. 864 adopted the proposed requirements of the ADIT NOPR with some additional minor modifications.

I. DESCRIPTION OF PSE&G AND ITS FORMULA RATE

PSE&G, a wholly-owned subsidiary of Public Service Enterprise Group Incorporated, is a regulated electric transmission and electric and gas delivery company with a Commission-approved electric transmission formula rate. PSE&G serves nearly three quarters of New Jersey’s population in a 2,600-square-mile service area. The vast majority of PSE&G’s transmission system is located in the State of New Jersey, where PSE&G serves approximately 2.2 million electric customers. PSE&G currently has approximately 1,830 circuit miles of electric transmission lines and approximately 22,323 miles of electric distribution facilities.

PSE&G is a transmission-owning member of PJM, a regional transmission organization that coordinates the transmission of wholesale electricity within its footprint. PJM provides transmission service pursuant to the rates, terms and conditions of the PJM OATT. PJM’s OATT governs transmission service over the facilities of each of the PJM transmission owners (“Transmission Owners” or “TOs”), including PSE&G. PSE&G and other PJM TOs have the right to file under Section 205 of the FPA to establish or change the revenue requirement for their respective transmission facilities for services provided under the PJM OATT.⁷

PSEG’s Formula Rate was first accepted by the Commission on September 30, 2008⁸ and reflects the annual transmission revenue requirement (“ATRR”) associated with providing transmission service over PSE&G-owned transmission facilities within PJM. That ATRR is used in turn by PJM to calculate relevant rates for the PSEG Zone and wheeling out service. Under the Formula Rate, there are Formula Rate Implementation Protocols (Attachment H-10B to the PJM OATT) that provide that on or before October 15 of each year, PSE&G shall re-calculate its ATRR, producing an Annual Update for the upcoming year (“Formula Rate Annual Update”). The Formula Rate Implementation Protocols further provide that on or before June 15 of each succeeding Rate Year, PSE&G shall calculate a “true-up adjustment” pursuant to the Formula Rate (“True-Up Adjustment”).

The Formula Rate Implementation Protocols also provide that it is the intent of the Formula Rate that each input to the Formula Rate True-Up Adjustment be either taken directly from the FERC Form 1 or reconcilable to the FERC Form 1 by the application of clearly identified

⁶ *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Notice of Proposed Rulemaking, 169 FERC ¶ 61,139 (2018).

⁷ See PJM Consolidated Transmission Owners Agreement, Rate Schedule FERC No. 42 (TOA), § 7.1.1; See also *Atl. City Elec. Co. v. FERC*, 295 F.3d 1, 9-11 (D.C. Cir. 2002) (holding that the Commission must allow PJM TOs to retain and exercise their FPA Section 205 filing rights).

⁸ See *Pub. Serv. Elec. and Gas Co.*, 124 FERC ¶ 61,303 (2008) (“Formula Rate Order”).

and supported information.⁹ Where the reconciliation in the True-Up Adjustment 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.

In connection with the proposed changes to the TFR, when making its annual informational Formula Rate filings, the Company will provide supporting work papers that support the filing and meet the formula rate transparency objectives of the Commission.

II. DESCRIPTION OF PSE&G'S 2018 TAX FILING

In 2018, PSE&G proposed a change to its TFR that related to three income tax-related items, resulting in a more accurate calculation of PSE&G's ATRR. The proposed modifications to PSE&G's TFR and, specifically, to the calculation of income tax expense, served to more closely align customers' contributions for income tax expense with the reality of changing tax rates and changes in tax law, as well as the non-deductibility of depreciation expense associated with Allowance for Funds Used During Construction ("AFUDC Equity").¹⁰

The Commission approved these formula rate changes,¹¹ enabling PSE&G's customers to realize a significant rate reduction resulting primarily from the flow-back of excess deferred taxes due to the change in the federal corporate income tax rate pursuant to the Tax Cuts and Jobs Act of 2017 ("TCJA"). The Commission approved PSE&G's modification to its Formula Rate through the addition of line items to the TFR that: (1) adjusted rate base for excess ADIT recorded in Account 254 or for deficient ADIT recorded in Account 182.3; and (2) provided for the flow-back of excess (or recovery of deficient) deferred taxes. The Commission approved the addition of the following lines and notes to Appendix A, Attachment H-10A:

1) Adjustment to Rate Base: Add lines 44a, 44b, and 44c ("Regulatory Assets and Liabilities") and Note V

"These lines ensure that rate base is adjusted to reflect the sum of any deficient and excess deferred taxes. At the end of 2017, excess deferred tax balances were recorded in Account 254. The excess deferred tax balance that resides in this account represents amounts that have not been flowed back to customers. To maintain rate base neutrality such amounts should remain as a reduction to rate base until the balance is fully amortized. The addition of these lines will allow for the appropriate plant-related excess deferred tax that resides in Account 254 to remain as a reduction to rate base."

2) Composite Income Taxes: Add lines 128a – 128e and Notes S, T and V

⁹ Formula Rate Implementation Protocols, at Note 1.

¹⁰ AFUDC is comprised of a debt component and an equity component. Both components are capitalized with the related asset for financial reporting purposes and subsumed in the asset's depreciation expense. However, the AFUDC Equity component of such depreciation expense is not deductible for income tax purposes.

¹¹ *Public Service Electric and Gas Co.*, 165 FERC ¶ 61,275 (2018).

“These added lines and notes are to provide for the flow-back of excess (or recovery of deficient) deferred income taxes to customers. Lines 128a and 128b will include the “amortized deficient deferred taxes” recorded to Account 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) and “amortized excess deferred taxes” recorded to Account 411.1 (Provision for Deferred Income Taxes – Credit, Utility Operating Income). Line 128c is the total of 128a and 128b. Line 128d is the tax gross-up percentage with line 128e being the total net deficient and excess deferred tax amortization grossed up for taxes (Line 128c multiplied by Line 128d).”

For the excess ADIT amounts that are considered “protected,” PSE&G amortized these amounts using the Internal Revenue Service’s (“IRS”)-mandated average rate assumption methodology (“ARAM”). For excess deferred taxes deemed “unprotected,” PSE&G flowed-back the amounts to customers in one year, evenly over calendar year 2019.

The Commission also approved modification of Appendix A to recognize that the portion of depreciation expense associated with AFUDC Equity is not deductible for income tax purposes. This modification is prospective in nature, thus capturing only the recovery of “on-going” amounts that had not yet been recovered. This modification started in 2019 and did not include a historical catch-up adjustment. PSE&G added new lines, 128f thru 128h to Appendix A, labeled “AFUDC Equity Permanent Difference,” and Note U to the Formula Rate Template.

Lastly, the Commission approved a revision to the Accumulated Deferred Income Tax Worksheets included on Attachments 1 and 1A of the Formula Rate Template to eliminate the use of a “two-step” averaging method to calculate the ADIT balance. To accomplish this change, mechanically, the ADIT worksheets included on Attachments 1 and 1A of the Formula Rate Template were revised to provide the separation of amounts in Account 282 into two categories: 1) those that are prorated, and 2) those that are not prorated. Account 282 balances not prorated used the simple average of the beginning-of-year and end-of-year balances. Future test period Account 282 balances reflected the pro rata amount of any increase during the future portion of the period as determined by multiplying the monthly increase/decrease by a fraction, the numerator of which is the number of days remaining in the period at the time the increase is to accrue, and the denominator of which is the total number of days in the future portion of the period. The total of the monthly prorated amounts is shown in the ADIT- 282 (Subject to Proration) section of Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet. The prorated balance included in Total ADIT- 282 (Subject to Proration) is then added to the simple average of ADIT Accounts 190, 282 (Not Subject to Proration), and 283.

The Commission issued its order on December 28, 2019¹², with a date effective of January 1, 2019. The 2019 annual net impact of the proposed modifications was a reduction of \$154 million or an 11.42% reduction in transmission rates.

III. DESCRIPTION OF ORDER No. 864

On November 21, 2019, the Commission issued Order No. 864 requiring public utility transmission providers with transmission formula rates under an OATT, a transmission owner tariff, or a rate schedule to revise their transmission formula rates to account for changes caused

¹² *Public Service Electric and Gas Co.*, 165 FERC ¶ 61,275 (2018).

by the TCJA. Specifically, Order 864 requires public utilities with TFRs to modify them to include: 1) a mechanism to deduct any excess ADIT from or add any deficient ADIT to their rate bases, 2) a mechanism to decrease or increase their income tax allowances by any amortized excess or deficient ADIT, respectively, and 3) a new permanent worksheet into their transmission formula rates that will annually track information related to excess or deficient ADIT.

IV. COMPLIANCE WITH ORDER No. 864 AND PROPOSED TFR CHANGES

PSE&G's current TFR conforms to the main aspects of Order No. 864. The Commission approved a rate base adjustment mechanism and income tax allowance adjustment in PSE&G's 2018 Tax Filing proceeding to account for the effects of the TCJA as described above.¹³ These changes have been in effect for over a year and have enabled PSE&G to return to customers the excess deferred taxes that resulted from the reduction in the federal income tax rate from 35% to 21%.

In Order No. 864, the Commission required public utilities to include in their formula rates "a new permanent worksheet that will annually track information related to excess and deficient ADIT."¹⁴ In compliance with the requirement to submit a new permanent excess or deficient ADIT Worksheet, PSE&G proposes to amend its TFR to incorporate Attachment 9 which will annually track information related to excess or deficient ADIT. Attachment 9 includes:

- 1) A description on how ADIT accounts were re-measured and of the excess or deficient ADIT contained therein;
- 2) The accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities);
- 3) Amounts of excess or deficient ADIT that are protected or unprotected;
- 4) The amortization accounts associated with the excess or deficient ADIT consistent with the FERC Order in PSE&G's 2018 Tax filing; and
- 5) A description of the amortization periods applied to TCJA changes for protected and unprotected balances to be returned through rates per the order approving PSE&G's 2018 Tax filing.

Attachment 9 will be updated in the Company's Annual True-up and subsequent update filings to reflect rate year data. Also, PSE&G will add lines to Attachment 9 for any future year tax rate changes that will be subject to a limited section 205 filing per Note V of the TFR.

¹³ *Public Service Electric and Gas Co.*, 165 FERC ¶ 61,275 (2018).

¹⁴ Order No. 864 at P 62. The Commission also required that public utilities submit a version of this worksheet "populated with excess and deficient ADIT resulting from the [TCJA]." *Id.* at P 63.

V. CONTENTS OF FILING—Section 35.13¹⁵

In addition to this transmittal letter, this filing includes the following in addition to the revised tariff record:

- Exhibit I: Redline version of the tariff sheets reflecting proposed revisions to the Attachment H-10A formula rate template.
- Exhibit II: Clean version of the revised tariff sheets reflecting proposed revisions to the Attachment H-10A formula rate template.
- Exhibit III: A populated new permanent worksheet that will annually track information related to excess and deficient ADIT.

