

Cara J. Lewis
Managing Counsel - Federal Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza
Newark, NJ 07201
T: 973-430-8836
Email: cara.lewis@pseg.com



October 11, 2021

Via eTariff

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

**RE: Public Service Electric and Gas Company
Docket Nos. ER21-2450, ER22-81-000, Compliance Filing**

Dear Secretary Bose:

In compliance with the order issued by the Federal Energy Regulatory Commission (“Commission”) in Docket No. ER21-2450 on October 1, 2021,¹ Public Service Electric and Gas Company (“PSE&G”) submits for filing, through PJM Interconnection, L.L.C. (“PJM”),² revised tariff records to replace the tariff records designated by PJM as “OATT ATT H-10A, OATT Attachment H-10A – Public Service Electric and Gas Comp” and “OATT Attachment H-10B – PSEG” (Attachments “H-10A” and “H-10B”) to be included in the open-access transmission tariff administered by PJM (“OATT”) to implement revisions to PSE&G’s transmission formula rate and the associated implementation protocols.

I. Background

On July 14, 2021, pursuant to Rule 207(a)(5) of the Commission’s Rules of Practice and Procedure,³ PSE&G filed a Settlement Agreement (“Settlement”) between PSE&G, the New Jersey Board of Public Utilities and the New Jersey Division of Rate Counsel. The Settlement modifies PSE&G’s transmission formula rate template and transmission implementation protocols contained in Attachment H-10A and Attachment H-10B of the PJM OATT. FERC approved the

¹ *Public Service Electric and Gas Company*, 177 FERC ¶ 61,004 (2021) (“October 1 Order”).

² 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 with the Commission’s regulations and the December 1, 2016 Notice of Additional eTariff Type of Filing Codes in Docket No. RM01-5-000. 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, the Company has requested PJM submit this filing in the eTariff system as part of PJM’s electronic Intra-PJM Tariff.

³ 18 C.F.R. § 385.207(a)(5) (2020).

Settlement in its October 1 Order. FERC directed PSE&G to make a compliance filing with the revised tariff records in eTariff format within 30 days of that order.

II. Contents of Filing

In addition to this transmittal letter, this filing consists of the following materials:

1. Exhibit I: Redline version of the tariff sheets reflecting the proposed revisions to Attachment H-10A.
2. Exhibit II: Clean version of the revised tariff sheets reflecting the proposed revisions to Attachment H-10A.
3. Exhibit III: Redline version of the tariff sheets reflecting the proposed revisions to Attachment H-10B.
4. Exhibit IV: Clean version of the revised tariff sheets reflecting the proposed revisions to Attachment H-10B.

III. Revisions to Formula Rate

The approved revisions to the formula rate are described and shown in PSE&G's Petition for Approval of a Settlement Agreement filed in this docket on July 14, 2021. The attached tariff records are identical to those included in the July 14, 2021 filing in all respects with a limited exception to correct typographical errors. Specifically, as identified in the October 1 Order, Section 2(f) of Attachment H-10B is revised to correct typographical errors referencing "section 4" instead of the correct "section 3". Similar revisions have been made to Section 2(e) (replacing "section 4" with "section 3") and Sections 2(b) and (d) (replacing "section 3" with "section 2").

IV. Conclusion

PSE&G respectfully requests that the Commission accept this filing, which is submitted in compliance with the October 1 Order, and accept the revised tariff records to replace the tariff records designated as "OATT ATT H-10A, OATT Attachment H-10A – Public Service Electric and Gas Comp" and "OATT Attachment H-10B – PSEG" to be included in the OATT administered by PJM effective August 1, 2021.

Respectfully submitted,

Cara J. Lewis

Cara J. Lewis
Managing Counsel - Federal Regulatory
PSEG Services Corporation
80 Park Plaza
Newark, NJ 07102
(973) 430-8836
Cara.Lewis@PSEG.com

CERTIFICATE OF SERVICE

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

Dated at Newark, New Jersey, this 11th day of October, 2021.

Very truly yours,

Robert Gardinor

Robert Gardinor
Paralegal

EXHIBIT I

**Marked Version Tariff Attachment
H-10A**

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 227)	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 346)	0
16	Gross Plant Allocator		(Line 15 / Line 8)	0.0000%
17	Transmission Net Plant		(Line 438)	0
18	Net Plant Allocator		(Line 17 / Line 14)	0.0000%
O&M Allocation Factor				
19	Transmission O&M Expense	(Note O)	(Line 68)	0
20	Distribution O&M Expense	(Note O)	Attachment 5	0
21	Total Distribution and Transmission O&M Expense		(Line 19 + 20)	0
22	Transmission O&M Allocator		(Line 19 / Line 21)	0.0000%
23	Multi-Factor A&G Expense Allocator		((Line 5 + Line 16 + Line 22) / 3)	0.0000%

Plant Calculations

Plant In Service				
24	Transmission Plant In Service	(Note B)	Attachment 5	0
25	General	(Note B)	Attachment 5	0
26	Intangible - Electric	(Note B)	Attachment 5	0
27	Common Plant - Electric	(Note B)	Attachment 5	0
28	Total General, Intangible & Common Plant		(Line 205 + Line 246 + Line 227)	0
29	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	0
30	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	0
31	General and Intangible Excluding Acct. 397		(Line 238 - Line 249 - Line 2530)	0
32	Wage & Salary Allocator		(Line 5)	0.0000%
33	General and Intangible Plant Allocated to Transmission		(Line 2631 * Line 2732)	0
34	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	0
35	Total General and Intangible Functionalized to Transmission		(Line 2833 + Line 2934)	0
36	Total Plant In Rate Base		(Line 4924 + Line 305)	0
Accumulated Depreciation				
37	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	0
38	Accumulated General Depreciation	(Note B & J)	Attachment 5	0
39	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	0
40	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	0
41	Balance of Accumulated General Depreciation		(Line 338 + Line 349 - Line 3540)	0
42	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	0
43	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 3641 + 3742)	0
44	Wage & Salary Allocator		(Line 5)	0.0000%
45	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 3843 * Line 3944)	0
46	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	0
47	Total Accumulated Depreciation		(Lines 372 + 405 + 446)	0
48	Total Net Property, Plant & Equipment		(Line 346 - Line 427)	0

Shaded cells are input cells

Adjustment To Rate Base

449	Accumulated Deferred Income Taxes				
	ADIT net of FASB 106 and 109	(Note Q)	Attachment 1		0
	Regulatory Assets and Liabilities				
44a50	Deficient Deferred Taxes Regulatory Asset (Account 182.3)	enter positive	(Note V)		0
44b51	Excess Deferred Taxes Regulatory Liability (Account 254)	enter negative	(Note V)		0
44e52	Deficient/Excess Deferred Taxes Regulatory Assets and Liabilities Allocated to Transmission		(Line 44a-50 + 44b51)		0
	CWIP for Incentive Transmission Projects				
4553	CWIP Balances for Current Rate Year	(Note B & H)	Attachment 6		0
	Abandoned Transmission Projects				
45a54	Unamortized Abandoned Transmission Projects	(Note R)	Attachment 5		0
5546	Plant Held for Future Use	(Note C & Q)	Attachment 5		0
	Prepayments				
4756	Prepayments	(Note A & Q)	Attachment 5		0
	Materials and Supplies				
4857	Undistributed Stores Expense	(Note Q)	Attachment 5		0
4958	Wage & Salary Allocator		(Line 5)		0.0000%
5059	Total Undistributed Stores Expense Allocated to Transmission		(Line 5748 * Line 5849)		0
5460	Transmission Materials & Supplies	(Note N & Q)	Attachment 5		0
5261	Total Materials & Supplies Allocated to Transmission		(Line 590 + Line 6064)		0
	Cash Working Capital/Unfunded Reserves				
5362	Operation & Maintenance Expense-Unfunded Reserves	(Note A & Q)	(Line 80) Attachment 5		00
54	1/8th Rule		-1/8		12.5%
55	Total Cash Working Capital Allocated to Transmission		(Line 53 * Line 54)		0
	Network Credits				
5663	Outstanding Network Credits	(Note N & Q)	Attachment 5		0
5764	Total Adjustment to Rate Base		(Lines 449 + 5244e + 5345 + 5446a + 5546 + 5647 + 5261 +- 5662 - 5663)		00
5865	Rate Base		(Line 438 + Line 5764)		0

Operations & Maintenance Expense

	Transmission O&M				
5966	Transmission O&M	(Note O)	Attachment 5		0
679	Plus Transmission Lease Payments Less: Transmission of Electricity by Others Account 565	(Note O)	Attachment 5		0
684	Transmission O&M		(Lines 59-66 +- 697)		00
	Allocated Administrative & General Expenses				
692	Total A&G	(Note O)	Attachment 5		0
6370	Plus: Actual PBOP expense	(Note J)	Attachment 5		0
6471	Less: Actual PBOP expense	(Note O)	Attachment 5		0
6572	Less Property Insurance Account 924	(Note O)	Attachment 5		0
6673	Less Regulatory Commission Exp Account 928	(Note E & O)	Attachment 5		0
6774	Less General Advertising Exp Account 930.1	(Note O)	Attachment 5		0
6875	Less EPRI Dues	(Note D & O)	Attachment 5		0
6976	Administrative & General Expenses		Sum (Lines 692 to 6370) - Sum (Lines 6471 to 6875)		0
707	Wage & Salary Allocator Multi-Factor A&G Expense Allocator		(Line 523)		0.0000% 0.0
784	Administrative & General Expenses Allocated to Transmission		(Line 6976 * Line 707)		000%
	Directly Assigned A&G				
729	Regulatory Commission Exp Account 928	(Note G & O)	Attachment 5		0
8073	General Advertising Exp Account 930.1	(Note K & O)	Attachment 5		0
8174	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 729 + Line 7380)		0
7582	Property Insurance Account 924		(Line 6572)		0
7683	General Advertising Exp Account 930.1	(Note F & O)	Attachment 5		0
7784	Total Accounts 928 and 930.1 - General		(Line 7582 + Line 7683)		0
7885	Net Plant Allocator		(Line 18)		0.0000%
7986	A&G Directly Assigned to Transmission		(Line 7784 * Line 7885)		0
879	Total Transmission O&M		(Lines 648 + 748 + 7481 + 7986)		0

Depreciation & Amortization Expense**Depreciation Expense**

884	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
894a	Amortization of Abandoned Plant Projects	(Note R)	Attachment 5	0
9082	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
9183	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	0
9284	Balance of General Depreciation Expense		(Line 82-90 - Line 8391)	0
9385	Intangible Amortization	(Note A & O)	Attachment 5	0
9486	Total		(Line 8492 + Line 8593)	0
9587	Wage & Salary Allocator		(Line 5)	0.0000%
9688	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 8694 * Line 8795)	0
9789	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	0
989	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 8896 + Line 8997)	0
994	Total Transmission Depreciation & Amortization		(Lines 848 + 84a9 + 908)	0