In compliance with directives of Order No. 864,¹⁶ PSE&G has included 2019 actual data in the populated version of the new permanent worksheet that will be submitted as part of its 2019 True-up Filing.

VI. SERVICE¹⁷

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,¹⁸ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region¹⁹ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

VII. COMMUNICATIONS

Communication to PSE&G for this matter shall be made to the following:

¹⁵ To the extent necessary, PSE&G requests a waiver of the any requirements of 18 C.F.R. Section 35.13 not met by this submission.

¹⁶ Order No. 864 requires that each public utility with a transmission formula rate submit a populated ADIT Worksheet that will annually track excess or deficient ADIT (ADIT Worksheet) resulting from the TCJA. Order No. 864 at PP 5, 104.

¹⁷ PSE&G is responsible for service of the filing on any parties on the official FERC Service List For Tariff filings.

¹⁸ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3)(2019).

¹⁹ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

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VIII. EFFECTIVE DATE

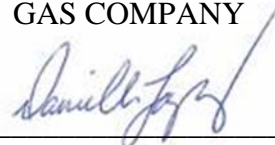
In accordance with Order No. 864, PSE&G respectfully requests that the Commission accept these formula rate revisions effective January 27, 2020.²⁰

IX. CONCLUSION

For the reasons stated above, PSE&G respectfully requests that the Commission accept the revisions to its TFR submitted herewith.. PSE&G respectfully requests that the Commission issue its order on this filing within sixty (60) days of this filing. PSE&G further requests a waiver of any Commission regulations that the Commission may deem applicable.

Respectfully submitted,
PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: _____



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²⁰ Order No. 864 at P 100.

EXHIBIT I

Marked Version Tariff Attachment

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	(Note O)	Attachment 5	0
2	Total Wages Expense	(Note O)	Attachment 5	0
3	Less A&G Wages Expense	(Note O)	Attachment 5	0
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	0
5	Wages & Salary Allocator		(Line 1 / Line 4)	0.0000%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	Attachment 5	0
7	Common Plant in Service - Electric		(Line 22)	0
8	Total Plant in Service		(Line 6 + 7)	0
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	Attachment 5	0
10	Accumulated Intangible Amortization - Electric	(Note B)	Attachment 5	0
11	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	0
12	Accumulated Common Amortization - Electric	(Note B)	Attachment 5	0
13	Total Accumulated Depreciation		(Line 9 + Line 10 + Line 11 + Line 12)	0
14	Net Plant		(Line 8 - Line 13)	0
15	Transmission Gross Plant		(Line 31)	0
16	Gross Plant Allocator		(Line 15 / Line 8)	0.0000%
17	Transmission Net Plant		(Line 43)	0
18	Net Plant Allocator		(Line 17 / Line 14)	0.0000%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	Attachment 5	0
20	General	(Note B)	Attachment 5	0
21	Intangible - Electric	(Note B)	Attachment 5	0
22	Common Plant - Electric	(Note B)	Attachment 5	0
23	Total General, Intangible & Common Plant		(Line 20 + Line 21 + Line 22)	0
24	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	0
25	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	0
26	General and Intangible Excluding Acct. 397		(Line 23 - Line 24 - Line 25)	0
27	Wage & Salary Allocator		(Line 5)	0.0000%
28	General and Intangible Plant Allocated to Transmission		(Line 26 * Line 27)	0
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	0
30	Total General and Intangible Functionalized to Transmission		(Line 28 + Line 29)	0
31	Total Plant In Rate Base		(Line 19 + Line 30)	0
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	0
33	Accumulated General Depreciation	(Note B & J)	Attachment 5	0
34	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	0
35	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	0
36	Balance of Accumulated General Depreciation		(Line 33 + Line 34 - Line 35)	0
37	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	0
38	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 36 + 37)	0
39	Wage & Salary Allocator		(Line 5)	0.0000%
40	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 38 * Line 39)	0
41	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	0
42	Total Accumulated Depreciation		(Lines 32 + 40 + 41)	0
43	Total Net Property, Plant & Equipment		(Line 31 - Line 42)	0

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
44	ADIT net of FASB 106 and 109	(Note Q)	Attachment 1	0
Regulatory Assets and Liabilities				
44a	Deficient Deferred Taxes Regulatory Asset (Account 182.3) <u>enter positive</u>	(Note V)		0
44b	Excess Deferred Taxes Regulatory Liability (Account 254) <u>enter negative</u>	(Note V)		0
44c	Deficient/Excess Deferred Taxes Regulatory Assets and Liabilities Allocated to Transmission		(Line 44a + 44b)	0
CWIP for Incentive Transmission Projects				
45	CWIP Balances for Current Rate Year	(Note B & H)	Attachment 6	0
Abandoned Transmission Projects				
45a	Unamortized Abandoned Transmission Projects	(Note R)	Attachment 5	0
46	Plant Held for Future Use	(Note C & Q)	Attachment 5	0
Prepayments				
47	Prepayments	(Note A & Q)	Attachment 5	0
Materials and Supplies				
48	Undistributed Stores Expense	(Note Q)	Attachment 5	0
49	Wage & Salary Allocator		(Line 5)	0.0000%
50	Total Undistributed Stores Expense Allocated to Transmission		(Line 48 * Line 49)	0
51	Transmission Materials & Supplies	(Note N & Q)	Attachment 5	0
52	Total Materials & Supplies Allocated to Transmission		(Line 50 + Line 51)	0
Cash Working Capital				
53	Operation & Maintenance Expense		(Line 80)	0
54	1/8th Rule		1/8	12.5%
55	Total Cash Working Capital Allocated to Transmission		(Line 53 * Line 54)	0
Network Credits				
56	Outstanding Network Credits	(Note N)	Attachment 5	0
57	Total Adjustment to Rate Base		(Lines 44 + 44c + 45 + 45a + 46 + 47 + 52 + 55 - 56)	0
58	Rate Base		(Line 43 + Line 57)	0

Operations & Maintenance Expense

Transmission O&M				
59	Transmission O&M	(Note O)	Attachment 5	0
60	Plus Transmission Lease Payments	(Note O)	Attachment 5	0
61	Transmission O&M		(Lines 59 + 60)	0
Allocated Administrative & General Expenses				
62	Total A&G	(Note O)	Attachment 5	0
63	Plus: Actual PBOP expense	(Note J)	Attachment 5	0
64	Less: Actual PBOP expense	(Note O)	Attachment 5	0
65	Less Property Insurance Account 924	(Note O)	Attachment 5	0
66	Less Regulatory Commission Exp Account 928	(Note E & O)	Attachment 5	0
67	Less General Advertising Exp Account 930.1	(Note O)	Attachment 5	0
68	Less EPRI Dues	(Note D & O)	Attachment 5	0
69	Administrative & General Expenses		Sum (Lines 62 to 63) - Sum (Lines 64 to 68)	0
70	Wage & Salary Allocator		(Line 5)	0.0000%
71	Administrative & General Expenses Allocated to Transmission		(Line 69 * Line 70)	0
Directly Assigned A&G				
72	Regulatory Commission Exp Account 928	(Note G & O)	Attachment 5	0
73	General Advertising Exp Account 930.1	(Note K & O)	Attachment 5	0
74	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 72 + Line 73)	0
75	Property Insurance Account 924		(Line 65)	0
76	General Advertising Exp Account 930.1	(Note F & O)	Attachment 5	0
77	Total Accounts 928 and 930.1 - General		(Line 75 + Line 76)	0
78	Net Plant Allocator		(Line 18)	0.0000%
79	A&G Directly Assigned to Transmission		(Line 77 * Line 78)	0
80	Total Transmission O&M		(Lines 61 + 71 + 74 + 79)	0

Depreciation & Amortization Expense

Depreciation Expense				
81	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
81a	Amortization of Abandoned Plant Projects	(Note R)	Attachment 5	0
82	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
83	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	0
84	Balance of General Depreciation Expense		(Line 82 - Line 83)	0
85	Intangible Amortization	(Note A & O)	Attachment 5	0
86	Total		(Line 84 + Line 85)	0
87	Wage & Salary Allocator		(Line 5)	0.0000%
88	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 86 * Line 87)	0
89	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	0
90	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 88 + Line 89)	0
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91	Total Transmission Depreciation & Amortization		(Lines 81 + 81a + 90)	0

Taxes Other than Income Taxes

92	Taxes Other than Income Taxes	(Note O)	Attachment 2	0
93	Total Taxes Other than Income Taxes		(Line 92)	0

Return \ Capitalization Calculations

94	Long Term Interest		p117.62.c through 67.c	0
95	Preferred Dividends	enter positive	p118.29.d	0
Common Stock				
96	Proprietary Capital	(Note P)	Attachment 5	0
97	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	0
98	Less Preferred Stock		(Line 106)	0
99	Less Account 216.1	(Note P)	Attachment 5	0
100	Common Stock		(Line 96 - 97 - 98 - 99)	0
Capitalization				
101	Long Term Debt	(Note P)	Attachment 5	0
102	Less Loss on Reacquired Debt	(Note P)	Attachment 5	0
103	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
104	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	0
105	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	0
106	Preferred Stock	(Note P)	Attachment 5	0
107	Common Stock		(Line 100)	0
108	Total Capitalization		(Sum Lines 105 to 107)	0
109	Debt %	Total Long Term Debt	(Line 105 / Line 108)	0.00%
110	Preferred %	Preferred Stock	(Line 106 / Line 108)	0.00%
111	Common %	Common Stock	(Line 107 / Line 108)	0.00%
112	Debt Cost	Total Long Term Debt	(Line 94 / Line 105)	0.0000
113	Preferred Cost	Preferred Stock	(Line 95 / Line 106)	0.0000
114	Common Cost	Common Stock	(Note J) Fixed	0.1168
115	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 109 * Line 112)	0.0000
116	Weighted Cost of Preferred	Preferred Stock	(Line 110 * Line 113)	0.0000
117	Weighted Cost of Common	Common Stock	(Line 111 * Line 114)	0.0000
118	Rate of Return on Rate Base (ROR)		(Sum Lines 115 to 117)	0.0000
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119	Investment Return = Rate Base * Rate of Return		(Line 58 * Line 118)	0

Composite Income Taxes

Income Tax Rates			
120	FIT=Federal Income Tax Rate	(Note I)	0.00%
121	SIT=State Income Tax Rate or Composite		0.00%
122	p (percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
123	T	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	0.00%
124	T / (1-T)		0.00%
ITC Adjustment			
125	Amortized Investment Tax Credit	enter negative (Note O)	Attachment 5 0
126	1/(1-T)		1 / (1 - Line 123) 1.00000
127	Net Plant Allocation Factor		(Line 18) 0.0000%
128	ITC Adjustment Allocated to Transmission		(Line 125 * Line 126 * Line 127) 0
Deficient/Excess Deferred Taxes Amortization			
128a	Amortized Deficient Deferred Taxes (Account 410.1)	(Note S & V)	0
128b	Amortized Excess Deferred Taxes (Account 411.1)	enter negative (Note T & V)	0
128c	Total		(Line 128a + Line 128b) 0
128d	1/(1-T)		1 / (1 - Line 123) 1.00000
128e	Deficient/Excess Deferred Taxes Allocated to Transmission		(Line 128c * Line 128d) 0
AFUDC Equity Permanent Difference			
128f	Tax Effect of AFUDC Equity Permanent Difference	(Note U)	0
128g	1/(1-T)		1 / (1 - Line 123) 1.00000
128h	AFUDC Equity Permanent Difference Tax Adjustment		(Line 128f * Line 128g) 0
129	Income Tax Component =	$(T/1-T) * \text{Investment Return} * (1 - (WCLTD/ROR)) =$	[Line 124 * Line 119 * (1 - (Line 115 / Line 118))] -
130	Total Income Taxes		(Lines 128 + 128e + 128h + 129) -

Revenue Requirement

Summary			
131	Net Property, Plant & Equipment		(Line 43) 0
132	Total Adjustment to Rate Base		(Line 57) 0
133	Rate Base		(Line 58) 0
134	Total Transmission O&M		(Line 80) 0
135	Total Transmission Depreciation & Amortization		(Line 91) 0
136	Taxes Other than Income		(Line 93) 0
137	Investment Return		(Line 119) 0
138	Income Taxes		(Line 130) 0
139	Gross Revenue Requirement		(Sum Lines 134 to 138) 0
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
140	Transmission Plant In Service		(Line 19) 0
141	Excluded Transmission Facilities	(Note B & M)	Attachment 5 0
142	Included Transmission Facilities		(Line 140 - Line 141) 0
143	Inclusion Ratio		(Line 142 / Line 140) 0.00%
144	Gross Revenue Requirement		(Line 139) 0
145	Adjusted Gross Revenue Requirement		(Line 143 * Line 144) 0
Revenue Credits & Interest on Network Credits			
146	Revenue Credits	(Note O)	Attachment 3 -
147	Interest on Network Credits	(Note N & O)	Attachment 5 -
148	Net Revenue Requirement		(Line 145 - Line 146 + Line 147) 0
Net Plant Carrying Charge			
149	Gross Revenue Requirement		(Line 144) -
150	Net Transmission Plant, CWIP and Abandoned Plant		(Line 19 - Line 32 + Line 45 + Line 45a) -
151	Net Plant Carrying Charge		(Line 149 / Line 150) 0.0000%
152	Net Plant Carrying Charge without Depreciation		(Line 149 - Line 81) / Line 150 0.0000%
153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 149 - Line 81 - Line 119 - Line 130) / Line 150 0.0000%
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) -
155	Increased Return and Taxes		Attachment 4 -
156	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 154 + Line 155) -
157	Net Transmission Plant, CWIP and Abandoned Plant		(Line 19 - Line 32 + Line 45 + Line 45a) -
158	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 156 / Line 157) 0.0000%
159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 156 - Line 81) / Line 157 0.0000%
160	Net Revenue Requirement		(Line 148) -
161	True-up amount		Attachment 6 -
162	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 7 -
163	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5 -
164	Net Zonal Revenue Requirement		(Line 160 + 161 + 162 + 163) -
Network Zonal Service Rate			
165	1 CP Peak	(Note L)	Attachment 5 -
166	Rate (\$/MW-Year)		(Line 164 / 165) -
167	Network Service Rate (\$/MW/Year)		(Line 166) -

Notes

- A Electric portion only
 - B Calculated using 13-month average balances. Beginning year balances are from FERC Form 1.
 - 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 shall be based upon the Company's Actual Annual PBOP Expense until changed by a filing at FERC.
- The actual Annual PBOP Expense to be included in the Formula Rate Annual Update that is required to be filed on or before October 15 of each year shall be based upon the Actual Annual PBOP Expense as charged to FERC Account 926 on behalf of electric employees for PBOP and as included by the Company in its most recent True-Up Adjustment filing.
- PSEG will provide, in connection with each annual True-Up Adjustment filing, a confidential copy of relevant pages from annual actuarial valuation report supporting the derivation of the Actual Annual PBOP Expense as charged to FERC Account 926 on behalf of electric employees.
- 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.
 - R Unamortized Abandoned Plant and Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion.
 - S Includes the amortization of any deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Deficient deferred income taxes will increase tax expense by the amount of the deficiency multiplied by $(1/1-T)$ (Line 128e).
 - T Includes the amortization of any excess deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess deferred income taxes will decrease tax expense by the amount of the excess multiplied by $(1/1-T)$ (Line 128e).
 - U Includes the annual income tax cost or benefits due to the AFUDC Equity permanent difference. $(1/1-T)$ multiplied by the amount of AFUDC Equity permanent difference included in Line 128f and will increase or decrease tax expense by the amount of the expense or benefit included on Line 128f multiplied by $(1/1-T)$ (Line 128h).
 - V Unamortized Excess/Deficient Deferred Tax Regulatory Liabilities/Assets and the Amortization of those Regulatory Liabilities/Assets arising from future tax changes may only be included pursuant to Commission approval authorizing such inclusion.

Public Service Electric and Gas Company
ATTACHMENT H-10A

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31 of the Current Year

	Only Transmission Related	Plant Related	Labor Related	Total ADIT	
ADIT- 282 (Not Subject to Proration)	0	0	0		From Acct. 282 (Not Subject to Proration) total, below
ADIT-283	0	0	0		From Acct. 283 total, below
ADIT-190	0	0	0		From Acct. 190 total, below
Subtotal	0	0	0		
Wages & Salary Allocator			0.0000%		
Net Plant Allocator		0.0000%			
End of Year ADIT	0	0	0	0	
End of Previous Year ADIT (from Sheet 1A-ADIT)	0	0	0	0	
Average Beginning and End of Year ADIT	0	0	0	0	
ADIT - 282 (Subject to Proration)	0	0	0	0	
Total Accumulated Deferred Income Taxes				0	

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

0 < 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						
Subtotal - p234	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

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 of the Current Year

A	B	C	D	E	F	G
ADIT- 282 (Not Subject to Proration)	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Subtotal - ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	

A	B	C	D	E	F	G
ADIT- 282 (Subject to Proration)	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Subtotal - ADIT- 282 (Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Subject to Proration)	0	0	0	0	0	

Instructions for Account 282:

- ADIT items subject to the IRS's proration methodology shall be included in the ADIT- 282 (Subject to Proration) section in order to avoid the two-step averaging of prorated ADIT balances
- 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 of the Current Year

A ADIT-283	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Subtotal - p277	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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 of the Previous Year

	Only Transmission Related	Plant Related	Labor Related	Total ADIT	
ADIT- 282 (Not Subject to Proration)	0	0	0		From Acct. 282 (Not Subject to Proration) total, below
ADIT-283	0	0	0		From Acct. 283 total, below
ADIT-190	0	0	0		From Acct. 190 total, below
Subtotal	0	0	0		
Wages & Salary Allocator			0.0000%		
Net Plant Allocator		0.0000%			
End of Year ADIT	0	0	0	0	Sum Cols. C, D, E; Enter as negative Appendix A, line 42.

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

0 < 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						
Subtotal - p234	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

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 of the Previous Year

A	B	C	D	E	F	G
ADIT- 282 (Not Subject to Proration)	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Subtotal - ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	

A	B	C	D	E	F	G
ADIT- 282 (Subject to Proration)	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Subtotal - ADIT- 282 (Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Subject to Proration)	0	0	0	0	0	

Instructions for Account 282:

- ADIT items subject to the IRS's proration methodology shall be included in the ADIT- 282 (Subject to Proration) section in order to avoid the two-step averaging of prorated ADIT balances
- 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 of the Previous Year

A	B	C	D	E	F	G
ADIT- 283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Subtotal - p277	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

Page 263

Allocated

Other Taxes	Col (i)	Allocator	Allocated Amount
Plant Related			
1 Real Estate	0		Attachment #5
2 Total Plant Related	0	N/A	0
Labor Related			
Wages & Salary Allocator			
3 FICA			
4 Federal Unemployment Tax			
5 New Jersey Unemployment Tax			
6 New Jersey Workforce Development			
7			
8 Total Labor Related	0	0.0000%	0
Other Included			
Net Plant Allocator			
9			
10			
11			
12			
13 Total Other Included	0	0.0000%	0
14 Total Included (Lines 8 + 14 + 19)	0		0
Currently Excluded			
15 Corporate Business Tax			
16 TEFA			
17 Use & Sales Tax			
18 Local Franchise Tax			
19 PA Corporate Income Tax			
20 Municipal Utility			
21 Public Utility Fund			
22 Subtotal, Excluded	0		
23 Total, Included and Excluded (Line 20 + Line 28)	0		
24 Total Other Taxes from p114.14.g - Plan			
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

Accounts 450 & 451			
1	Late Payment Penalties Allocated to Transmission		
	Account 454 - Rent from Electric Property		
2	Rent from Electric Property - Transmission Related (Note 2)		
	Account 456 - Other Electric Revenues		
3	Transmission for Others		
4	Schedule 1A		
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)		
6	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner		
7	Professional Services (Note 2)		
8	Revenues from Directly Assigned Transmission Facility Charges (Note 1)		
9	Rent or Attachment Fees associated with Transmission Facilities (Note 2)		
10	Gross Revenue Credits	(Sum Lines 1-9)	-
11	Less line 18	- line 18	-
12	Total Revenue Credits	line 10 + line 11	-
13	Revenues associated with lines 2, 7, and 9 (Note 2)		-
14	Income Taxes associated with revenues in line 13		-
15	One half margin (line 13 - line 14)/2		-
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		-
18	Line 13 less line 17		-

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

Return and Taxes with 100 Basis Point increase in ROE

A	100 Basis Point increase in ROE and Income Taxes	Line 27 + Line 42 from below	#DIV/0!
B	100 Basis Point increase in ROE		1.00%