Taxes Other than Income Taxes

92100	Taxes Other than Income Taxes	(Note O)	Attachment 2	0
93101	Total Taxes Other than Income Taxes		(Line 92100)	0

Return \ Capitalization Calculations

94102	Long Term Interest		p117.62.c through 67.c	0
10395	Preferred Dividends	enter positive	p118.29.d	0
	Common Stock			
10496	Proprietary Capital	(Note P)	Attachment 5	0
10597	-Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	0
10698	-Less Preferred Stock		(Line 10614)	0
10799	-Less Account 216.1	(Note P)	Attachment 5	0
1089	Common Stock		(Line 96104 -- 97-105 - 98106 - 99-107)	0
	Capitalization			
1094	Long Term Debt	(Note P)	Attachment 5	0
11092	Less Loss on Reacquired Debt	(Note P)	Attachment 5	0
11193	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
11294	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	0
11395	Total Long Term Debt		(Line 1094 - 10210 + 10311 - 10412)	0
11496	Preferred Stock	(Note P)	-Attachment 5	0
11597	Common Stock		(Line 1098)	0
11698	Total -Capitalization		(Sum Lines 10613 to 10715)	0
11799	Debt %	Total Long Term Debt	(Line 10513 / (Line 1084609 + 114 + 115))	0.0000%
1189	Preferred %	Preferred Stock	(Line 10614 / (Line 109 + 114 + 115)0846)	0.0000%
1194	Common %	Common Stock	(Line 10715 / (Line 1084609 + 114 + 115))	0.0000%
12042	Debt Cost	Total Long Term Debt	(Line 10294 / Line 10513)	0.0000
12143	Preferred Cost	Preferred Stock	(Line 95103 / Line 10614)	0.0000
12244	Common Cost	Common Stock	(Note J) Fixed	0.10404168
12345	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 10917 * Line 14220)	0.0000
12446	Weighted Cost of Preferred	Preferred Stock	(Line 1198 * Line 14321)	0.0000
12547	Weighted Cost of Common	Common Stock	(Line 1149 * Line 14422)	0.0000
12648	Rate of Return on Rate Base (ROR)		(Sum Lines 14523 to 14725)	0.0000
12749	Investment Return = Rate Base * Rate of Return		(Line 5865 * Line 14826)	0

Composite Income Taxes

Income Tax Rates				
1298	FIT=Federal Income Tax Rate		(Note I)	0.00%
1294	SIT=State Income Tax Rate or Composite		(Note I) Attachment 5	0.00%
13022	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
12331	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		0.00%
13224	T / (1-T)			0.00%
ITC Adjustment				
13325	Amortized Investment Tax Credit	enter negative	(Note O) Attachment 5	00
13426	1/(1-T)		1 / (1 - Line 12331)	1.00000/100.00%
13527	Net Plant Allocation Factor		(Line 18)	0.0000%
13628	ITC Adjustment Allocated to Transmission		(Line 12533 * Line 12634 * Line 12735)	0
State and Local Tax Credits				
137	State and Local Tax Credits		(Note O) Attachment 5	0
138	1/(1-T)		1 / (1 - Line 131)	100.00%
139	State and Local Tax Credit Adjustment		(Line 137 * Line 138)	0
Deficient/Excess Deferred Taxes Amortization				
42	140	Amortized Deficient Deferred Taxes (Account 410.1)	(Note S & V)	0
42	141	Amortized Excess Deferred Taxes (Account 411.1)	(Note T & V)	0
1428e1	Total		(Line 14028a + Line 14128b)	0
14342	1/(1-T)		1 / (1 - Line 13123)	100.00%/1.00000
14442	Deficient/Excess Deferred Taxes Allocated to Transmission		(Line 14228e * Line 14328d)	0
AFUDC Equity Permanent Difference				
14528	Tax Effect of AFUDC Equity Permanent Difference		(Note U)	0
14628	1/(1-T)		1 / (1 - Line 13123)	1.00000/100.00%
14728	AFUDC Equity Permanent Difference Tax Adjustment		(Line 14528f * Line 14628g)	0
14829	Income Tax Component =	$(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)) =$	(Line 12432 * Line 14927 * (1 - (Line 14523 / Line	0
14930	Total Income Taxes		(Lines 13628 + 13928e + 128h44 + 12947 +	-9

Revenue Requirement

Summary				
15034	Net Property, Plant & Equipment		(Line 4348)	0
15132	Total Adjustment to Rate Base		(Line 6457)	0
15233	Rate Base		(Line 6558)	0
15334	Total Transmission O&M		(Line 879)	0
15435	Total Transmission Depreciation & Amortization		(Line 994)	0
15536	Taxes Other than Income		(Line 10193)	0
15637	Investment Return		(Line 12749)	0
15738	Income Taxes		(Line 14930)	0
15839	Gross Revenue Requirement		(Sum Lines 13453 to 13857)	0
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
15940	Transmission Plant In Service		(Line 4924)	0
16044	Excluded Transmission Facilities		(Note B & M) Attachment 5	00
16142	Included Transmission Facilities		(Line 14959 - Line 14460)	0
16243	Inclusion Ratio		(Line 16142 / Line 14959)	0.00%
16344	Gross Revenue Requirement		(Line 15839)	0
16445	Adjusted Gross Revenue Requirement		(Line 16243 * Line 14463)	0
Revenue Credits & Interest on Network Credits				
16546	Revenue Credits		(Note O) Attachment 3	--
16647	Interest on Network Credits		(Note N & O) Attachment 5	--
16748	Net Revenue Requirement		(Line 14564 - Line 14665 + Line 14766)	0
Net Plant Carrying Charge				
16849	Gross Revenue Requirement		(Line 14458)	-
16916	Net Transmission Plant, CWIP and Abandoned Plant		(Line 4924 - Line 327 + Line 4553 + Line	-
17054	Net Plant Carrying Charge		(Line 16849 / Line 16950)	0.0000%
17152	Net Plant Carrying Charge without Depreciation		(Line 16849 - Line 884) / Line 15069	0.0000%
17253	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 16849 - Line 884 - Line 12749 - Line 13049) / Line 15069	0.0000%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE				
17354	Gross Revenue Requirement Less Return and Taxes		(Line 14458 - Line 15637 - Line 13857)	-
17455	Increased Return and Taxes		Attachment 4	-
17556	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 17354 + Line 15574)	-
17657	Net Transmission Plant, CWIP and Abandoned Plant		(Line 2449 - Line 372 + Line 5345 + Line	-
17758	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 17556 / Line 17657)	0.0000%
17859	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 17556 - Line 884) / Line 17657	0.0000%
17960	Net Revenue Requirement		(Line 14867)	-
18064	True-up amount		Attachment 6	-
18162	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 7	-
18263	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	-
18364	Net Zonal Revenue Requirement		(Line 17960 + 18064 + 18162 + 18263)	-
Network Zonal Service Rate				
18465	1 CP Peak		(Note L) Attachment 5	-
18566	Rate (\$/MW-Year)		(Line 16483 / 18465)	-
18667	Network Service Rate (\$/MW/Year)		(Line 16685)	0.00

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 FERC 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 ~~16476~~.
- 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 ~~128e44~~).
- 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 ~~14428e~~).
- 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 ~~128f45~~ and will increase or decrease tax expense by the amount of the expense or benefit included on Line ~~14528f~~ multiplied by (1/1-T) (Line ~~14728h~~).
- 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				Total ADIT	
	Transmission Related	Plant Related	Labor Related	A&G Expense Related		
ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	From Acct. 282 (Not Subject to Proration) total, below
ADIT-283	0	0	0	0	0	From Acct. 283 total, below
ADIT-190	0	0	0	0	0	From Acct. 190 total, below
Subtotal	0	0	0	0	0	
Wages & Salary Allocator			0.0000%			
Net Plant Allocator		0.0000%				
Multi-Factor A&G Expense Allocator				0.0000%		
End of Year ADIT	0	0	0	0	00	
End of Previous Year ADIT (from Sheet 1A-ADIT)	0	0	0	0	00	
Average Beginning and End of Year ADIT	0	0	0	0	00	
ADIT - 282 (Subject to Proration)	0	0	0	0	00	From Acct. 282 (Subject to Proration) total, below
Total Accumulated Deferred Income Taxes					00	Appendix A, Line 49

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 10812

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 BC-FG and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
ADIT-190							
Subtotal - p234	0	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	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

5. ADIT items related to A&G Expenses and not in Columns C & D are included in Column G

65. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company

ATTACHMENT H-10A

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

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Not Subject to Proration)</i>							
Subtotal - ADIT- 282 (Not Subject to Proration)	0	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	0	

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Subject to Proration)</i>							
Subtotal - ADIT- 282 (Subject to Proration)	0	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	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
- ADIT Items related to A&G Expenses and not in Columns C & D are included in Column G
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company

ATTACHMENT H-10A

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

A	B	C	D	E	F	G	H
ADIT-283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
Subtotal - p277	0	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	0	

Instructions for Account 283:

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

5. ADIT items related to A&G Expenses and not in Columns C & D are included in Column G

65. 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	A&G Expense Related	Total ADIT	
ADIT- 282 (Not Subject to Proration)	0	0	0	0	0	From Acct. 282 (Not Subject to Proration) total, below
ADIT-283	0	0	0	0	0	From Acct. 283 total, below
ADIT-190	0	0	0	0	0	From Acct. 190 total, below
Subtotal	0	0	0	0	0	
Wages & Salary Allocator			0.0000%			
Net Plant Allocator		0.0000%				
Multi-Factor A&G Expense Allocator				0.0000%		
End of Year ADIT	0	0	0	0	0	00 -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 408112

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 BC-FG and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
ADIT-190							
Subtotal - p234	0	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	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
- ADIT items related to A&G Expenses and not in Columns C & D are included in Column G

65. 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	GH
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Not Subject to Proration)</i>							
Subtotal - ADIT- 282 (Not Subject to Proration)	0	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	0	

A	B	C	D	E	F	G	HG
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Subject to Proration)</i>							
Subtotal - ADIT- 282 (Subject to Proration)	0	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	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
- ADIT items related to A&G Expenses and not in Columns C & D are included in Column G
- 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	HG
ADIT- 283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
Subtotal - p277	0	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	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. ADIT items related to A&G Expenses and not in Columns C & D are included in Column G
65. 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 (j)

Allocator

Amount

Plant Related

1	Real Estate	0			Attachment #5
2	Total Plant Related	0	N/A	0	Attachment 5

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 28 + 148 + 193)	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 2014 + Line 282)	0			
----	--	---	--	--	--

24	Total Other Taxes from p114.14.g - Plan Actual				
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25	Difference (Line 239 - Line 3024)	-			
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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

Page #'s & Instructions

1	Accounts 450 & 451 Late Payment Penalties Allocated to Transmission		Company Records
2	Account 454 - Rent from Electric Property Rent from Electric Property - Transmission Related (Note 2)		Company Records
3	Account 456 - Other Electric Revenues Transmission for Others		Company Records
4	Schedule 1A		Company Records
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)		Company Records
6	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner		Company Records
7	Professional Services (Note 2)		Company Records
8	Revenues from Directly Assigned Transmission Facility Charges (Note 1)		Company Records
9	Rent or Attachment Fees associated with Transmission Facilities (Note 2)		Company Records
10	Gross Revenue Credits	(Sum Lines 1-9)	<u>-</u>
11	Less line 18	- line 18	<u>-</u>
12	Total Revenue Credits	line 10 + line 11	<u><u>-</u></u>
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 5042 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 438 + Line 5764)	0-
2	Long Term Interest	p117.62.c through 67.c	0-
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 10614)	0
7	Less: Account 216.1	Attachment 5	0
8	Common Stock	(Line 96104 - 97105 - 98106 - 99107)	0
Capitalization			
9	Long Term Debt	Attachment 5	0
10	Less: Loss on Recquired Debt	Attachment 5	0
11	Plus: Gain on Recquired Debt	Attachment 5	0
12	Less: ADIT associated with Gain or Loss	Attachment 5	0
13	Total Long Term Debt	(Line 1049 - 10210 + 10311 - 10412)	0
14	Preferred Stock	Attachment 5	0
15	Common Stock	(Line 1008)	0
16	Total Capitalization	(Sum Lines 10613 to 10715)	0
17	Debt %	Total Long Term Debt (Line 1091305 / (Line 109 + 114 + 115)4608)	0-00.0%
18	Preferred %	Preferred Stock (Line 11406 / (Line 109 + 114 + 115)4608)	0-00.0%
19	Common %	Common Stock (Line 11507 / (Line 109 + 114 + 115)4608)	0-00.0%
20	Debt Cost	Total Long Term Debt (Line 10294 / Line 10613)	0.0000
21	Preferred Cost	Preferred Stock (Line 10395 / Line 10614)	0.0000
22	Common Cost	Common Stock (Line 14422 + 100 basis points)	0.126814
23	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 11709 * Line 14220)	0.0000
24	Weighted Cost of Preferred	Preferred Stock (Line 1180 * Line 14321)	0.0000
25	Weighted Cost of Common	Common Stock (Line 1194 * Line 14422)	0.0000
26	Rate of Return on Rate Base (ROR)	(Sum Lines 14523 to 14725)	0.0000
27	Investment Return = Rate Base * Rate of Return	(Line 5865 * Line 14826)	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 12331)	100.00%
36	Net Plant Allocation Factor		(Line 18)	0.0000%
37	ITC Adjustment Allocated to Transmission		(Line 12633 * Line 12634 * Line 12735)	0

State and Local Tax Credits

38	State and Local Tax Credits		Attachment 5	0
39	1/(1-T)		1 / (1 - Line 131)	100.00%
40	State and Local Tax Credit Adjustment		(Line 137 * Line 138)	0

Deficient/Excess Deferred Taxes Amortization

413	Amortized Deficient Deferred Taxes (Account 410.1)		(Line 14028a)	0
423	Amortized Excess Deferred Taxes (Account 411.1)	enter negative	(Line 14128b)	0
430	Total		(Line 14028a + Line 14128b)	0
444	1 / (1-T)		1 / (1 - Line 13123)	100.00%
452	Deficient/Excess Deferred Taxes Allocated to Transmission		(Line 14228e * Line 14328d)	0

AFUDC Equity Permanent Difference

463	Tax Effect of AFUDC Equity Permanent Difference		(Line 14528f)	0
474	1 / (1-T)		1 / (1 - Line 12331)	100.00%
485	AFUDC Equity Permanent Difference Tax Adjustment		(Line 14528f * Line 128g46)	0

496	Income Tax Component =	$CIT = (T / (1 - T)) * Investment\ Return * (1 - (WCLTD / R)) =$		#DIV/0!
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504	Total Income Taxes		(Lines 37 + 40 + 45 + 48 + 49)	0#DIV/0!
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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 1 Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec			
Plant Allocation Factors																			
6	a	Total Electric Plant in Service	(Note B) p207.104.g																
	b	Asset Retirement Cost for Transmission Plant	(Note B) p207.57.g																
	c	Asset Retirement Cost for Other Production	(Note B) p207.44.g																
	d	Asset Retirement Cost for Distribution Plant	(Note B) p207.74.g																
	e	Asset Retirement Cost for General Plant	(Note B) p207.98.g																
6		Total Electric Plant in Service (Less: Asset Retirement Costs)	(a - b - c - d - e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7		Common Plant in Service - Electric	(Note B) p356																
9		Accumulated Depreciation (Total Electric Plant)	(Note B & J) p219.29.c																
10		Accumulated Intangible Amortization	(Note B) p200.21.c																
11		Accumulated Common Plant Depreciation - Electric	(Note B & J) p356																
12		Accumulated Common Amortization - Electric	(Note B) p356																
Plant In Service																			
49	f	Total Transmission Plant in Service	(Note B) p207.58.g																
	g	Asset Retirement Cost for Transmission Plant	(Note B) p207.57.g																
24		Transmission Plant in Service (Less: Asset Retirement Costs)	(f - g)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	h	Total General Plant in Service	(Note B) p205.5.g & p207.99.g																
	i	Asset Retirement Cost for General Plant	(Note B) p207.98.g																
25		General Plant in Service (Less: Asset Retirement Costs)	(h - i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
264		Intangible - Electric	(Note B) p205.5.g																
272		Common Plant in Service - Electric	(Note B) p356																
294		General Plant Account 397 -- Communications	(Note B) p207.94.g																
30295		Common Plant Account 397 -- Communications	(Note B) p356																
3429		Account No. 397 Directly Assigned to Transmission	(Note B) Company Records																
Accumulated Depreciation																			
372		Transmission Accumulated Depreciation	(Note B & J) p219.25.c																
383		Accumulated General Depreciation	(Note B & J) p219.28.b																
394		Accumulated Common Plant Depreciation - Electric	(Note B & J) p356																
4035		Amount of General Depreciation Associated with Acct. 397	(Note B & J) Company Records																
464		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 QA)	p354.28.b	-
3	Total A&G Wages Expense	(Note QA)	p354.27.b	-
1	Transmission Wages	(Note O)	p354.21.bt	-

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			-
55	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 5647
5647	Prepayments	(Note A & Q)	p111.57.c				-	0.000%	-

Materials and Supplies

Line #s	Descriptions	Notes	Page #'s & Instructions	Beginning Year Balance	End of Year Balance	Average Balance
5748	Materials and Supplies	(Note -Q)	p227.16.b,c			-
6054	Undistributed Stores Exp	(Note -N & -Q)	p227.5.b.c (footnote) & p227.8.b,c			-
	Transmission Materials & Supplies					-

Outstanding Network Credits Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	Beginning Year Balance	End of Year Balance	Average Balance
6356	Network Credits	(Note N & Q)	From PJM			-
	Outstanding Network Credits					-

O&M Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
6659 679	Transmission O&M Transmission of Electricity by OLease Payments thers 565	(Note -O) (Note O)	p321.112.b p321.96.b	
a	Distribution Expenses	(Note O)	p321.156.b	
b	Customer Accounts Expenses	(Note O)	p321.164.b	
c	Customer Service and Information Expenses	(Note O)	p321.171.b	
d	Sales Expenses	(Note O)	p321.112.b	
20	Total Distribution O&M		(a + b + c + d)	-

Property Insurance Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
7265	Property Insurance Account 924	(Note O)	p323.185	

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year Amount
692	Total A&G Expenses	(Note O)	p323.197.b	
7063 7164	Actual PBOP expense Actual PBOP expense	(Note J) (Note O)	Company Records Company Records	

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related
Allocated General & Common Expenses					
7366	Regulatory Commission Exp Account 928	Regulatory Commission (Note E & O)	p323.189.b		
Directly Assigned A&G					
792	Transmission Regulatory Commission Exp Account 928	(Note G & O)	p35023.189.b		-

General & Common Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	EPRI Dues End of Year
7568	EPRI Dues	— 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
Directly Assigned A&G						
8373	General Advertising Exp Account 930.1	General Advertising (Note K & O)	p323.191.b			

Education and Out Reach Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Education & Outreach	Other
Directly Assigned A&G						
8076	General Advertising Exp Account 930.1	General Advertising (Note K & O)	p323.191.b			

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
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Depreciation Expense

884	<u>Depreciation-Transmission</u>	<u>Depreciation-</u>	(Note J & O)	p336.7.f&e
9082	<u>Depreciation-General & Common</u>	<u>Depreciation-</u>	(Note J & O)	p336.10.f &
9183	<u>Depreciation-General Expense Associated with Acct. 397</u>		(Note J & O)	Company Records
9385	<u>Depreciation-Intangible</u>	<u>Depreciation-</u>	(Note A & O)	p336.1.d&e
9789	<u>Transmission Depreciation Expense for Acct. 397</u>		(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
10092	<u>Real Estate Taxes – Directly Assigned to Transmission</u>		p263.36.j			

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	20XXX End of Year	20XX End of YearXXXX End of	Average
10496	Proprietary Capital	<u>Proprietary Capital</u>	(Note P) p112.16.c,d			-
10597	Accumulated Other Comprehensive Income Account 219		(Note P-) p112.15.c,d			-
10799	Account 216.1	<u>Account</u>	(Note P) Attachment			-
1094	Long Term Debt	<u>Long Term</u>	(Note P-) p112.18.c,d thru 213.c,d			-
11092	Loss on Reacquired Debt	<u>Loss on</u>	(Note P) p111.81.c,d			-
11193	Gain on Reacquired Debt	<u>Gain on</u>	(Note P) p113.61.c,d			-
11294	ADIT associated with Gain or Loss on Reacquired Debt		(Note P) p277.3.k (footnote)			-
11406	Preferred Stock-	<u>Preferred</u>	(Note P) p112.3.c,d			-

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	State 3
Income Tax Rates						
1294	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
13325	Amortized Investment Tax Credit	(Note O)	p266.8.f (footnote), enter negative	

State and Local Tax Credits

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Allocators	Transmission Related
<u>State and Local Tax Credits</u>						
	<u>Labor-related</u>	(Note O)	Tax Return, enter negative		0.00%	-
	<u>Plant-related</u>	(Note O)	Tax Return, enter negative		0.00%	-
	<u>Transmission-related</u>	(Note O)	Tax Return, enter negative		100.00%	-
137	<u>Total</u>					-

Excluded Transmission Facilities

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1-12Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average
16044	Excluded Transmission Facilities	(Note B & M)		-	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest on Outstanding Network Credits Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
16647	Interest on Network Credits	(Note N & O)		-

Facility Credits under Section 30.9 of the PJM OATT

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
18263	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
18465	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	Enter

Abandoned Transmission Projects

Line #s	Descriptions	Notes	Page #'s & Instructions	BRH Project VX	Project XY	Project YZ
Attachm	a Beginning Balance of Unamortized Transmission Projects		Per FERC Order	\$		
84	b Years remaining in Amortization Period Amortization Period		Per FERC Order			
	c Monthly Amortization		(line a / line b)	\$	\$	\$
89	d Months in Year to be Amortized		(line a - line c)	\$	\$	\$
	e Amortization in Rate Year	(Note)	(c * d) / (line a - c)	\$	\$	\$
54 Attach	fg Beginning of Year Balance of Unamortized Transmission		(Appendix A line 137 + line 138)			
ment 7	gh End of Year Balance of Unamortized Transmission Plant Rate		(Appendix A line 58)			
	hi Average Balance of Unamortized Abandoned Transmission Plant	(Note R)	- - (f + g) / 2			
	Docket Number ER12-2274 authorized \$3,500,000 amortization over one year recovery of BRH Abandoned Transmission			ER12-2274		

Unfunded Reserves

Line #s	List of all reserves:	BOY Balance	EOY Balance	Average Balance	Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter zero (0) if the accrual account is NOT included in the formula rate	Enter the percentage paid for by the transmission formula customers	Allocation	Amount Allocated
	(a)	(b)	(c)	(d)	(de)	(fe)	(gf)	(h)(g) = (b x e x d x e x f)	(i) = (d x e x f x g x h)
62	Total	0	0	0					0

Notes:
 The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customer that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). The allocator in Col. (fh) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
 Unfunded Reserve amounts in Col. (b) and (c) are to be entered as a negative.