Return Calculation

		Appendix A Line or Source Reference	
1	Rate Base	(Line 43 + Line 57)	-
2	Long Term Interest	p117.62.c through 67.c	-
3	Preferred Dividends	enter positive p118.29.d	0
Common Stock			
4	Proprietary Capital	Attachment 5	0
5	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	0
6	Less Preferred Stock	(Line 106)	0
7	Less Account 216.1	Attachment 5	0
8	Common Stock	(Line 96 - 97 - 98 - 99)	0
Capitalization			
9	Long Term Debt	Attachment 5	0
10	Less Loss on Reacquired Debt	Attachment 5	0
11	Plus Gain on Reacquired Debt	Attachment 5	0
12	Less ADIT associated with Gain or Loss	Attachment 5	0
13	Total Long Term Debt	(Line 101 - 102 + 103 - 104)	0
14	Preferred Stock	Attachment 5	0
15	Common Stock	(Line 100)	0
16	Total Capitalization	(Sum Lines 105 to 107)	0
17	Debt %	Total Long Term Debt (Line 105 / Line 108)	0.0%
18	Preferred %	Preferred Stock (Line 106 / Line 108)	0.0%
19	Common %	Common Stock (Line 107 / Line 108)	0.0%
20	Debt Cost	Total Long Term Debt (Line 94 / Line 105)	0.0000
21	Preferred Cost	Preferred Stock (Line 95 / Line 106)	0.0000
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)	0.0000
24	Weighted Cost of Preferred	Preferred Stock (Line 110 * Line 113)	0.0000
25	Weighted Cost of Common	Common Stock (Line 111 * Line 114)	0.0000
26	Rate of Return on Rate Base (ROR)	(Sum Lines 115 to 117)	0.0000
27	Investment Return = Rate Base * Rate of Return	(Line 58 * Line 118)	0

Composite Income Taxes

Income Tax Rates			
28	FIT=Federal Income Tax Rate		0.00%
29	SIT=State Income Tax Rate or Composite		0.00%
30	p = percent of federal income tax deductible for state purposes	Per State Tax Code	0.00%
31	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$	0.00%
32	CIT = T / (1-T)		0.00%
33	1 / (1-T)		100.00%
ITC Adjustment			
34	Amortized Investment Tax Credit	enter negative Attachment 5	0
35	1/(1-T)	1 / (1 - Line 123)	100.00%
36	Net Plant Allocation Factor	(Line 18)	0.0000%
37	ITC Adjustment Allocated to Transmission	(Line 125 * Line 126 * Line 127)	0
Deficient/Excess Deferred Taxes Amortization			
38	Amortized Deficient Deferred Taxes (Account 410.1)	(Line 128a)	0
39	Amortized Excess Deferred Taxes (Account 411.1)	enter negative (Line 128b)	0
40	Total	(Line 128a + Line 128b)	0
41	1 / (1-T)	1 / (1 - Line 123)	100.00%
42	Deficient/Excess Deferred Taxes Allocated to Transmission	(Line 128c * Line 128d)	0
AFUDC Equity Permanent Difference			
43	Tax Effect of AFUDC Equity Permanent Difference	(Line 128f)	0
44	1 / (1-T)	1 / (1 - Line 123)	100.00%
45	AFUDC Equity Permanent Difference Tax Adjustment	(Line 128f * Line 128g)	0
46	Income Tax Component =	$CIT = (T / (1 - T)) * Investment\ Return * (1 - (WCLTD / R))$	#DIV/0!
47	Total Income Taxes		#DIV/0!

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 5 - Cost Support

Electric / Non-electric Cost Support				Previous Year	Current Year											Average	Non-electri	
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec		
Plant Allocation Factors																		
6	Electric Plant in Service	(Note B)	p207.104g														-	
7	Common Plant in Service - Electric	(Note B)	p356														-	
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	p219.29c														-	
10	Accumulated Intangible Amortization	(Note B)	p200.21c														-	
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356														-	
12	Accumulated Common Amortization - Electric	(Note B)	p356														-	
Plant In Service																		
19	Transmission Plant in Service	(Note B)	p207.58.g p205.5.g&p207.99.g														-	
20	General	(Note B)															-	
21	Intangible - Electric	(Note B)	p205.5.g														-	
22	Common Plant in Service - Electric	(Note B)	p356														-	
24	General Plant Account 397 -- Communications	(Note B)	p207.94g														-	
25	Common Plant Account 397 -- Communications	(Note B)	p356														-	
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Company Records														-	
Accumulated Depreciation																		
32	Transmission Accumulated Depreciation	(Note B & J)	p219.25.c														-	
33	Accumulated General Depreciation	(Note B & J)	p219.28.b														-	
34	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356														-	
35	Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Company Records														-	
41	Acc. Deprec. Acct. 397 Directly Assigned to Transmission	(Note B & J)	Company Records														-	

Wages & Salary

Line #s	Descriptions	Notes	Page #'s & Instructions															End of Year
2	Total Wage Expense	(Note A)	p354.28b															-
3	Total A&G Wages Expense	(Note A)	p354.27b															-
1	Transmission Wages		p354.21bt															-

Transmission / Non-transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions												Beg of Year	End of Year	Average Balance
46	Plant Held for Future Use (Including Land)	(Note C & Q)	p214.47.d												-	-	-
	Transmission Only														-	-	-

Prepayments

Line #s	Descriptions	Notes	Page #'s & Instructions	Previous Year	Electric Beginning Year	Electric End of Year Balance	Average Balance	Wage & Salary Allocator	To Line 47
47	Prepayments	(Note A & Q)	p111.57c	-	-	-	-	0.000%	-

Materials and Supplies

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

Outstanding Network Credits Cost Support

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

O&M Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
59	Transmission O&M	(Note O)	p321.112.b	-
60	Transmission Lease Payments		p321.96.b	-

Property Insurance Expenses

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

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	Amount
62	Total A&G Expenses		p323.197b	-
63	Actual PBOP expense	(Note J)		-
64	Actual PBOP expense	(Note O)	Company Records	-

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related
66	Allocated General & Common Expenses Regulatory	(Note E & O)	p323.189b	-	
72	Directly Assigned A&G Regulatory	(Note G & O)	p323.189b	-	

General & Common Expenses

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

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	(Note K & O)	p323.191b	-		

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	(Note K & O)	p323.191b	-		

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
81	Depreciation Expense			
82	Depreciation-	(Note J & O)	p336.7.b&c	
83	Depreciation-General	(Note J & O)	Company Records	
85	Depreciation-	(Note A & O)	p336.1.d&e	
89	Transmission Depreciation	(Note J & O)	Company Records	

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 -		p263.36i			

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

Return \ Capitalization

Line #s	Descriptions	Notes	Page #'s & Instructions	XXXX	XXXX End of	Average
96	Proprietary Capital	(Note P)	p112.16.c,d			
97	Accumulated Other	(Note P)	p112.15.c,d			
99	Account 216.1	(Note P)	Attachment 5			
101	Long Term Debt	(Note P)	p112.18.c,d thru 23.c,d			
102	Loss on Reacquired	(Note P)	p111.81.c,d			
103	Gain on Reacquired	(Note P)	p113.61.c,d			
104	ADIT associated with Gain or	(Note P)	p277.3.k (footnote)			0
106	Preferred Stock	(Note P)	p112.3.c,d			

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	Stat
	Income Tax Rates					

121	SIT=State Income Tax Rate or	(Note I)		NJ	0.00%	
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Amortized Investment Tax Credit

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
125	Amortized Investment Tax Credit	(Note	p266.8.f	-

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														-	

Interest on Outstanding Network Credits Cost Support

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

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			

PJM Load Cost Support

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

Abandoned Transmission Projects

Line #s	Descriptions	Notes	Page #'s & Instructions	BRH Project	Project X	Project Y
Attachment 7 81	a	Beginning Balance of Unamortized Transmission Projects	Per FERC Order	\$ --		
	b	Years remaining in Amortization Period	Per FERC Order	--		
	c	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(line a / line b)	\$ --	\$	\$
	d	Ending Balance of Unamortized Transmission Projects	(line a - line c)	\$ --	\$	\$
	e	Average Balance of Unamortized Abandoned Transmission Projects	(line a + d)/2	\$ --	\$	\$

	g	Non Incentive Return and Income Taxes	(Appendix A line 137+	_____	--
	h	Rate Base	(Appendix A line 58)	_____	--
Attachment 7	i	Non Incentive Return and Income Taxes	(line g / line h)	_____	--
				_____	--
				_____	--

Docket Numbers authorizing amount and period for recovery of Abandoned Transmission Project:

BRH Project Docket No. ER12-2274-000 Authorizing \$3,500,000 with a one-year recovery period.

**Public Service Electric and Gas Company
ATTACHMENT H-10A**

Attachment 6 - True-up Adjustment for Network Integration Transmission Service

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

- (i) Beginning with 2009, no later than June 15 of each year PSE&G shall recalculate an adjusted Annual Transmission Revenue Requirement for the previous calendar year based on its actual costs as reflected in its Form No. 1 and its books and records for that calendar year, consistent with FERC accounting policies.²
- (ii) PSE&G shall determine the difference between the recalculated Annual Transmission Revenue Requirement as determined in paragraph (i) above, and ATRR based on projected costs for the previous calendar year (True-Up Adjustment Before Interest).
- (iii) The True-Up Adjustment shall be determined as follows:
True-Up Adjustment equals the True-Up Adjustment Before Interest multiplied by $(1+i)^{24}$ months
Where: $i =$ Sum of (the monthly rates for the 10 months ending October 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year) divided by 21 months.

Summary of Formula Rate Process including True-Up Adjustment

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

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

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

Calendar Year	Complete for Each Calendar Year beginning in 2009	
A	ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.	
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	
C	Difference (A-B)	0
D	Future Value Factor $(1+i)^{24}$	1.00000
E	True-up Adjustment $(C \times D)$	0

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

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

Interest on Amount of Refunds or Surcharges

Interest 35.19a for Current Yr		Interest 35.19a for
Month	Yr	Month
January	Year 1	0.0000%
February	Year 1	0.0000%
March	Year 1	0.0000%
April	Year 1	0.0000%
May	Year 1	0.0000%
June	Year 1	0.0000%
July	Year 1	0.0000%
August	Year 1	0.0000%
September	Year 1	0.0000%
October	Year 1	0.0000%
November	Year 1	0.0000%
December	Year 1	0.0000%
January	Year 2	0.0000%
February	Year 2	0.0000%
March	Year 2	0.0000%
April	Year 2	0.0000%
May	Year 2	0.0000%
June	Year 2	0.0000%
July	Year 2	0.0000%
August	Year 2	0.0000%
September	Year 2	0.0000%
Average Interest Rate		0.0000%

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 6A - Project Specific Estimate and Reconciliation Worksheet

Estimated Additions								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Other Projects PIS (Monthly additions)	New Freedom Loop (monthly additions)						Susquehanna Roseland >= 500KV (monthly additions)	Susquehanna Roseland < 500KV (monthly additions)
	(in service)	(in service)	(in service)	(in service)	(in service)		CWIP	CWIP
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Jul								
Aug								
Sep								
Oct								
Nov								
Dec								
Total	-	-	-	-	-	-	-	-

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
Other Projects PIS (monthly balances)	New Freedom Loop (monthly balance)						Susquehanna Roseland >= 500KV (monthly balances)	Susquehanna Roseland < 500KV (monthly balances)
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP
Dec							-	-
Jan	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Average 13 Month Balance	-	-	-	-	-	-	-	-
Average 13 Month in service	-	-	-	-	-	-	-	-
Average 13 Month Average CWIP to Appendix A, line 45								