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	-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.
D	Future Value Factor $(1+i)^{24}$	1.00000	
E	True-up Adjustment $(C * D)$	0	
	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 6 - True-up Adjustment for Network Integration Transmission Service - December 31, 20XX

True-up Revenue Requirement For Year	Projection Revenue Requirement For Year	True-up Adjustment - (Over)/Under Recovery	True-up Year	
			Intermediate Year:	1
			Rate Year:	2

Month	(Refunds)/Surcharges	Cumulative (Refunds)/Surcharges - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate	Calculated Interest	Amortization	Cumulative (Refunds)/Surcharges and Interest - End of Month
Calculation of Interest								
True-Up Year								
1/1/1900	-	-	-	-	0.000%	-	-	-
2/1/1900	-	-	-	-	0.000%	-	-	-
3/1/1900	-	-	-	-	0.000%	-	-	-
4/1/1900	-	-	-	-	0.000%	-	-	-
5/1/1900	-	-	-	-	0.000%	-	-	-
6/1/1900	-	-	-	-	0.000%	-	-	-
7/1/1900	-	-	-	-	0.000%	-	-	-
8/1/1900	-	-	-	-	0.000%	-	-	-
9/1/1900	-	-	-	-	0.000%	-	-	-
10/1/1900	-	-	-	-	0.000%	-	-	-
11/1/1900	-	-	-	-	0.000%	-	-	-
12/1/1900	-	-	-	-	0.000%	-	-	-
Intermediate Year								
1/1/1901	-	-	-	-	0.000%	-	-	-
2/1/1901	-	-	-	-	0.000%	-	-	-
3/1/1901	-	-	-	-	0.000%	-	-	-
4/1/1901	-	-	-	-	0.000%	-	-	-
5/1/1901	-	-	-	-	0.000%	-	-	-
6/1/1901	-	-	-	-	0.000%	-	-	-
7/1/1901	-	-	-	-	0.000%	-	-	-
8/1/1901	-	-	-	-	0.000%	-	-	-
9/1/1901	-	-	-	-	0.000%	-	-	-
10/1/1901	-	-	-	-	0.000%	-	-	-
11/1/1901	-	-	-	-	0.000%	-	-	-
12/1/1901	-	-	-	-	0.000%	-	-	-
(Over)/Under Recovery Plus Interest Amortized and Recovered Over 12 Months								
Rate Year								
1/1/1902	-	-	-	-	0.000%	-	-	-
2/1/1902	-	-	-	-	0.000%	-	-	-
3/1/1902	-	-	-	-	0.000%	-	-	-
4/1/1902	-	-	-	-	0.000%	-	-	-
5/1/1902	-	-	-	-	0.000%	-	-	-
6/1/1902	-	-	-	-	0.000%	-	-	-
7/1/1902	-	-	-	-	0.000%	-	-	-
8/1/1902	-	-	-	-	0.000%	-	-	-
9/1/1902	-	-	-	-	0.000%	-	-	-
10/1/1902	-	-	-	-	0.000%	-	-	-
11/1/1902	-	-	-	-	0.000%	-	-	-
12/1/1902	-	-	-	-	0.000%	-	-	-
True-Up Adjustment with Interest								
Less (Over)/Under Recovery								
Total Interest								

Note 1: The revenue requirements based on actual and projected costs included for the previous calendar year excludes true-up adjustment and is sourced from the Net Zonal Revenue Requirement line on Appendix A.

Note 2: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as determined pursuant to 18 C.F.R. Section 35.19a) posted at <https://www.ferc.gov/interest-calculation-rates-and-methodology>. The monthly interest rate to be applied to the over recovery or under recovery amounts each month during the rate year will equal a simple average of the 12 monthly interest rates for the intermediate year.

Note 3: An over or under collection of a will be recovered prorata over the true-up year, held for the intermediate year and returned prorata over the rate year.

This section is used to input and compute the interest rates to be applied to each year's revenue requirement true-ups.

Applicable FERC Interest Rate (Note A):

1	<u>1/1/1900</u>	
2	<u>2/1/1900</u>	
3	<u>3/1/1900</u>	
4	<u>4/1/1900</u>	
5	<u>5/1/1900</u>	
6	<u>6/1/1900</u>	
7	<u>7/1/1900</u>	
8	<u>8/1/1900</u>	
9	<u>9/1/1900</u>	
10	<u>10/1/1900</u>	
11	<u>11/1/1900</u>	
12	<u>12/1/1900</u>	
13	<u>1/1/1901</u>	
14	<u>2/1/1901</u>	
15	<u>3/1/1901</u>	
16	<u>4/1/1901</u>	
17	<u>5/1/1901</u>	
18	<u>6/1/1901</u>	
19	<u>7/1/1901</u>	
20	<u>8/1/1901</u>	
21	<u>9/1/1901</u>	
22	<u>10/1/1901</u>	
23	<u>11/1/1901</u>	
24	<u>12/1/1901</u>	
25	<u>Average Monthly Rate - Lines 13- 24</u>	<u>0.000%</u>

Note A - Lines 1-24 are the FERC interest rates under section 35.19a of the regulations for the period shown, as posted at <https://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>.

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 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

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

Interest	-	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

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 6A - Project Specific Estimate and Reconciliation Worksheet

Estimated Additions - 20XX	Estimated Additions - 20XX
----------------------------	----------------------------

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	<u>Other Projects PIS</u> <u>(monthly additions)</u>	<u>Project A</u>	<u>Project B</u>	<u>Project C</u>	<u>Project D</u>	<u>Project E</u>	<u>Project F</u>	
		<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	
<u>Dec-XX</u>								
<u>Jan</u>								
<u>Feb</u>								
<u>Mar</u>								
<u>Apr</u>								
<u>May</u>								
<u>Jun</u>								
<u>Jul</u>								
<u>Aug</u>								
<u>Sep</u>								
<u>Oct</u>								
<u>Nov</u>								
<u>Dec</u>								
<u>Total</u>								

	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
		<u>Other Projects</u> <u>PIS</u>	<u>Project A</u>	<u>Project B</u>	<u>Project C</u>	<u>Project D</u>	<u>Project E</u>	<u>Project F</u>
			<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>	<u>(in service)</u>
<u>Dec-XX</u>		-	-	-	-	-	-	-
<u>Jan</u>		-	-	-	-	-	-	-
<u>Feb</u>		-	-	-	-	-	-	-
<u>Mar</u>		-	-	-	-	-	-	-
<u>Apr</u>		-	-	-	-	-	-	-
<u>May</u>		-	-	-	-	-	-	-
<u>Jun</u>		-	-	-	-	-	-	-
<u>Jul</u>		-	-	-	-	-	-	-
<u>Aug</u>		-	-	-	-	-	-	-
<u>Sep</u>		-	-	-	-	-	-	-
<u>Oct</u>		-	-	-	-	-	-	-
<u>Nov</u>		-	-	-	-	-	-	-
<u>Dec</u>		-	-	-	-	-	-	-
<u>Total</u>		-	-	-	-	-	-	-
<u>Average 13 Month</u> <u>Balance</u>		-	-	-	-	-	-	-
<u>Average 13 Month in</u> <u>service</u>			-	-	-	-	-	-
<u>13 Month Average</u> <u>CWIP to Appendix</u> <u>A, line 45</u>								

Estimated Transmission Enhancement Charges (Before True-Up) - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
:						

Actual Additions - 20XX								Actual Additions - 20XX							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
Other Projects PIS (monthly additions)	Project A	Project B	Project C	Project D	Project E	Project F			Other Projects PIS	Project A	Project B	Project C	Project D	Project E	Project F
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)				(in service)	(in service)	(in service)	(in service)	(in service)	(in service)
Dec-XX								Dec-XX	-	-	-	-	-	-	-
Jan								Jan	-	-	-	-	-	-	-
Feb								Feb	-	-	-	-	-	-	-
Mar								Mar	-	-	-	-	-	-	-
Apr								Apr	-	-	-	-	-	-	-
May								May	-	-	-	-	-	-	-
Jun								Jun	-	-	-	-	-	-	-
Jul								Jul	-	-	-	-	-	-	-
Aug								Aug	-	-	-	-	-	-	-
Sep								Sep	-	-	-	-	-	-	-
Oct								Oct	-	-	-	-	-	-	-
Nov								Nov	-	-	-	-	-	-	-
Dec								Dec	-	-	-	-	-	-	-
Total	:	:	:	:	:	:	:	Total	-	-	-	-	-	-	-
								Average 13 Month Balance	-	-	-	-	-	-	-
								Average 13 Month in service		:	:	:	:	:	:
								13 Month Average CWIP to Appendix A, line 45							

Actual Transmission Enhancement Charges - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

Reconciliation by Project (without interest)						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

Interest on Transmission Enhancement Charge Reconciliation						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

True-up by Project (with interest) - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-	-	-	-	-	-	-

Estimated Transmission Enhancement Charges (After True-up) - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

**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 20, 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		-	-	-	-	-	-	-	-	-	-	-	-
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	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	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2014	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2014	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2015	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2015	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2016	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2016	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2017	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2017	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2018	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2018	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2019	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2019	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2020	-	-	-	-	-	-	-	-	-	-	-	-
W Increased ROE	2020	-	-	-	-	-	-	-	-	-	-	-	-
W 11.68 % ROE	2021	-	-	-	-	-	-	-	-	-	-	-	-

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W Increased ROE	2021	-	-	-	-	-	-	-	-
W 11.68 % ROE	2022	-	-	-	-	-	-	-	-
W Increased ROE	2022	-	-	-	-	-	-	-	-
W 11.68 % ROE	2023	-	-	-	-	-	-	-	-
W Increased ROE	2023	-	-	-	-	-	-	-	-
W 11.68 % ROE	2024	-	-	-	-	-	-	-	-
W Increased ROE	2024	-	-	-	-	-	-	-	-
W 11.68 % ROE	2025	-	-	-	-	-	-	-	-
W Increased ROE	2025	-	-	-	-	-	-	-	-
-	----	-	-	-	-	-	-	-	-
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Public Service Electric and Gas Company
ATTACHMENT H-10A
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC)

1	<u>New Plant Carrying Charge</u>			
2	<u>Fixed Charge Rate (FCR) if not a CIAC</u>	<u>Formula Line</u>		
3	A	171	Net Plant Carrying Charge without Depreciation	0.00%
4	B	178	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.00%
5	C		Line B less Line A	0.00%
6	<u>FCR if a CIAC</u>			
7	D	172	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.00%

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 10.65%, 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.

10	Details		Project A			Project B		
11	<u>"Yes" if a project under PJM OATT Schedule 12, otherwise "No"</u>	<u>Schedule 12</u>						
12	<u>Useful life of the project</u>	<u>Life</u>						
13	<u>"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29. Otherwise "No"</u>	<u>CIAC</u>						
14	<u>Input the allowed increase in ROE</u>	<u>Increased ROE (Basis Points)</u>						
15	<u>From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13</u>	10.40% ROE						
16	<u>Line 14 plus (line 5 times line 15)/100</u>	FCR for This Project	0.00%			0.00%		
17	<u>Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance</u>	<u>Investment</u>						
18	<u>Line 17 divided by line 12</u>	<u>Annual Depreciation or Amort Exp</u>	0			0		
19	<u>Months in service for depreciation expense from Attachment 6</u>							
20	<u>Year placed in Service (0 if CWIP)</u>							
21		<u>Invest Yr</u>	<u>Ending</u>	<u>Depreciation or Amortization</u>	<u>Revenue</u>	<u>Ending</u>	<u>Depreciation or Amortization</u>	<u>Revenue</u>
22	-	At Allowed ROE	2006	-	-	-	-	-
23	-	With Increased ROE	2006	-	-	-	-	-
24	-	At Allowed ROE	2007	-	-	-	-	-
25	-	With Increased ROE	2007	-	-	-	-	-
26	-	At Allowed ROE	2008	-	-	-	-	-
27	-	With Increased ROE	2008	-	-	-	-	-
28	-	At Allowed ROE	2009	-	-	-	-	-
29	-	With Increased ROE	2009	-	-	-	-	-
30	-	At Allowed ROE	2010	-	-	-	-	-
31	-	With Increased ROE	2010	-	-	-	-	-
32	-	At Allowed ROE	2011	-	-	-	-	-
33	-	With Increased ROE	2011	-	-	-	-	-
34	-	At Allowed ROE	2012	-	-	-	-	-
35	-	With Increased ROE	2012	-	-	-	-	-
36	-	At Allowed ROE	2013	-	-	-	-	-
37	-	With Increased ROE	2013	-	-	-	-	-
38	-	At Allowed ROE	2014	-	-	-	-	-
39	-	With Increased ROE	2014	-	-	-	-	-
40	-	At Allowed ROE	2015	-	-	-	-	-
41	-	With Increased ROE	2015	-	-	-	-	-
42	-	At Allowed ROE	2016	-	-	-	-	-
43	-	With Increased ROE	2016	-	-	-	-	-
44	-	At Allowed ROE	2017	-	-	-	-	-
45	-	With Increased ROE	2017	-	-	-	-	-
46	-	At Allowed ROE	2018	-	-	-	-	-
47	-	With Increased ROE	2018	-	-	-	-	-
48	-	At Allowed ROE	2019	-	-	-	-	-
49	-	With Increased ROE	2019	-	-	-	-	-
50	-	At Allowed ROE	2020	-	-	-	-	-
51	-	With Increased ROE	2020	-	-	-	-	-
52	-	At Allowed ROE	2021	-	-	-	-	-
53	-	With Increased ROE	2021	-	-	-	-	-

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

1		New Plant Carrying Charge			
2		Fixed Charge Rate (FCR) if not a CIAC			
			Formula		
			Line		
3	A	171	Net Plant Carrying Charge without Depreciation	0.00%	
4	B	178	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.00%	
5	C		Line B less Line A	0.00%	
6		FCR if a CIAC			
7	D	172	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.00%	
		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.			
8		Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 10.65%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.			
9		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.			