Estimated Transmission Enhancement Charges								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Actual Additions								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
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	Other Projects PIS (Monthly additions)	New Freedom Loop (month balance)					CWIP	CWIP
	(in service)	(in service)	(in service)	(in service)	(in service)			
Dec							-	
Jan		-	-	-	-	-	-	
Feb		-	-	-	-	-	-	
Mar		-	-	-	-	-	-	
Apr		-	-	-	-	-	-	
May		-	-	-	-	-	-	
Jun		-	-	-	-	-	-	
Jul		-	-	-	-	-	-	
Aug		-	-	-	-	-	-	
Sep		-	-	-	-	-	-	
Oct		-	-	-	-	-	-	
Nov		-	-	-	-	-	-	
Dec		-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-

	Other Projects PIS (monthly balances)	New Freedom Loop (monthly balance)	Susquehanna Roseland >= 500KV (monthly balances)			Susquehanna Roseland < 500KV (monthly balances)		
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP
Dec							-	-
Jan	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Actual Transmission Enhancement Charges								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Reconciliation amount by Project (without interest)								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Interest 0% 0% 0% 0% 0% 0% 0% 0% 0%

Reconciliation amount by Project (with interest)								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Average 13 Month Balance
Average 13 Month in service
Average CWIP to Appendix A, line 46

**Public Service Electric and Gas Company
ATTACHMENT H-10A**

Attachment 7 - Transmission Enhancement Charges Worksheet (TEC)- December 31, 2009
New Plant Carrying Charge

Fixed Charge Rate (FCR) if not a CIAC

	Formula Line		
A	152	Net Plant Carrying Charge without Depreciation	0.0000%
B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.0000%
C		Line B less Line A	0.0000%
FCR if a CIAC			
D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.0000%

**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.
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the 13 month average balance from Attach 6a, and Line 19 will be number of months to be amortized in year plus one.**

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"Yes" if a project under PJM OATT Schedule 12, otherwise "No"
Useful life of the project
"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"
Input the allowed increase in ROE
From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13
Line 14 plus (line 5 times line 15)/100
Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance
Line 17 divided by line 12
Months in service for depreciation expense from Attachment 6
Year placed in Service (0 if CWIP)

Details		Branchburg (B0130)			Kittany (B0134)			Essex Aldene (B0145)			New Freedom Trans.(B0411)		
Schedule 12	(Yes or No)												
Life													
CIAC	(Yes or No)												
Increased ROE (Basis Points)	11.68% ROE												
FCR for This Project													
Investment													
Annual Depreciation or Amort Exp													
	Invest Yr	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue
W 11.68 % ROE	2006												
W Increased ROE	2006												
W 11.68 % ROE	2007												
W Increased ROE	2007												
W 11.68 % ROE	2008												
W Increased ROE	2008												
W 11.68 % ROE	2009												
W Increased ROE	2009												
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W Increased ROE	2025												
												
												

New Freedom Loop (B0498)			Metuchen Transformer (B0161)			Branchburg-Flagtown-Sommerville (B0169)			Branchburg Flagtown - Bridgewater (B0170)			Roseland Transformer (B0274)		
Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue

Mid-Atlantic Power Pathway (MAAP) B0512		Burlington - Camden Project (B1156)	West Orange Project (B1154)	Mickleton-Camden-Gloucester Project (B1398, B1398.1, B1398.2, B1398.3, B1398.4, B1398.7)
Ending Depreciation or Amort Revenue		Ending Depreciation or Amort Revenue	Ending Depreciation or Amort Revenue	Ending Depreciation or Amort Revenue

Northeast Grid Reliability Project (B1304)			Susquehanna Roseland (B0489) >= 500KV CWIP			Susquehanna Roseland (B0489) < 500KV CWIP			Bergen-Linden 345 kV Project (B2436-B2437)			Artificial Island Project (B2633)			BRH Project (B0829-B0830) Abandoned Recovery Costs						
Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Total	Incentive Charged	Revenue Credit	
																			\$	\$	\$
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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
ATTACHMENT H-10A
 Attachment 9 - Excess/(Deficient) Deferred Income Taxes - FERC Order 864 Worksheet (4)

Line No.	Year	Description:	Vintage:	Beginning of the Year Excess/(Deficient) ADIT Regulatory Liability / (Asset)			D=(C*Tax Gross-up rate) (1)	E=(C+D)	Amortization Period		Amount Amortized				L=(K*Tax Gross-up rate) (1)	M=(K+L)	End of the Year Balance	
				A	B	C			F	G	H	I	J	K=(I+J)			N=(C+K)	O=(E+M)
				Protected	Unprotected	Total Excess/(Deficient) Deferred Taxes	Income Tax Gross-Up	Total Account 254/ (Account 182.3)	Protected	Unprotected	FERC Account No. (3)	Protected	Unprotected	Total Amortization	Income Tax Gross-Up	Total Amortization with Gross-up	Excess/(Deficient) DIT	Excess/(Deficient) DIT with Gross-Up
Original Account 282	Original Account 190/282/283	Account 254/ (Account 182.3)												Account 254/ (Account 182.3)	Account 254/ (Account 182.3)			
1		Protected	2017 TCJA	(2)														
2		Unprotected	2017 TCJA	(2)														
3		Total Excess/(Deficient) DIT:																

Notes:

(1) The Tax Cuts and Jobs Act was enacted on December 22, 2017 ("TCJA"). The TCJA reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. The composite and gross-up rates used for the remeasurement of ADIT balances are:

	Pre TCJA	Post TCJA
Federal income tax rate	35.00%	21.00%
State income tax rate	9.00%	9.00%
Federal benefit of deduction for state income tax	-3.15%	-1.89%
Composite federal/state income tax rate	40.85%	28.11%
Composite federal/state tax gross-up factor	1.69062	1.39101

(2) These amounts represent the future refunds to customers of PSE&G's excess deferred income tax liabilities as a result of the TCJA reduction in the federal corporate income tax rate effective January 1, 2018 and as reflected in PSE&G's FERC-approved Section 205 filing in Docket No. ER19-204.

(3) Excess DIT is amortized to FERC Account 411.1 and Deficient DIT is amortized to FERC Account 410.1.

(4) Unamortized Excess/(Deficient) Deferred Tax Regulatory Liabilities/(Assets) and the amortization of those Regulatory Liabilities/(Assets) arising from future tax changes may only be included pursuant to Commission approval authorizing such inclusion.

EXHIBIT II

Clean Version Tariff Attachment

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	(Note O)	Attachment 5	0
2	Total Wages Expense	(Note O)	Attachment 5	0
3	Less A&G Wages Expense	(Note O)	Attachment 5	0
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	0
5	Wages & Salary Allocator		(Line 1 / Line 4)	0.0000%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	Attachment 5	0
7	Common Plant in Service - Electric		(Line 22)	0
8	Total Plant in Service		(Line 6 + 7)	0
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	Attachment 5	0
10	Accumulated Intangible Amortization - Electric	(Note B)	Attachment 5	0
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	Attachment 5	0
12	Accumulated Common Amortization - Electric	(Note B)	Attachment 5	0
13	Total Accumulated Depreciation		(Line 9 + Line 10 + Line 11 + Line 12)	0
14	Net Plant		(Line 8 - Line 13)	0
15	Transmission Gross Plant		(Line 31)	0
16	Gross Plant Allocator		(Line 15 / Line 8)	0.0000%
17	Transmission Net Plant		(Line 43)	0
18	Net Plant Allocator		(Line 17 / Line 14)	0.0000%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	Attachment 5	0
20	General	(Note B)	Attachment 5	0
21	Intangible - Electric	(Note B)	Attachment 5	0
22	Common Plant - Electric	(Note B)	Attachment 5	0
23	Total General, Intangible & Common Plant		(Line 20 + Line 21 + Line 22)	0
24	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	0
25	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	0
26	General and Intangible Excluding Acct. 397		(Line 23 - Line 24 - Line 25)	0
27	Wage & Salary Allocator		(Line 5)	0.0000%
28	General and Intangible Plant Allocated to Transmission		(Line 26 * Line 27)	0
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	0
30	Total General and Intangible Functionalized to Transmission		(Line 28 + Line 29)	0
31	Total Plant In Rate Base		(Line 19 + Line 30)	0
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	0
33	Accumulated General Depreciation	(Note B & J)	Attachment 5	0
34	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	0
35	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	0
36	Balance of Accumulated General Depreciation		(Line 33 + Line 34 - Line 35)	0
37	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	0
38	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 36 + 37)	0
39	Wage & Salary Allocator		(Line 5)	0.0000%
40	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 38 * Line 39)	0
41	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	0
42	Total Accumulated Depreciation		(Lines 32 + 40 + 41)	0
43	Total Net Property, Plant & Equipment		(Line 31 - Line 42)	0

Shaded cells are input cells

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
44	ADIT net of FASB 106 and 109	(Note Q)	Attachment 1	0
Regulatory Assets and Liabilities				
44a	Deficient Deferred Taxes Regulatory Asset (Account 182.3)	enter positive	(Note V)	0
44b	Excess Deferred Taxes Regulatory Liability (Account 254)	enter negative	(Note V)	0
44c	Deficient/Excess Deferred Taxes Regulatory Assets and Liabilities Allocated to Transmission		(Line 44a + 44b)	0
CWIP for Incentive Transmission Projects				
45	CWIP Balances for Current Rate Year	(Note B & H)	Attachment 6	0
Abandoned Transmission Projects				
45a	Unamortized Abandoned Transmission Projects	(Note R)	Attachment 5	0
46	Plant Held for Future Use	(Note C & Q)	Attachment 5	0
Prepayments				
47	Prepayments	(Note A & Q)	Attachment 5	0
Materials and Supplies				
48	Undistributed Stores Expense	(Note Q)	Attachment 5	0
49	Wage & Salary Allocator		(Line 5)	0.0000%
50	Total Undistributed Stores Expense Allocated to Transmission		(Line 48 * Line 49)	0
51	Transmission Materials & Supplies	(Note N & Q)	Attachment 5	0
52	Total Materials & Supplies Allocated to Transmission		(Line 50 + Line 51)	0
Cash Working Capital				
53	Operation & Maintenance Expense		(Line 80)	0
54	1/8th Rule		1/8	12.5%
55	Total Cash Working Capital Allocated to Transmission		(Line 53 * Line 54)	0
Network Credits				
56	Outstanding Network Credits	(Note N)	Attachment 5	0
57	Total Adjustment to Rate Base		(Lines 44 +44c + 45 + 45a + 46 + 47 + 52 + 55 - 56)	0
58	Rate Base		(Line 43 + Line 57)	0

Operations & Maintenance Expense

Transmission O&M				
59	Transmission O&M	(Note O)	Attachment 5	0
60	Plus Transmission Lease Payments	(Note O)	Attachment 5	0
61	Transmission O&M		(Lines 59 + 60)	0
Allocated Administrative & General Expenses				
62	Total A&G	(Note O)	Attachment 5	0
63	Plus: Actual PBOP expense	(Note J)	Attachment 5	0
64	Less: Actual PBOP expense	(Note O)	Attachment 5	0
65	Less Property Insurance Account 924	(Note O)	Attachment 5	0
66	Less Regulatory Commission Exp Account 928	(Note E & O)	Attachment 5	0
67	Less General Advertising Exp Account 930.1	(Note O)	Attachment 5	0
68	Less EPRI Dues	(Note D & O)	Attachment 5	0
69	Administrative & General Expenses		Sum (Lines 62 to 63) - Sum (Lines 64 to 68)	0
70	Wage & Salary Allocator		(Line 5)	0.0000%
71	Administrative & General Expenses Allocated to Transmission		(Line 69 * Line 70)	0
Directly Assigned A&G				
72	Regulatory Commission Exp Account 928	(Note G & O)	Attachment 5	0
73	General Advertising Exp Account 930.1	(Note K & O)	Attachment 5	0
74	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 72 + Line 73)	0
75	Property Insurance Account 924		(Line 65)	0
76	General Advertising Exp Account 930.1	(Note F & O)	Attachment 5	0
77	Total Accounts 928 and 930.1 - General		(Line 75 + Line 76)	0
78	Net Plant Allocator		(Line 18)	0.0000%
79	A&G Directly Assigned to Transmission		(Line 77 * Line 78)	0
80	Total Transmission O&M		(Lines 61 + 71 + 74 + 79)	0

Depreciation & Amortization Expense

Depreciation Expense				
81	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
81a	Amortization of Abandoned Plant Projects	(Note R)	Attachment 5	0
82	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
83	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	0
84	Balance of General Depreciation Expense		(Line 82 - Line 83)	0
85	Intangible Amortization	(Note A & O)	Attachment 5	0
86	Total		(Line 84 + Line 85)	0
87	Wage & Salary Allocator		(Line 5)	0.0000%
88	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 86 * Line 87)	0
89	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	0
90	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 88 + Line 89)	0
<hr/>				
91	Total Transmission Depreciation & Amortization		(Lines 81 + 81a + 90)	0

Taxes Other than Income Taxes

92	Taxes Other than Income Taxes	(Note O)	Attachment 2	0
93	Total Taxes Other than Income Taxes		(Line 92)	0

Return \ Capitalization Calculations

94	Long Term Interest		p117.62.c through 67.c	0
95	Preferred Dividends	enter positive	p118.29.d	0
Common Stock				
96	Proprietary Capital	(Note P)	Attachment 5	0
97	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	0
98	Less Preferred Stock		(Line 106)	0
99	Less Account 216.1	(Note P)	Attachment 5	0
100	Common Stock		(Line 96 - 97 - 98 - 99)	0
Capitalization				
101	Long Term Debt	(Note P)	Attachment 5	0
102	Less Loss on Reacquired Debt	(Note P)	Attachment 5	0
103	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
104	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	0
105	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	0
106	Preferred Stock	(Note P)	Attachment 5	0
107	Common Stock		(Line 100)	0
108	Total Capitalization		(Sum Lines 105 to 107)	0
109	Debt %	Total Long Term Debt	(Line 105 / Line 108)	0.00%
110	Preferred %	Preferred Stock	(Line 106 / Line 108)	0.00%
111	Common %	Common Stock	(Line 107 / Line 108)	0.00%
112	Debt Cost	Total Long Term Debt	(Line 94 / Line 105)	0.0000
113	Preferred Cost	Preferred Stock	(Line 95 / Line 106)	0.0000
114	Common Cost	Common Stock	(Note J) Fixed	0.1168
115	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 109 * Line 112)	0.0000
116	Weighted Cost of Preferred	Preferred Stock	(Line 110 * Line 113)	0.0000
117	Weighted Cost of Common	Common Stock	(Line 111 * Line 114)	0.0000
118	Rate of Return on Rate Base (ROR)		(Sum Lines 115 to 117)	0.0000
<hr/>				
119	Investment Return = Rate Base * Rate of Return		(Line 58 * Line 118)	0

Composite Income Taxes

Income Tax Rates

120	FIT=Federal Income Tax Rate	(Note I)		0.00%
121	SIT=State Income Tax Rate or Composite			0.00%
122	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
123	T	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$		0.00%
124	T / (1-T)			0.00%

ITC Adjustment

125	Amortized Investment Tax Credit	enter negative	(Note O) Attachment 5	0
126	1/(1-T)		1 / (1 - Line 123)	1.00000
127	Net Plant Allocation Factor		(Line 18)	0.0000%
128	ITC Adjustment Allocated to Transmission		(Line 125 * Line 126 * Line 127)	0

Deficient/Excess Deferred Taxes Amortization

128a	Amortized Deficient Deferred Taxes (Account 410.1)		(Note S & V)	0
128b	Amortized Excess Deferred Taxes (Account 411.1)	enter negative	(Note T & V)	0
128c	Total		(Line 128a + Line 128b)	0
128d	1/(1-T)		1 / (1 - Line 123)	1.00000
128e	Deficient/Excess Deferred Taxes Allocated to Transmission		(Line 128c * Line 128d)	0

AFUDC Equity Permanent Difference

128f	Tax Effect of AFUDC Equity Permanent Difference		(Note U)	0
128g	1/(1-T)		1 / (1 - Line 123)	1.00000
128h	AFUDC Equity Permanent Difference Tax Adjustment		(Line 128f * Line 128g)	0

129	Income Tax Component =	$(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)) =$	[Line 124 * Line 119 * (1 - (Line 115 / Line 118))]	-
130	Total Income Taxes		(Lines 128 + 128e + 128h + 129)	-

Revenue Requirement

Summary

131	Net Property, Plant & Equipment		(Line 43)	0
132	Total Adjustment to Rate Base		(Line 57)	0
133	Rate Base		(Line 58)	0
134	Total Transmission O&M		(Line 80)	0
135	Total Transmission Depreciation & Amortization		(Line 91)	0
136	Taxes Other than Income		(Line 93)	0
137	Investment Return		(Line 119)	0
138	Income Taxes		(Line 130)	0

139	Gross Revenue Requirement		(Sum Lines 134 to 138)	0
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Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

140	Transmission Plant In Service		(Line 19)	0
141	Excluded Transmission Facilities	(Note B & M)	Attachment 5	0
142	Included Transmission Facilities		(Line 140 - Line 141)	0
143	Inclusion Ratio		(Line 142 / Line 140)	0.00%
144	Gross Revenue Requirement		(Line 139)	0
145	Adjusted Gross Revenue Requirement		(Line 143 * Line 144)	0

Revenue Credits & Interest on Network Credits

146	Revenue Credits	(Note O)	Attachment 3	-
147	Interest on Network Credits	(Note N & O)	Attachment 5	-

148	Net Revenue Requirement		(Line 145 - Line 146 + Line 147)	0
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Net Plant Carrying Charge

149	Gross Revenue Requirement		(Line 144)	-
150	Net Transmission Plant, CWIP and Abandoned Plant		(Line 19 - Line 32 + Line 45 + Line 45a)	-
151	Net Plant Carrying Charge		(Line 149 / Line 150)	0.0000%
152	Net Plant Carrying Charge without Depreciation		(Line 149 - Line 81) / Line 150	0.0000%
153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 149 - Line 81 - Line 119 - Line 130) / Line 150	0.0000%

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)	-
155	Increased Return and Taxes		Attachment 4	-
156	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 154 + Line 155)	-
157	Net Transmission Plant, CWIP and Abandoned Plant		(Line 19 - Line 32 + Line 45 + Line 45a))	-
158	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 156 / Line 157)	0.0000%
159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 156 - Line 81) / Line 157	0.0000%
160	Net Revenue Requirement		(Line 148)	-
161	True-up amount		Attachment 6	-
162	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 7	-
163	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	-
164	Net Zonal Revenue Requirement		(Line 160 + 161 + 162 + 163)	-

Network Zonal Service Rate

165	1 CP Peak	(Note L)	Attachment 5	-
166	Rate (\$/MW-Year)		(Line 164 / 165)	-

167	Network Service Rate (\$/MW/Year)		(Line 166)	-
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Notes

- A Electric portion only
- B Calculated using 13-month average balances. Beginning year balances are from FERC Form 1.
- 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 shall be based upon the Company's Actual Annual PBOP Expense until changed by a filing at FERC.

The actual Annual PBOP Expense to be included in the Formula Rate Annual Update that is required to be filed on or before October 15 of each year shall be based upon the Actual Annual PBOP Expense as charged to FERC Account 926 on behalf of electric employees for PBOP and as included by the Company in its most recent True-Up Adjustment filing.

PSEG will provide, in connection with each annual True-Up Adjustment filing, a confidential copy of relevant pages from annual actuarial valuation report supporting the derivation of the Actual Annual PBOP Expense as charged to FERC Account 926 on behalf of electric employees.

Depreciation rates shown in Attachment 8 are fixed until changed as the result of a filing at FERC.
If book depreciation rates are different than the Attachment 8 rates, PSE&G will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to FERC Form 1 amounts.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments

towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A.

Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmisison Owner whole on Line 147.
- O Expenses reflect full year plan
- P The projected capital structure shall reflect the capital structure from the FERC Form 1 data. For all other formula rate calculations, the projected capital structure and actual capital structure shall reflect the capital structure from the most recent FERC Form 1 data available.

Calculated using the average of the prior year and current year balances.
- Q Calculated using beginning and year end projected balances.
- R Unamortized Abandoned Plant and Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion.
- S Includes the amortization of any deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority

Deficient deferred income taxes will increase tax expense by the amount of the deficiency multiplied by (1/1-T) (Line 128e).
- T Includes the amortization of any excess deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority.

Excess deferred income taxes will decrease tax expense by the amount of the excess multiplied by (1/1-T) (Line 128e).
- U Includes the annual income tax cost or benefits due to the AFUDC Equity permanent difference. (1/1-T) multiplied by the amount of AFUDC Equity permanent difference included in Line 128f and will increase or decrease tax expense by the amount of the expense or benefit included on Line 128f multiplied by (1/1-T) (Line 128h).
- V Unamortized Excess/Deficient Deferred Tax Regulatory Liabilities/Assets and the Amortization of those Regulatory Liabilities/Assets arising from future tax changes may only be included pursuant to Commission approval authorizing such inclusion.