			Project C		Project D	
10	Details	-				
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	(Yes or No)	-	-	-	-
12	Useful life of the project	Life	-	-	-	-
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	(Yes or No)	-	-	-	-
14	Input the allowed increase in ROE	Increased ROE (Basis Points)	-	-	-	-
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	10.40% ROE	0.00%	0.00%	0.00%	-
16	Line 14 plus (line 5 times line 15)/100	FCR for This Project	0.00%	0.00%	0.00%	-
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance	Investment	-	-	-	-
18	Line 17 divided by line 12	Annual Depreciation or Amort Exp	0	0	0	-
19	Months in service for depreciation expense from Attachment 6	-	-	-	-	-
20	Year placed in Service (0 if CWIP)	-	-	-	-	-

		Invest Yr	Depreciation or Amortization			Revenue		
			Ending			Ending		
21	-							
22	-	At Allowed ROE	2006	-	-	-	-	-
23	-	With Increased ROE	2006	-	-	-	-	-
24	-	At Allowed ROE	2007	-	-	-	-	-
25	-	With Increased ROE	2007	-	-	-	-	-
26	-	At Allowed ROE	2008	-	-	-	-	-
27	-	With Increased ROE	2008	-	-	-	-	-
28	-	At Allowed ROE	2009	-	-	-	-	-
29	-	With Increased ROE	2009	-	-	-	-	-
30	-	At Allowed ROE	2010	-	-	-	-	-
31	-	With Increased ROE	2010	-	-	-	-	-
32	-	At Allowed ROE	2011	-	-	-	-	-
33	-	With Increased ROE	2011	-	-	-	-	-
34	-	At Allowed ROE	2012	-	-	-	-	-
35	-	With Increased ROE	2012	-	-	-	-	-
36	-	At Allowed ROE	2013	-	-	-	-	-
37	-	With Increased ROE	2013	-	-	-	-	-
38	-	At Allowed ROE	2014	-	-	-	-	-
39	-	With Increased ROE	2014	-	-	-	-	-
40	-	At Allowed ROE	2015	-	-	-	-	-
41	-	With Increased ROE	2015	-	-	-	-	-
42	-	At Allowed ROE	2016	-	-	-	-	-
43	-	With Increased ROE	2016	-	-	-	-	-
44	-	At Allowed ROE	2017	-	-	-	-	-
45	-	With Increased ROE	2017	-	-	-	-	-
46	-	At Allowed ROE	2018	-	-	-	-	-
47	-	With Increased ROE	2018	-	-	-	-	-
48	-	At Allowed ROE	2019	-	-	-	-	-
49	-	With Increased ROE	2019	-	-	-	-	-
50	-	At Allowed ROE	2020	-	-	-	-	-
51	-	With Increased ROE	2020	-	-	-	-	-
52	-	At Allowed ROE	2021	-	-	-	-	-
53	-	With Increased ROE	2021	-	-	-	-	-

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

1			<u>New Plant Carrying Charge</u>		
2			<u>Fixed Charge Rate (FCR) if not a CIAC</u>		
				<u>Formula Line</u>	
3		A		171 <u>Net Plant Carrying Charge without Depreciation</u>	0.00%
4		B		178 <u>Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation</u>	0.00%
5		C		<u>Line B less Line A</u>	0.00%
6			<u>FCR if a CIAC</u>		
7		D		172 <u>Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes</u>	0.00%
8				<u>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 10.65%, 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.</u>	
9					

10		Details	(Yes or No)	Project E	Project F	-	-	-
11	-	<u>"Yes" if a project under PJM OATT Schedule 12, otherwise "No"</u>	-	-	-	-	-	-

12	Useful life of the project	Life	-	-	-	-	-	-	-	-	-		
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29. Otherwise "No"	CIAC	(Yes or No)	-	-	-	-	-	-	-	-		
14	Input the allowed increase in ROE	Increased ROE (Basis Points)	-	-	-	-	-	-	-	-	-		
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	10.40% ROE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
16	Line 14 plus (line 5 times line 15)/100	FCR for This Project	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance	Investment	-	-	-	-	-	-	-	-	-		
18	Line 17 divided by line 12	Annual Depreciation or Amort Exp	0	0	0	0	0	0	0	0	0		
19	Months in service for depreciation expense from Attachment 6	-	-	-	-	-	-	-	-	-	-		
20	Year placed in Service (0 if CWIP)	-	-	-	-	-	-	-	-	-	-		
21			Invest Yr	Ending	Depreciation or Amortization	Revenue	Ending	Depreciation or Amortization	Revenue	Total	Incentive Charged	Revenue Credit	Increased ROE
22		At Allowed ROE	2006	-	-	-	-	-	-	-	-	-	-
23		With Increased ROE	2006	-	-	-	-	-	-	-	-	-	-
24		At Allowed ROE	2007	-	-	-	-	-	-	-	-	-	-
25		With Increased ROE	2007	-	-	-	-	-	-	-	-	-	-
26		At Allowed ROE	2008	-	-	-	-	-	-	-	-	-	-
27		With Increased ROE	2008	-	-	-	-	-	-	-	-	-	-
28		At Allowed ROE	2009	-	-	-	-	-	-	-	-	-	-
29		With Increased ROE	2009	-	-	-	-	-	-	-	-	-	-
30		At Allowed ROE	2010	-	-	-	-	-	-	-	-	-	-
31		With Increased ROE	2010	-	-	-	-	-	-	-	-	-	-
32		At Allowed ROE	2011	-	-	-	-	-	-	-	-	-	-
33		With Increased ROE	2011	-	-	-	-	-	-	-	-	-	-
34		At Allowed ROE	2012	-	-	-	-	-	-	-	-	-	-
35		With Increased ROE	2012	-	-	-	-	-	-	-	-	-	-
36		At Allowed ROE	2013	-	-	-	-	-	-	-	-	-	-
37		With Increased ROE	2013	-	-	-	-	-	-	-	-	-	-
38		At Allowed ROE	2014	-	-	-	-	-	-	-	-	-	-
39		With Increased ROE	2014	-	-	-	-	-	-	-	-	-	-
40		At Allowed ROE	2015	-	-	-	-	-	-	-	-	-	-
41		With Increased ROE	2015	-	-	-	-	-	-	-	-	-	-
42		At Allowed ROE	2016	-	-	-	-	-	-	-	-	-	-
43		With Increased ROE	2016	-	-	-	-	-	-	-	-	-	-
44		At Allowed ROE	2017	-	-	-	-	-	-	-	-	-	-
45		With Increased ROE	2017	-	-	-	-	-	-	-	-	-	-
46		At Allowed ROE	2018	-	-	-	-	-	-	-	-	-	-
47		With Increased ROE	2018	-	-	-	-	-	-	-	-	-	-
48		At Allowed ROE	2019	-	-	-	-	-	-	-	-	-	-
49		With Increased ROE	2019	-	-	-	-	-	-	-	-	-	-
50		At Allowed ROE	2020	-	-	-	-	-	-	-	-	-	-
51		With Increased ROE	2020	-	-	-	-	-	-	-	-	-	-
52		At Allowed ROE	2021	-	-	-	-	-	-	\$ -	-	\$ -	-
53		With Increased ROE	2021	-	-	-	-	-	-	\$ -	\$ -	\$ -	-

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
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 7A - True-up Adjustment for Transmission Enhancement Charges (TECs) (PJM OATT Schedule 12) - December 31, 20XX

TEC True-up Revenue Requirement For Year	TEC Projection Revenue Requirement For Year	TEC True-up Adjustment - (Over)/Under Recovery	True-up Year Intermediate Year:	1
-	-	-	Rate Year:	2

Month	(Refunds)/Surcharges	Cumulative (Refunds)/Surcharges - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate	Calculated Interest	Amortization	Cumulative (Refunds)/Surcharges and Interest - End of Month
Calculation of Interest								
True-Up Year								
1/1/1900	=	-	=	=	0.000%	=		-
2/1/1900	=	-	=	=	0.000%	=		-
3/1/1900	=	-	=	=	0.000%	=		-
4/1/1900	=	-	=	=	0.000%	=		-
5/1/1900	=	-	=	=	0.000%	=		-
6/1/1900	=	-	=	=	0.000%	=		-
7/1/1900	=	-	=	=	0.000%	=		-
8/1/1900	=	-	=	=	0.000%	=		-
9/1/1900	=	-	=	=	0.000%	=		-
10/1/1900	=	-	=	=	0.000%	=		-
11/1/1900	=	-	=	=	0.000%	=		-
12/1/1900	=	-	=	=	0.000%	=		-
Intermediate Year								
1/1/1901	=	-	=	=	0.000%	=		-
2/1/1901	=	-	=	=	0.000%	=		-
3/1/1901	=	-	=	=	0.000%	=		-
4/1/1901	=	-	=	=	0.000%	=		-
5/1/1901	=	-	=	=	0.000%	=		-
6/1/1901	=	-	=	=	0.000%	=		-
7/1/1901	=	-	=	=	0.000%	=		-
8/1/1901	=	-	=	=	0.000%	=		-
9/1/1901	=	-	=	=	0.000%	=		-
10/1/1901	=	-	=	=	0.000%	=		-
11/1/1901	=	-	=	=	0.000%	=		-
12/1/1901	=	-	=	=	0.000%	=		-
(Over)/Under Recovery Plus Interest Amortized and Recovered Over 12 Months								
Rate Year								
1/1/1902	=	-	=	=	0.000%	=		-
2/1/1902	=	-	=	=	0.000%	=		-
3/1/1902	=	-	=	=	0.000%	=		-
4/1/1902	=	-	=	=	0.000%	=		-
5/1/1902	=	-	=	=	0.000%	=		-
6/1/1902	=	-	=	=	0.000%	=		-
7/1/1902	=	-	=	=	0.000%	=		-
8/1/1902	=	-	=	=	0.000%	=		-
9/1/1902	=	-	=	=	0.000%	=		-
10/1/1902	=	-	=	=	0.000%	=		-
11/1/1902	=	-	=	=	0.000%	=		-
12/1/1902	=	-	=	=	0.000%	=		-

TEC True-Up Adjustment with Interest	-
Less TEC (Over)/Under Recovery	-
Total Interest	-

Note 1: The revenue requirements based on actual and projected costs included for the previous calendar year for PJM OATT Schedule 12 Transmission Enhancement Charges (Attachment 7).

Note 2: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as determined pursuant to 18 C.F.R. Section 35.19a) posted at <https://www.ferc.gov/interest-calculation-rates-and-methodology>. The monthly interest rate to be applied to the over recovery or under recovery amounts each month during the rate year will equal a simple average of the 12 monthly interest rates for the intermediate year.

Note 3: An over or under collection of a TEC will be recovered prorata over the true-up year, held for the intermediate year and returned prorata over the rate year.

This section lists the interest rates to be applied to each year's revenue requirement true-ups from Attachment 6.