Public Service Electric and Gas Company
ATTACHMENT H-10A

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31 of the Current Year

	Only Transmission Related	Plant Related	Labor Related	Total ADIT	
ADIT- 282 (Not Subject to Proration)	0	0	0		From Acct. 282 (Not Subject to Proration) total, below
ADIT-283	0	0	0		From Acct. 283 total, below
ADIT-190	0	0	0		From Acct. 190 total, below
Subtotal	0	0	0		
Wages & Salary Allocator			0.0000%		
Net Plant Allocator		0.0000%			
End of Year ADIT	0	0	0	0	
End of Previous Year ADIT (from Sheet 1A-ADIT)	0	0	0	0	
Average Beginning and End of Year ADIT	0	0	0	0	
ADIT – 282 (Subject to Proration)	0	0	0	0	
Total Accumulated Deferred Income Taxes				0	

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

0 < 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						
Subtotal - p234	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

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 of the Current Year

A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Not Subject to Proration)						
Subtotal - ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	

A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Subject to Proration)						
Subtotal - ADIT- 282 (Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Subject to Proration)	0	0	0	0	0	

Instructions for Account 282:

- ADIT items subject to the IRS's proration methodology shall be included in the ADIT- 282 (Subject to Proration) section in order to avoid the two-step averaging of prorated ADIT balances
- 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 of the Current Year

A ADIT-283	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Subtotal - p277	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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 of the Previous Year

	Only Transmission Related	Plant Related	Labor Related	Total ADIT	
ADIT- 282 (Not Subject to Proration)	0	0	0		From Acct. 282 (Not Subject to Proration) total, below
ADIT-283	0	0	0		From Acct. 283 total, below
ADIT-190	0	0	0		From Acct. 190 total, below
Subtotal	0	0	0		
Wages & Salary Allocator			0.0000%		
Net Plant Allocator		0.0000%			
End of Year ADIT	0	0	0	0	Sum Cols. C, D, E; Enter as negative Appendix A, line 42.

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

0 < 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						
Subtotal - p234	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

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 of the Previous Year

A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Not Subject to Proration)						
Subtotal - ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	

A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Subject to Proration)						
Subtotal - ADIT- 282 (Subject to Proration)	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total ADIT- 282 (Subject to Proration)	0	0	0	0	0	

Instructions for Account 282:

- ADIT items subject to the IRS's proration methodology shall be included in the ADIT- 282 (Subject to Proration) section in order to avoid the two-step averaging of prorated ADIT balances
- 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 of the Previous Year

A	B	C	D	E	F	G
	Total	Gas, Prod or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 283						
Subtotal - p277	0	0	0	0	0	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	0	0	0	0	0	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

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Allocated

Other Taxes	Col (j)	Allocator	Allocated Amount
Plant Related			
1 Real Estate	0		
2 Total Plant Related	0	N/A	0
Labor Related			
Wages & Salary Allocator			
3 FICA			
4 Federal Unemployment Tax			
5 New Jersey Unemployment Tax			
6 New Jersey Workforce Development			
7			
8 Total Labor Related	0	0.0000%	0
Other Included			
Net Plant Allocator			
9			
10			
11			
12			
13 Total Other Included	0	0.0000%	0
14 Total Included (Lines 8 + 14 + 19)	0		0
Currently Excluded			
15 Corporate Business Tax			
16 TEFA			
17 Use & Sales Tax			
18 Local Franchise Tax			
19 PA Corporate Income Tax			
20 Municipal Utility			
21 Public Utility Fund			
22 Subtotal, Excluded	0		
23 Total, Included and Excluded (Line 20 + Line 28)	0		
24 Total Other Taxes from p114.14.g - Plan			
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

1	Accounts 450 & 451 Late Payment Penalties Allocated to Transmission		
2	Account 454 - Rent from Electric Property Rent from Electric Property - Transmission Related (Note 2)		
3	Account 456 - Other Electric Revenues Transmission for Others		
4	Schedule 1A		
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)		
6	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner		
7	Professional Services (Note 2)		
8	Revenues from Directly Assigned Transmission Facility Charges (Note 1)		
9	Rent or Attachment Fees associated with Transmission Facilities (Note 2)		
10	Gross Revenue Credits	(Sum Lines 1-9)	-
11	Less line 18	- line 18	-
12	Total Revenue Credits	line 10 + line 11	-
13	Revenues associated with lines 2, 7, and 9 (Note 2)		-
14	Income Taxes associated with revenues in line 13		-
15	One half margin (line 13 - line 14)/2		-
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		-
18	Line 13 less line 17		-

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

Return and Taxes with 100 Basis Point increase in ROE

A	100 Basis Point increase in ROE and Income Taxes	Line 27 + Line 42 from below	#DIV/0!
B	100 Basis Point increase in ROE		1.00%

Return Calculation

		Appendix A Line or Source Reference	
1	Rate Base	(Line 43 + Line 57)	-
2	Long Term Interest	p117.62.c through 67.c	-
3	Preferred Dividends	enter positive p118.29.d	0
Common Stock			
4	Proprietary Capital	Attachment 5	0
5	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	0
6	Less Preferred Stock	(Line 106)	0
7	Less Account 216.1	Attachment 5	0
8	Common Stock	(Line 96 - 97 - 98 - 99)	0
Capitalization			
9	Long Term Debt	Attachment 5	0
10	Less Loss on Reacquired Debt	Attachment 5	0
11	Plus Gain on Reacquired Debt	Attachment 5	0
12	Less ADIT associated with Gain or Loss	Attachment 5	0
13	Total Long Term Debt	(Line 101 - 102 + 103 - 104)	0
14	Preferred Stock	Attachment 5	0
15	Common Stock	(Line 100)	0
16	Total Capitalization	(Sum Lines 105 to 107)	0
17	Debt %	Total Long Term Debt (Line 105 / Line 108)	0.0%
18	Preferred %	Preferred Stock (Line 106 / Line 108)	0.0%
19	Common %	Common Stock (Line 107 / Line 108)	0.0%
20	Debt Cost	Total Long Term Debt (Line 94 / Line 105)	0.0000
21	Preferred Cost	Preferred Stock (Line 95 / Line 106)	0.0000
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)	0.0000
24	Weighted Cost of Preferred	Preferred Stock (Line 110 * Line 113)	0.0000
25	Weighted Cost of Common	Common Stock (Line 111 * Line 114)	0.0000
26	Rate of Return on Rate Base (ROR)	(Sum Lines 115 to 117)	0.0000
27	Investment Return = Rate Base * Rate of Return	(Line 58 * Line 118)	0

Composite Income Taxes

Income Tax Rates			
28	FIT=Federal Income Tax Rate		0.00%
29	SIT=State Income Tax Rate or Composite		0.00%
30	p = percent of federal income tax deductible for state purposes	Per State Tax Code	0.00%
31	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.00%
32	CIT = T / (1-T)		0.00%
33	1 / (1-T)		100.00%
ITC Adjustment			
34	Amortized Investment Tax Credit	enter negative Attachment 5	0
35	1/(1-T)	1 / (1 - Line 123)	100.00%
36	Net Plant Allocation Factor	(Line 18)	0.0000%
37	ITC Adjustment Allocated to Transmission	(Line 125 * Line 126 * Line 127)	0
Deficient/Excess Deferred Taxes Amortization			
38	Amortized Deficient Deferred Taxes (Account 410.1)	(Line 128a)	0
39	Amortized Excess Deferred Taxes (Account 411.1)	enter negative (Line 128b)	0
40	Total	(Line 128a + Line 128b)	0
41	1 / (1-T)	1 / (1 - Line 123)	100.00%
42	Deficient/Excess Deferred Taxes Allocated to Transmission	(Line 128c * Line 128d)	0
AFUDC Equity Permanent Difference			
43	Tax Effect of AFUDC Equity Permanent Difference	(Line 128f)	0
44	1 / (1-T)	1 / (1 - Line 123)	100.00%
45	AFUDC Equity Permanent Difference Tax Adjustment	(Line 128f * Line 128g)	0
46	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	#DIV/0!
47	Total Income Taxes		#DIV/0!

Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 5 - Cost Support

Electric / Non-electric Cost Support				Previous Year	Current Year												Average	Non-electric
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec		
Plant Allocation Factors																		
6	Electric Plant in Service	(Note B)	p207.104g															-
7	Common Plant in Service - Electric	(Note B)	p356															-
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	p219.29c															-
10	Accumulated Intangible Amortization	(Note B)	p200.21c															-
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356															-
12	Accumulated Common Amortization - Electric	(Note B)	p356															-
Plant In Service																		
19	Transmission Plant in Service	(Note B)	p207.58.g															-
20	General	(Note B)	p205.5.g&p207.99.g															-
21	Intangible - Electric	(Note B)	p205.5.g															-
22	Common Plant in Service - Electric	(Note B)	p356															-
24	General Plant Account 397 -- Communications	(Note B)	p207.94g															-
25	Common Plant Account 397 -- Communications	(Note B)	p356															-
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Company Records															-
Accumulated Depreciation																		
32	Transmission Accumulated Depreciation	(Note B & J)	p219.25.c															-
33	Accumulated General Depreciation	(Note B & J)	p219.28.b															-
34	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356															-
35	Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Company Records															-
41	Acc. Deprec. Acct. 397 Directly Assigned to Transmission	(Note B & J)	Company Records															-

Wages & Salary				End of Year
Line #s	Descriptions	Notes	Page #'s & Instructions	
2	Total Wage Expense	(Note A)	p354.28b	-
3	Total A&G Wages Expense	(Note A)	p354.27b	-
1	Transmission Wages		p354.21bt	-

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

Prepayments				Previous Year	Electric Beginning Year	Electric End of Year Balance	Average Balance	Wage & Salary Allocator	To Line 47
Line #s	Descriptions	Notes	Page #'s & Instructions						
47	Prepayments	(Note A & Q)	p111.57c	-	-	-	-	0.000%	-

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

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

O&M Expenses				End of Year
Line #s	Descriptions	Notes	Page #'s & Instructions	
59	Transmission O&M	(Note O)	p321.112.b	-
60	Transmission Lease Payments		p321.96.b	-

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

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	Amount
62	Total A&G Expenses		p323.197b	-
63	Actual PBOP expense	(Note J)		-
64	Actual PBOP expense	(Note O)	Company Records	-

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related
66	Allocated General & Common Expenses Regulatory	(Note E & O)	p323.189b	-	
72	Directly Assigned A&G Regulatory	(Note G & O)	p323.189b	-	

General & Common Expenses

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

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	(Note K & O)	p323.191b	-		

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	(Note K & O)	p323.191b	-		

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
81	Depreciation- Depreciation-	(Note J & O)	p336.7.b&c	
82	Depreciation- Depreciation-	(Note J & O)	p336.7.b&c	
83	Depreciation-General	(Note J & O)	Company Records	
85	Depreciation-	(Note A & O)	p336.1.d&e	
89	Transmission Depreciation	(Note J & O)	Company Records	