Applicable FERC Interest Rate (Note A):

1	<u>1/1/1900</u>	<u>0.000%</u>
2	<u>2/1/1900</u>	<u>0.000%</u>
3	<u>3/1/1900</u>	<u>0.000%</u>
4	<u>4/1/1900</u>	<u>0.000%</u>
5	<u>5/1/1900</u>	<u>0.000%</u>
6	<u>6/1/1900</u>	<u>0.000%</u>
7	<u>7/1/1900</u>	<u>0.000%</u>
8	<u>8/1/1900</u>	<u>0.000%</u>
9	<u>9/1/1900</u>	<u>0.000%</u>
10	<u>10/1/1900</u>	<u>0.000%</u>
11	<u>11/1/1900</u>	<u>0.000%</u>
12	<u>12/1/1900</u>	<u>0.000%</u>
13	<u>1/1/1901</u>	<u>0.000%</u>
14	<u>2/1/1901</u>	<u>0.000%</u>
15	<u>3/1/1901</u>	<u>0.000%</u>
16	<u>4/1/1901</u>	<u>0.000%</u>
17	<u>5/1/1901</u>	<u>0.000%</u>
18	<u>6/1/1901</u>	<u>0.000%</u>
19	<u>7/1/1901</u>	<u>0.000%</u>
20	<u>8/1/1901</u>	<u>0.000%</u>
21	<u>9/1/1901</u>	<u>0.000%</u>
22	<u>10/1/1901</u>	<u>0.000%</u>
23	<u>11/1/1901</u>	<u>0.000%</u>
24	<u>12/1/1901</u>	<u>0.000%</u>
25	<u>Average Monthly Rate - Lines 13- 24</u>	<u>0.000%</u>

Note A - Lines 1-24 are the FERC interest rates under section 35.19a of the regulations for the period shown, as posted at <https://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>.

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 8 - Depreciation Rates

<u>FERC</u> <u>Account</u>	<u>Account</u> <u>Description</u> <u>Plant Type</u>	<u>Depreciation</u> <u>Rate</u> <u>PSE&G</u>
Transmission		
<u>350.30</u>	<u>Sidewalks and Curbs</u> <u>Transmission</u>	<u>1.12%</u> 2.40
<u>352.00</u>	<u>Structures and Improvements</u>	<u>1.44%</u>
<u>353.00</u>	<u>Station Equipment</u> <u>Distribution</u>	<u>2.24%</u>
<u>354.00</u>	<u>Towers and Fixtures</u> <u>High Voltage Distribution</u>	<u>1.27%</u> 2.49
<u>355.00</u>	<u>Poles and Fixtures</u>	<u>1.47%</u>
<u>356.00</u>	<u>Overhead Conductors and Devices</u> <u>Meters</u>	<u>2.11%</u> 2.49
<u>357.00</u>	<u>Underground Conduit</u> <u>Line Transformers</u>	<u>1.07%</u> 2.49
<u>358.00</u>	<u>Underground Conductors and Devices</u> <u>All Other Distribution</u>	<u>2.54%</u> 2.49
<u>359.00</u>	<u>Roads and Trails</u>	<u>0.57%</u>
Intangible, General and Common		
<u>303.00</u>	<u>Intangible Plant</u>	<u>Various</u>
<u>390.00</u>	<u>Structures and Improvements</u>	<u>1.40%</u>
<u>390.11</u>	<u>Leasehold – Improvements</u>	<u>Various</u>
<u>390.30</u>	<u>Improvements Other than Park Plaza</u>	<u>1.40%</u>
<u>391.10</u>	<u>Office Furniture</u>	<u>5.00%</u>
<u>391.20</u>	<u>Office Equipment</u>	<u>25.00%</u>
<u>391.30</u>	<u>Office Computer Equipment</u>	<u>14.29%</u>
<u>391.33</u>	<u>Office Personal Computers</u>	<u>33.33%</u>
<u>392.11</u>	<u>Transportation Equipment 13K lb and below</u>	<u>Various</u>
<u>392.20</u>	<u>Transportation Equipment over 13K lb</u>	<u>Various</u>
<u>393.00</u>	<u>Store Equipment</u>	<u>14.29%</u>
<u>394.00</u>	<u>Tools, Shop, and Garage</u> <u>and Other Tangible Equipment</u>	<u>14.29%</u>
<u>395.00</u>	<u>Laboratory Equipment</u>	<u>20.00%</u>
<u>396.00</u>	<u>Power Operated Equipment</u>	<u>Various</u>
<u>397.00</u>	<u>Communications Equipment</u>	<u>10.00%</u>
<u>398.00</u>	<u>Miscellaneous Equipment</u>	<u>14.29%</u>

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		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			Total	Protected	Unprotected	FERC Account No. (3)	Protected			Unprotected	Total Amortization	Excess/(Deficient) DIT	Excess/(Deficient) DIT with Gross-Up
					Original Account 282	Original Account 190/282/283			Excess/(Deficient) Deferred Taxes 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
H-10A**

Shaded cells are input cells

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 27)	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 36)	0
16	Gross Plant Allocator		(Line 15 / Line 8)	0.0000%
17	Transmission Net Plant		(Line 48)	0
18	Net Plant Allocator		(Line 17 / Line 14)	0.0000%
O&M Allocation Factor				
19	Transmission O&M Expense	(Note O)	(Line 68)	0
20	Distribution O&M Expense	(Note O)	Attachment 5	0
21	Total Distribution and Transmission O&M Expense		(Line 19 + 20)	0
22	Transmission O&M Allocator		(Line 19 / Line 21)	0.0000%
23	Multi-Factor A&G Expense Allocator		((Line 5 + Line 16 + Line 22) / 3)	0.0000%

Plant Calculations

Plant In Service				
24	Transmission Plant In Service	(Note B)	Attachment 5	0
25	General	(Note B)	Attachment 5	0
26	Intangible - Electric	(Note B)	Attachment 5	0
27	Common Plant - Electric	(Note B)	Attachment 5	0
28	Total General, Intangible & Common Plant		(Line 25 + Line 26 + Line 27)	0
29	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	0
30	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	0
31	General and Intangible Excluding Acct. 397		(Line 28 - Line 29 - Line 30)	0
32	Wage & Salary Allocator		(Line 5)	0.0000%
33	General and Intangible Plant Allocated to Transmission		(Line 31 * Line 32)	0
34	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	0
35	Total General and Intangible Functionalized to Transmission		(Line 33 + Line 34)	0
36	Total Plant In Rate Base		(Line 24 + Line 35)	0
Accumulated Depreciation				
37	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	0
38	Accumulated General Depreciation	(Note B & J)	Attachment 5	0
39	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	0
40	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	0
41	Balance of Accumulated General Depreciation		(Line 38 + Line 39 - Line 40)	0
42	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	0
43	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 41 + 42)	0
44	Wage & Salary Allocator		(Line 5)	0.0000%
45	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 43 * Line 44)	0
46	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	0
47	Total Accumulated Depreciation		(Lines 37 + 45 + 46)	0
48	Total Net Property, Plant & Equipment		(Line 36 - Line 47)	0

Shaded cells are input cells

Adjustment To Rate Base

49	Accumulated Deferred Income Taxes				
	ADIT net of FASB 106 and 109	(Note Q)	Attachment 1		0
	Regulatory Assets and Liabilities				
50	Deficient Deferred Taxes Regulatory Asset (Account 182.3)	enter positive	(Note V)		
51	Excess Deferred Taxes Regulatory Liability (Account 254)	enter negative	(Note V)		
52	Deficient/Excess Deferred Taxes Regulatory Assets and Liabilities Allocated to Transmission		(Line 50 + 51)		0
	CWIP for Incentive Transmission Projects				
53	CWIP Balances for Current Rate Year	(Note B & H)	Attachment 6		0
	Abandoned Transmission Projects				
54	Unamortized Abandoned Transmission Projects	(Note R)	Attachment 5		0
55	Plant Held for Future Use	(Note C & Q)	Attachment 5		0
	Prepayments				
56	Prepayments	(Note A & Q)	Attachment 5		0
	Materials and Supplies				
57	Undistributed Stores Expense	(Note Q)	Attachment 5		0
58	Wage & Salary Allocator		(Line 5)		0.0000%
59	Total Undistributed Stores Expense Allocated to Transmission		(Line 57 * Line 58)		0
60	Transmission Materials & Supplies	(Note Q)	Attachment 5		0
61	Total Materials & Supplies Allocated to Transmission		(Line 59 + Line 60)		0
	Unfunded Reserves				
62	Unfunded Reserves	(Note A & Q)	Attachment 5		0
	Network Credits				
63	Outstanding Network Credits	(Note N & Q)	Attachment 5		0
64	Total Adjustment to Rate Base		(Lines 49 + 52 + 53 + 54 + 55 + 56 + 61 - 62 - 63)		0
65	Rate Base		(Line 48 + Line 64)		0

Operations & Maintenance Expense

	Transmission O&M				
66	Transmission O&M	(Note O)	Attachment 5		0
67	Less: Transmission of Electricity by Others Account 565	(Note O)	Attachment 5		0
68	Transmission O&M		(Lines 66 - 67)		0
	Allocated Administrative & General Expenses				
69	Total A&G	(Note O)	Attachment 5		0
70	Plus: Actual PBOP expense	(Note J)	Attachment 5		0
71	Less: Actual PBOP expense	(Note O)	Attachment 5		0
72	Less Property Insurance Account 924	(Note O)	Attachment 5		0
73	Less Regulatory Commission Exp Account 928	(Note E & O)	Attachment 5		0
74	Less General Advertising Exp Account 930.1	(Note O)	Attachment 5		0
75	Less EPRI Dues	(Note D & O)	Attachment 5		0
76	Administrative & General Expenses		Sum (Lines 69 to 70) - Sum (Lines 71 to 75)		0
77	Multi-Factor A&G Expense Allocator		(Line 23)		0.0000%
78	Administrative & General Expenses Allocated to Transmission		(Line 76 * Line 77)		0
	Directly Assigned A&G				
79	Regulatory Commission Exp Account 928	(Note G & O)	Attachment 5		0
80	General Advertising Exp Account 930.1	(Note K & O)	Attachment 5		0
81	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 79 + Line 80)		0
82	Property Insurance Account 924		(Line 72)		0
83	General Advertising Exp Account 930.1	(Note F & O)	Attachment 5		0
84	Total Accounts 928 and 930.1 - General		(Line 82 + Line 83)		0
85	Net Plant Allocator		(Line 18)		0.0000%
86	A&G Directly Assigned to Transmission		(Line 84 * Line 85)		0
87	Total Transmission O&M		(Lines 68 + 78 + 81 + 86)		0

Shaded cells are input cells

Depreciation & Amortization Expense**Depreciation Expense**

88	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
89	Amortization of Abandoned Plant Projects	(Note R)	Attachment 5	0
90	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	0
91	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	0
92	Balance of General Depreciation Expense		(Line 90 - Line 91)	0
93	Intangible Amortization	(Note A & O)	Attachment 5	0
94	Total		(Line 92 + Line 93)	0
95	Wage & Salary Allocator		(Line 5)	0.0000%
96	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 94 * Line 95)	0
97	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	0
98	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 96 + Line 97)	0
99	Total Transmission Depreciation & Amortization		(Lines 88 + 89 + 98)	0

Taxes Other than Income Taxes

100	Taxes Other than Income Taxes	(Note O)	Attachment 2	0
101	Total Taxes Other than Income Taxes		(Line 100)	0

Return \ Capitalization Calculations

102	Long Term Interest		p117.62.c through 67.c	
103	Preferred Dividends	enter positive	p118.29.d	
Common Stock				
104	Proprietary Capital	(Note P)	Attachment 5	0
105	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	0
106	Less Preferred Stock	(Note P)	(Line 114)	0
107	Less Account 216.1	(Note P)	Attachment 5	0
108	Common Stock		(Line 104 - 105 - 106 - 107)	0
Capitalization				
109	Long Term Debt	(Note P)	Attachment 5	0
110	Less Loss on Reacquired Debt	(Note P)	Attachment 5	0
111	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
112	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	0
113	Total Long Term Debt		(Line 109 - 110 + 111 - 112)	0
114	Preferred Stock	(Note P)	Attachment 5	0
115	Common Stock		(Line 108)	0
116	Total Capitalization		(Sum Lines 113 to 115)	0
117	Debt %	Total Long Term Debt	(Line 113 / (Line 109 + 114 + 115))	0.00%
118	Preferred %	Preferred Stock	(Line 114 / (Line 109 + 114 + 115))	0.00%
119	Common %	Common Stock	(Line 115 / (Line 109 + 114 + 115))	0.00%
120	Debt Cost	Total Long Term Debt	(Line 102 / Line 113)	0.0000
121	Preferred Cost	Preferred Stock	(Line 103 / Line 114)	0.0000
122	Common Cost	Common Stock	(Note J) Fixed	0.1040
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * Line 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * Line 122)	0.0000
126	Rate of Return on Rate Base (ROR)		(Sum Lines 123 to 125)	0.0000
127	Investment Return = Rate Base * Rate of Return		(Line 65 * Line 126)	0

Shaded cells are input cells

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate	(Note I)	
129	SIT=State Income Tax Rate or Composite	(Note I)	Attachment 5
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	
132	T / (1-T)		
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note O)	Attachment 5
134	1/(1-T)		1 / (1 - Line 131)
135	Net Plant Allocation Factor		(Line 18)
136	ITC Adjustment Allocated to Transmission		(Line 133 * Line 134 * Line 135)
State and Local Tax Credits			
137	State and Local Tax Credits	(Note O)	Attachment 5
138	1/(1-T)		1 / (1 - Line 131)
139	State and Local Tax Credit Adjustment		(Line 137 * Line 138)
Deficient/Excess Deferred Taxes Amortization			
140	Amortized Deficient Deferred Taxes (Account 410.1)	(Note S & V)	
141	Amortized Excess Deferred Taxes (Account 411.1)	(Note T & V)	enter negative
142	Total		(Line 140 + Line 141)
143	1/(1-T)		1 / (1 - Line 131)
144	Deficient/Excess Deferred Taxes Allocated to Transmission		(Line 142 * Line 143)
AFUDC Equity Permanent Difference			
145	Tax Effect of AFUDC Equity Permanent Difference	(Note U)	
146	1/(1-T)		1 / (1 - Line 131)
147	AFUDC Equity Permanent Difference Tax Adjustment		(Line 145 * Line 146)
148	Income Tax Component =	$(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)) =$	(Line 132 * Line 127 * (1 - (Line 123 / Line 126)))
149	Total Income Taxes		(Lines 136 + 139 + 144 + 147 + 148)

Revenue Requirement

Summary			
150	Net Property, Plant & Equipment		(Line 48)
151	Total Adjustment to Rate Base		(Line 64)
152	Rate Base		(Line 65)
153	Total Transmission O&M		(Line 87)
154	Total Transmission Depreciation & Amortization		(Line 99)
155	Taxes Other than Income		(Line 101)
156	Investment Return		(Line 127)
157	Income Taxes		(Line 149)
158	Gross Revenue Requirement		(Sum Lines 153 to 157)
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
159	Transmission Plant In Service		(Line 24)
160	Excluded Transmission Facilities	(Note B & M)	Attachment 5
161	Included Transmission Facilities		(Line 159 - Line 160)
162	Inclusion Ratio		(Line 161 / Line 159)
163	Gross Revenue Requirement		(Line 158)
164	Adjusted Gross Revenue Requirement		(Line 162 * Line 163)
Revenue Credits & Interest on Network Credits			
165	Revenue Credits	(Note O)	Attachment 3
166	Interest on Network Credits	(Note N & O)	Attachment 5
167	Net Revenue Requirement		(Line 164 - Line 165 + Line 166)
Net Plant Carrying Charge			
168	Gross Revenue Requirement		(Line 158)
169	Net Transmission Plant, CWIP and Abandoned Plant		(Line 24 - Line 37 + Line 53 + Line 54)
170	Net Plant Carrying Charge		(Line 168 / Line 169)
171	Net Plant Carrying Charge without Depreciation		(Line 168 - Line 88) / Line 169
172	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 168 - Line 88 - Line 127 - Line 149) / Line 169
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
173	Gross Revenue Requirement Less Return and Taxes		(Line 158 - Line 156 - Line 157)
174	Increased Return and Taxes		Attachment 4
175	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 173 + Line 174)
176	Net Transmission Plant, CWIP and Abandoned Plant		(Line 24 - Line 37 + Line 53 + Line 54)
177	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 175 / Line 176)
178	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 175 - Line 88) / Line 176
Net Revenue Requirement			
179	True-up amount		(Line 167)
180	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 6
181	Facility Credits under Section 30.9 of the PJM OATT		Attachment 7
182	Net Zonal Revenue Requirement		Attachment 5
183			(Line 179 + 180 + 181 + 182)
Network Zonal Service Rate			
184	1 CP Peak	(Note L)	Attachment 5
185	Rate (\$/MW-Year)		(Line 183 / 184)
186	Network Service Rate (\$/MW/Year)		(Line 185)

Notes

- A Electric portion only
- B Calculated using 13-month average balances.
- C Includes Transmission portion only. At each annual informational filing, Company will identify for each parcel of land an intended use within a 15 year period.
- D Includes all EPRI Annual Membership Dues
- E Includes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in FERC 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 166.
- 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 144).
- 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 144).
- 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 145 and will increase or decrease tax expense by the amount of the expense or benefit included on Line 145 multiplied by $(1/1-T)$ (Line 147).
- 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

	<i>Only</i>					
	<i>Transmission</i>	<i>Plant</i>	<i>Labor</i>	<i>A&G Expense</i>	<i>Total</i>	
	<i>Related</i>	<i>Related</i>	<i>Related</i>	<i>Related</i>	<i>ADIT</i>	
<i>ADIT- 282 (Not Subject to Proration)</i>	0	0	0	0	0	From Acct. 282 (Not Subject to Proration) total, below
<i>ADIT-283</i>	0	0	0	0	0	From Acct. 283 total, below
<i>ADIT-190</i>	0	0	0	0	0	From Acct. 190 total, below
<i>Subtotal</i>	0	0	0	0	0	
<i>Wages & Salary Allocator</i>			0.0000%			
<i>Net Plant Allocator</i>		0.0000%				
<i>Multi-Factor A&G Expense Allocator</i>				0.0000%		
<i>End of Year ADIT</i>	0	0	0	0	0	
<i>End of Previous Year ADIT (from Sheet 1A-ADIT)</i>	0	0	0	0	0	
 <i>Average Beginning and End of Year ADIT</i>	0	0	0	0	0	
<i>ADIT - 282 (Subject to Proration)</i>	0	0	0	0	0	From Acct. 282 (Subject to Proration) total, below
<i>Total Accumulated Deferred Income Taxes</i>					<u>0</u>	Appendix A, Line 49

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 112

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 C-G and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B	C	D	E	F	G	H
	<i>Total</i>	<i>Gas, Prod Or Other Related</i>	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>A&G Expense Related</i>	<i>Justification</i>
<i>ADIT-190</i>							
Subtotal - p234	0	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	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
- ADIT items related to A&G Expenses and not in Columns C & D are included in Column G
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company

ATTACHMENT H-10A

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

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Not Subject to Proration)</i>							
Subtotal - ADIT- 282 (Not Subject to Proration)	0	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	0	

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Subject to Proration)</i>							
Subtotal - ADIT- 282 (Subject to Proration)	0	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	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
- ADIT Items related to A&G Expenses and not in Columns C & D are included in Column G
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Public Service Electric and Gas Company

ATTACHMENT H-10A

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

A <i>ADIT-283</i>	B <i>Total</i>	C <i>Gas, Prod or Other Related</i>	D <i>Only Transmission Related</i>	E <i>Plant Related</i>	F <i>Labor Related</i>	G <i>A&G Expense Related</i>	H <i>Justification</i>
Subtotal - p277	0	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	0	

Instructions for Account 283:

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

	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>A&G Expense Related</i>	<i>Total ADIT</i>	
<i>ADIT- 282 (Not Subject to Proration)</i>	0	0	0	0		From Acct. 282 (Not Subject to Proration) total, below
<i>ADIT-283</i>	0	0	0	0		From Acct. 283 total, below
<i>ADIT-190</i>	0	0	0	0		From Acct. 190 total, below
<i>Subtotal</i>	0	0	0	0		
<i>Wages & Salary Allocator</i>			0.0000%			
<i>Net Plant Allocator</i>		0.0000%				
<i>Multi-Factor A&G Expense Allocator</i>				0.0000%		
<i>End of Year ADIT</i>	0	0	0	0	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 112

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 C-G and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B	C	D	E	F	G	H
	<i>Total</i>	<i>Gas, Prod Or Other Related</i>	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>A&G Expense Related</i>	<i>Justification</i>
<i>ADIT-190</i>							
Subtotal - p234	0	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	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
- ADIT items related to A&G Expenses and not in Columns C & D are included in Column G
- 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	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Not Subject to Proration)</i>							
Subtotal - ADIT- 282 (Not Subject to Proration)	0	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	0	

A	B	C	D	E	F	G	H
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	A&G Expense Related	Justification
<i>ADIT- 282 (Subject to Proration)</i>							
Subtotal - ADIT- 282 (Subject to Proration)	0	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	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
- ADIT items related to A&G Expenses and not in Columns C & D are included in Column G
- 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 <i>ADIT- 283</i>	B <i>Total</i>	C <i>Gas, Prod or Other Related</i>	D <i>Only Transmission Related</i>	E <i>Plant Related</i>	F <i>Labor Related</i>	G <i>A&G Expense Related</i>	H <i>Justification</i>
Subtotal - p277	0	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	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. ADIT items related to A&G Expenses and not in Columns C & D are included in Column G
6. 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 (j)	Allocator	Allocated Amount
Plant Related			
1	Real Estate		0
2	Total Plant Related	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		0.0000%
Other Included			
Net Plant Allocator			
9			
10			
11			
12			
13	Total Other Included		0.0000%
14	Total Included (Lines 2 + 8 + 13)		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 14 + Line 22)		0
24	Total Other Taxes from p114.14.g - Actual		
25	Difference (Line 23 - Line 24)		-

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

Page #'s & Instructions

1	Accounts 450 & 451 Late Payment Penalties Allocated to Transmission		-		Company Records
2	Account 454 - Rent from Electric Property Rent from Electric Property - Transmission Related (Note 2)		-		Company Records
3	Account 456 - Other Electric Revenues Transmission for Others		-		Company Records
4	Schedule 1A		-		Company Records
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)		-		Company Records
6	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner		-		Company Records
7	Professional Services (Note 2)		-		Company Records
8	Revenues from Directly Assigned Transmission Facility Charges (Note 1)		-		Company Records
9	Rent or Attachment Fees associated with Transmission Facilities (Note 2)		-		Company Records
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 50 from below	0
B	100 Basis Point increase in ROE		1.00%