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 -		p263.36i	-		

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

Return \ Capitalization

Line #s	Descriptions	Notes	Page #'s & Instructions	XXXX End	XXXX End of	Average
96	Proprietary Capital	(Note P)	p112.16.c,d			
97	Accumulated Other	(Note P)	p112.15.c,d			
99	Account 216.1	(Note P)	Attachment 5			
101	Long Term Debt	(Note P)	p112.18.c,d thru 23.c,d			
102	Loss on Reacquired	(Note P)	p111.81.c,d			
103	Gain on Reacquired	(Note P)	p113.61.c,d			
104	ADIT associated with Gain or	(Note P)	p277.3.k (footnote)			0
106	Preferred Stock	(Note P)	p112.3.c,d			

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	Stat
	Income Tax Rates					

121 SIT=State Income Tax Rate or (Note I)

NJ 0.00%

Amortized Investment Tax Credit

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
125	Amortized Investment Tax Credit	(Note	p266.8.f	-

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															-

Interest on Outstanding Network Credits Cost Support

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

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			

PJM Load Cost Support

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

Abandoned Transmission Projects

Line #s	Descriptions	Notes	Page #'s & Instructions	BRH Project	Project X	Project Y
Attachment 7	a Beginning Balance of Unamortized Transmission Projects		Per FERC Order	\$ --		
	b Years remaining in Amortization Period		Per FERC Order	--		
81	c Transmission Depreciation Expense Including Amortization of Limited Term Plant		(line a / line b)	\$ --	\$	\$
	d Ending Balance of Unamortized Transmission Projects		(line a - line c)	\$ --	\$	\$
	e Average Balance of Unamortized Abandoned Transmission Projects		(line a + d)/2	\$ --	\$	\$
	g Non Incentive Return and Income Taxes		(Appendix A line 137+	--		
Attachment 7	h Rate Base		(Appendix A line 58)	--		
	i Non Incentive Return and Income Taxes		(line g / line h)	--		
	Docket Numbers authorizing amount and period for recovery of Abandoned Transmission Project:					
	BRH Project Docket No. ER12-2274-000 Authorizing \$3,500,000 with a one-year recovery period.					

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 6 - True-up Adjustment for Network Integration Transmission Service

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

follows:

- (i) Beginning with 2009, no later than June 15 of each year PSE&G shall recalculate an adjusted Annual Transmission Revenue Requirement for the previous calendar year based on its actual costs as reflected in its Form No. 1 and its books and records for that calendar year, consistent with FERC accounting policies.²
- (ii) PSE&G shall determine the difference between the recalculated Annual Transmission Revenue Requirement as determined in paragraph (i) above, and ATRR based on projected costs for the previous calendar year (True-Up Adjustment Before Interest).
- (iii) The True-Up Adjustment shall be determined as follows:
 True-Up Adjustment equals the True-Up Adjustment Before Interest multiplied by $(1+i)^{24}$ months
 Where: $i =$ Sum of (the monthly rates for the 10 months ending October 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year) divided by 21 months.

Summary of Formula Rate Process including True-Up Adjustment

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

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

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

Calendar Year	Complete for Each Calendar Year beginning in 2009	
A	ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.	
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	
C	Difference (A-B)	0
D	Future Value Factor $(1+i)^{24}$	1.00000
E	True-up Adjustment (C*D)	0

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

Where:

$i =$ average interest rate as calculated below

Interest on Amount of Refunds or Surcharges

Interest 35.19a for Current Yr		Interest 35.19a for
Month	Yr	Month
January	Year 1	0.0000%
February	Year 1	0.0000%
March	Year 1	0.0000%
April	Year 1	0.0000%
May	Year 1	0.0000%
June	Year 1	0.0000%
July	Year 1	0.0000%
August	Year 1	0.0000%
September	Year 1	0.0000%
October	Year 1	0.0000%
November	Year 1	0.0000%
December	Year 1	0.0000%
January	Year 2	0.0000%
February	Year 2	0.0000%
March	Year 2	0.0000%
April	Year 2	0.0000%
May	Year 2	0.0000%
June	Year 2	0.0000%
July	Year 2	0.0000%
August	Year 2	0.0000%
September	Year 2	0.0000%
Average Interest Rate		0.0000%

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 6A - Project Specific Estimate and Reconciliation Worksheet

Estimated Additions								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Other Projects PIS (Monthly additions)	New Freedom Loop (monthly additions)						Susquehanna Roseland >= 500KV (monthly additions)	Susquehanna Roseland < 500KV (monthly additions)
	(in service)	(in service)	(in service)	(in service)	(in service)		CWIP	CWIP
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Jul								
Aug								
Sep								
Oct								
Nov								
Dec								
Total	-	-	-	-	-	-	-	-

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
Other Projects PIS (monthly balances)	New Freedom Loop (monthly balance)						Susquehanna Roseland >= 500KV (monthly balances)	Susquehanna Roseland < 500KV (monthly balances)
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP
Dec							-	-
Jan	-	-	-	-	-	-	-	-
Feb	-	-	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Average 13 Month Balance	-	-	-	-	-	-	-	-
Average 13 Month in service 13 Month Average CWIP to Appendix A, line 45	-	-	-	-	-	-	-	-

Estimated Transmission Enhancement Charges								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Actual Additions								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)
-----	-----	-----	-----	-----	-----	-----	-----	-----

	Other Projects PIS (Monthly additions)	New Freedom Loop (month balance)						
	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP	
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Jul								
Aug								
Sep								
Oct								
Nov								
Dec								
Total	-	-	-	-	-	-	-	-

	Other Projects PIS (monthly balances)	New Freedom Loop (monthly balance)					Susquehanna Roseland >= 500KV (monthly balances)	Susquehanna Roseland < 500KV (monthly balances)
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Jul								
Aug								
Sep								
Oct								
Nov								
Dec								
Total	-	-	-	-	-	-	-	-

Actual Transmission Enhancement Charges								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Reconciliation amount by Project (without interest)								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Interest 0% 0% 0% 0% 0% 0% 0% 0% 0%

Reconciliation amount by Project (with interest)								
Total Projects	Branchburg (B0130)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans.(B0411)	New Freedom Loop (B0498)		Susquehanna Roseland (B0489) >= 500KV CWIP	Susquehanna Roseland (B0489) < 500KV CWIP
-	-	-	-	-	-	-	-	-

Average 13
Month Balance
Average 13
Month in
service
Average CWIP
to Appendix A,
line 46

**Public Service Electric and Gas Company
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Attachment 7 - Transmission Enhancement Charges Worksheet (TEC)- December 31, 2009
New Plant Carrying Charge

Fixed Charge Rate (FCR) if not a CIAC

	Formula Line		
A	152	Net Plant Carrying Charge without Depreciation	0.0000%
B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.0000%
C		Line B less Line A	0.0000%
FCR if a CIAC			
D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.0000%

**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.
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the 13 month average balance from Attach 6a, and Line 19 will be number of months to be amortized in year plus one.**

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"Yes" if a project under PJM OATT Schedule 12, otherwise "No"
Useful life of the project
"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"
Input the allowed increase in ROE
From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13
Line 14 plus (line 5 times line 15)/100
Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance
Line 17 divided by line 12
Months in service for depreciation expense from Attachment 6
Year placed in Service (0 if CWIP)

Details		Branchburg (B0130)			Kittany (B0134)			Essex Aldene (B0145)			New Freedom Trans.(B0411)		
Schedule 12	(Yes or No)												
Life													
CIAC	(Yes or No)												
Increased ROE (Basis Points)	11.68% ROE												
FCR for This Project	Investment												
Annual Depreciation or Amort Exp													
	Invest Yr	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue
W 11.68 % ROE	2006												
W Increased ROE	2006												
W 11.68 % ROE	2007												
W Increased ROE	2007												
W 11.68 % ROE	2008												
W Increased ROE	2008												
W 11.68 % ROE	2009												
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W Increased ROE	2025												
												
												

New Freedom Loop (B0498)			Metuchen Transformer (B0161)			Branchburg-Flagtown-Sommerville (B0169)			Branchburg Flagtown - Bridgewater (B0170)			Roseland Transformer (B0274)		
Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue

Mid-Atlantic Power Pathway (MAAP) B0512			Burlington - Camden Project (B1156)			West Orange Project (B1154)			Mickleton-Camden-Gloucester Project (B1398, B1398.1, B1398.2, B1398.3, B1398.4, B1398.7)		
Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue

Northeast Grid Reliability Project (B1304)			Susquehanna Roseland (B0489) >= 500KV CWIP			Susquehanna Roseland (B0489) < 500KV CWIP			Bergen-Linden 345 kV Project (B2436-B2437)			Artificial Island Project (B2633)			BRH Project (B0829-B0830) Abandoned Recovery Costs						
Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Total	Incentive Charged	Revenue Credit	
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Public Service Electric and Gas Company

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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
 ATTACHMENT H-10A
 Attachment 9 - Excess/(Deficient) Deferred Income Taxes - FERC Order 864 Worksheet (4)

Line No.	Year	Description:	Vintage:		Beginning of the Year Excess/(Deficient) ADIT Regulatory Liability / (Asset)		D=(C*Tax Gross-up rate) (1)	E=(C+D)	Amortization Period		Amount Amortized			L=(K*Tax Gross-up rate) (1)	M=(K+L)	End of the Year Balance		
					Protected	Unprotected	Income Tax Gross-Up	Total Account 254/ (Account 182.3)	Protected	Unprotected	FERC Account No. (3)	Protected	Unprotected	Total Amortization	Income Tax Gross-Up	Total Amortization with Gross-up	Excess/(Deficient) DIT	Excess/(Deficient) DIT with Gross-Up
					Original Account 282	Original Account 190/282/283			Total Excess/(Deficient) Deferred Taxes Account 254/ (Account 182.3)	Total								
1		Protected	2017 TCJA	(2)														
2		Unprotected	2017 TCJA	(2)														
3		Total Excess/(Deficient) DIT:			-	-	-	-	-	-	-	-	-	-	-	-	-	

Notes:

(1) The Tax Cuts and Jobs Act was enacted on December 22, 2017 ("TCJA"). The TCJA reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. The composite and gross-up rates used for the remeasurement of ADIT balances are:

	Pre TCJA	Post TCJA
Federal income tax rate	35.00%	21.00%
State income tax rate	9.00%	9.00%
Federal benefit of deduction for state income tax	-3.15%	-1.89%
Composite federal/state income tax rate	40.85%	28.11%
Composite federal/state tax gross-up factor	1.69062	1.39101

(2) These amounts represent the future refunds to customers of PSE&G's excess deferred income tax liabilities as a result of the TCJA reduction in the federal corporate income tax rate effective January 1, 2018 and as reflected in PSE&G's FERC-approved Section 205 filing in Docket No. ER19-204.

(3) Excess DIT is amortized to FERC Account 411.1 and Deficient DIT is amortized to FERC Account 410.1.

(4) Unamortized Excess/(Deficient) Deferred Tax Regulatory Liabilities/(Assets) and the amortization of those Regulatory Liabilities/(Assets) arising from future tax changes may only be included pursuant to Commission approval authorizing such inclusion.