Return Calculation

		Appendix A Line or Source Reference	
1	Rate Base	(Line 48 + Line 64)	0
2	Long Term Interest	p117.62.c through 67.c	0
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 114)	0
7	Less: Account 216.1	Attachment 5	0
8	Common Stock	(Line 104 - 105 - 106 - 107)	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 109 - 110 + 111 - 112)	0
14	Preferred Stock	Attachment 5	0
15	Common Stock	(Line 108)	0
16	Total Capitalization	(Sum Lines 113 to 115)	0
17	Debt %	Total Long Term Debt (Line 109 / (Line 109 + 114 + 115))	0.0%
18	Preferred %	Preferred Stock (Line 114 / (Line 109 + 114 + 115))	0.0%
19	Common %	Common Stock (Line 115 / (Line 109 + 114 + 115))	0.0%
20	Debt Cost	Total Long Term Debt (Line 102 / Line 113)	0.0000
21	Preferred Cost	Preferred Stock (Line 103 / Line 114)	0.0000
22	Common Cost	Common Stock (Line 122 + 100 basis points)	0.1140
23	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * Line 120)	0.0000
24	Weighted Cost of Preferred	Preferred Stock (Line 118 * Line 121)	0.0000
25	Weighted Cost of Common	Common Stock (Line 119 * Line 122)	0.0000
26	Rate of Return on Rate Base (ROR)	(Sum Lines 123 to 125)	0.0000
27	Investment Return = Rate Base * Rate of Return	(Line 65 * Line 126)	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	Attachment 5	0
35	1/(1-T)	1 / (1 - Line 131)	100.00%
36	Net Plant Allocation Factor	(Line 18)	0.0000%
37	ITC Adjustment Allocated to Transmission	(Line 133 * Line 134 * Line 135)	0
State and Local Tax Credits			
38	State and Local Tax Credits	Attachment 5	0
39	1/(1-T)	1 / (1 - Line 131)	100.00%
40	State and Local Tax Credit Adjustment	(Line 137 * Line 138)	0
Deficient/Excess Deferred Taxes Amortization			
41	Amortized Deficient Deferred Taxes (Account 410.1)	(Line 140)	0
42	Amortized Excess Deferred Taxes (Account 411.1)	(Line 141)	0
43	Total	(Line 140 + Line 141)	0
44	1 / (1-T)	1 / (1 - Line 131)	100.00%
45	Deficient/Excess Deferred Taxes Allocated to Transmission	(Line 142 * Line 143)	0
AFUDC Equity Permanent Difference			
46	Tax Effect of AFUDC Equity Permanent Difference	(Line 145)	0
47	1 / (1-T)	1 / (1 - Line 131)	100.00%
48	AFUDC Equity Permanent Difference Tax Adjustment	(Line 145 * Line 146)	0
49	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	0
50	Total Income Taxes	(Lines 37 + 40 + 45 + 48 + 49)	0

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

Electric / Non-electric Cost Support				Previous Year	Current Year											Average	
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1 Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average
Plant Allocation Factors																	
a	Total Electric Plant in Service	(Note B)	p207.104.g														
b	Asset Retirement Cost for Transmission Plant	(Note B)	p207.57.g														
c	Asset Retirement Cost for Other Production	(Note B)	p207.44.g														
d	Asset Retirement Cost for Distribution Plant	(Note B)	p207.74.g														
e	Asset Retirement Cost for General Plant	(Note B)	p207.98.g														
6	Total Electric Plant in Service (Less: Asset Retirement Costs)		(a - b - c - d - e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Common Plant in Service - Electric	(Note B)	p356														
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	p219.29.c														
10	Accumulated Intangible Amortization	(Note B)	p200.21.c														
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356														
12	Accumulated Common Amortization - Electric	(Note B)	p356														
Plant In Service																	
f	Total Transmission Plant in Service	(Note B)	p207.58.g														
g	Asset Retirement Cost for Transmission Plant	(Note B)	p207.57.g														
24	Transmission Plant in Service (Less: Asset Retirement Costs)		(f - g)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Total General Plant in Service	(Note B)	p207.99.g														
i	Asset Retirement Cost for General Plant	(Note B)	p207.98.g														
25	General Plant in Service (Less: Asset Retirement Costs)		(h - i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Intangible - Electric	(Note B)	p205.5.g														
27	Common Plant in Service - Electric	(Note B)	p356														
29	General Plant Account 397 -- Communications	(Note B)	p207.94.g														
30	Common Plant Account 397 -- Communications	(Note B)	p356														
34	Account No. 397 Directly Assigned to Transmission	(Note B)	Company Records														
Accumulated Depreciation																	
37	Transmission Accumulated Depreciation	(Note B & J)	p219.25.c														
38	Accumulated General Depreciation	(Note B & J)	p219.28.b														
39	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356														
40	Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Company Records														
46	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 O)	p354.28.b	
3	Total A&G Wages Expense	(Note O)	p354.27.b	
1	Transmission Wages	(Note O)	p354.21.b	

Transmission / Non-transmission Cost Support

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

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 56
56	Prepayments	(Note A & Q)	p111.57.c				-	0.000%	-

Materials and Supplies

Line #s	Descriptions	Notes	Page #'s & Instructions	Beginning Year Balance	End of Year Balance	Average Balance
57	Materials and Supplies Undistributed Stores Exp	(Note Q)	p227.16.b,c			-
60	Transmission Materials & Supplies	(Note Q)	p227.5.b,c (footnote) & 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
63	Network Credits Outstanding Network Credits	(Note N & Q)	From PJM			-

O&M Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
66	Transmission O&M	(Note O)	p321.112.b	
67	Transmission of Electricity by Others 565	(Note O)	p321.96.b	
a	Distribution Expenses	(Note O)	p321.156.b	
b	Customer Accounts Expenses	(Note O)	p321.164.b	
c	Customer Service and Information Expenses	(Note O)	p321.171.b	
d	Sales Expenses	(Note O)	p321.112.b	
20	Total Distribution O&M		(a + b + c + d)	-

Property Insurance Expenses

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

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
69	Total A&G Expenses	(Note O)	p323.197.b	
70	Actual PBOP expense	(Note J)	Company Records	
71	Actual PBOP expense	(Note O)	Company Records	

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
Allocated General & Common Expenses				
73	Regulatory Commission Exp Account 928	(Note E & O)	p323.189.b	
Directly Assigned A&G				
79	Transmission Regulatory Commission Exp Account 928	(Note G & O)	p350	

General & Common Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
75	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
Directly Assigned A&G						
83	General Advertising Exp Account 930.1	(Note F & O)	p323.191.b			-

Education and Out Reach Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Education & Outreach	Other
Directly Assigned A&G						
80	General Advertising Exp Account 930.1	(Note K & O)	p323.191.b			-

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
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Depreciation Expense

88	Depreciation-Transmission	(Note J & O)	p336.7.f
90	Depreciation-General & Common	(Note J & O)	p336.10.f & .11.f
91	Depreciation-General Expense Associated with Acct. 397	(Note J & O)	Company Records
93	Depreciation-Intangible	(Note A & O)	p336.1.d&e
97	Transmission Depreciation Expense for Acct. 397	(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
100	Real Estate Taxes – Directly Assigned to Transmission		p263.36.i			-

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	20XX End of Year	20XX End of Year	Average
104	Proprietary Capital	(Note P)	p112.16.c,d			-
105	Accumulated Other Comprehensive Income Account 219	(Note P)	p112.15.c,d			-
107	Account 216.1	(Note P)	p119.53.c,d			-
109	Long Term Debt	(Note P)	p112.18.c,d thru 21.c,d			-
110	Loss on Reacquired Debt	(Note P)	p111.81.c,d			-
111	Gain on Reacquired Debt	(Note P)	p113.61.c,d			-
112	ADIT associated with Gain or Loss on Reacquired Debt	(Note P)	p277.3.k (footnote)			-
114	Preferred Stock	(Note P)	p112.3.c,d			-

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	State 3
Income Tax Rates						
129	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
133	Amortized Investment Tax Credit	(Note O)	p266.8.f (footnote), enter negative	

State and Local Tax Credits

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Allocators	Transmission Related
State and Local Tax Credits						
	Labor-related	(Note O)	Tax Return, enter negative		0.00%	-
	Plant-related	(Note O)	Tax Return, enter negative		0.00%	-
	Transmission-related	(Note O)	Tax Return, enter negative		100.00%	-
137	Total					-

Excluded Transmission Facilities

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1 Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average
160	Excluded Transmission Facilities	(Note B & M)															-

Interest on Outstanding Network Credits Cost Support

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

Facility Credits under Section 30.9 of the PJM OATT

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
182	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
184	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	

Abandoned Transmission Projects

Line #s	Descriptions	Notes	Page #'s & Instructions	Project X	Project Y	Project Z
	a Beginning Balance of Unamortized Transmission Projects		Per FERC Order			
	b Amortization Period (Months)		Per FERC Order			
	c Monthly Amortization		(a / b)	-	-	-
	d Months in Year to be Amortized					
89	e Amortization in Rate Year	(Note R)	(c * d)	-	-	-
	f Beginning of Year Balance of Unamortized Transmission Plant					
	g End of Year Balance of Unamortized Transmission Plant			-	-	-
54	h Average Balance of Unamortized Abandoned Transmission Plant	(Note R)	(f + g)/2	-	-	-

Unfunded Reserves

Line #s	List of all reserves:	BOY Balance	EOY Balance	Average Balance	Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account	Enter 1 if the accrual account is included in the formula rate, enter zero (0) if the accrual account is NOT included in the formula rate	Enter the percentage paid for by the transmission formula customers	Allocation	Amount Allocated
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) = (d x e x f x g x h)
				0					0
				0					0
				0					0
				0					0
62	Total	0	0	0					0

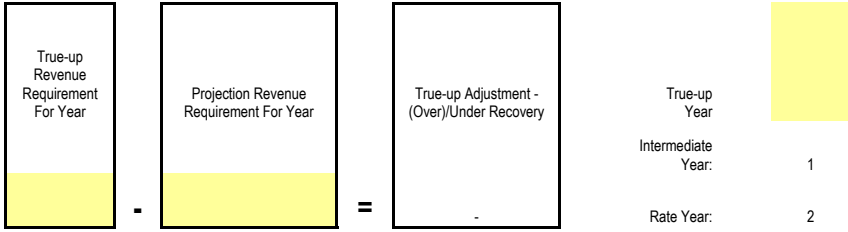
Notes:
The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customer that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). The allocator in Col. (h) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.

Unfunded Reserve amounts in Col. (b) and (c) are to be entered as a negative.

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 6 - True-up Adjustment for Network Integration Transmission Service - December 31, 20XX



Month	(Refunds)/Surcharges	Cumulative (Refunds)/Surcharges - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate	Calculated Interest	Amortization	Cumulative (Refunds)/Surcharges and Interest - End of Month
Calculation of Interest								
True-Up Year								
1/1/1900	-	-	-	-	0.000%	-	-	-
2/1/1900	-	-	-	-	0.000%	-	-	-
3/1/1900	-	-	-	-	0.000%	-	-	-
4/1/1900	-	-	-	-	0.000%	-	-	-
5/1/1900	-	-	-	-	0.000%	-	-	-
6/1/1900	-	-	-	-	0.000%	-	-	-
7/1/1900	-	-	-	-	0.000%	-	-	-
8/1/1900	-	-	-	-	0.000%	-	-	-
9/1/1900	-	-	-	-	0.000%	-	-	-
10/1/1900	-	-	-	-	0.000%	-	-	-
11/1/1900	-	-	-	-	0.000%	-	-	-
12/1/1900	-	-	-	-	0.000%	-	-	-
Intermediate Year								
1/1/1901	-	-	-	-	0.000%	-	-	-
2/1/1901	-	-	-	-	0.000%	-	-	-
3/1/1901	-	-	-	-	0.000%	-	-	-
4/1/1901	-	-	-	-	0.000%	-	-	-
5/1/1901	-	-	-	-	0.000%	-	-	-
6/1/1901	-	-	-	-	0.000%	-	-	-
7/1/1901	-	-	-	-	0.000%	-	-	-
8/1/1901	-	-	-	-	0.000%	-	-	-
9/1/1901	-	-	-	-	0.000%	-	-	-
10/1/1901	-	-	-	-	0.000%	-	-	-
11/1/1901	-	-	-	-	0.000%	-	-	-
12/1/1901	-	-	-	-	0.000%	-	-	-
(Over)/Under Recovery Plus Interest Amortized and Recovered Over 12 Months								
Rate Year								
1/1/1902	-	-	-	-	0.000%	-	-	-
2/1/1902	-	-	-	-	0.000%	-	-	-
3/1/1902	-	-	-	-	0.000%	-	-	-
4/1/1902	-	-	-	-	0.000%	-	-	-
5/1/1902	-	-	-	-	0.000%	-	-	-
6/1/1902	-	-	-	-	0.000%	-	-	-
7/1/1902	-	-	-	-	0.000%	-	-	-
8/1/1902	-	-	-	-	0.000%	-	-	-
9/1/1902	-	-	-	-	0.000%	-	-	-
10/1/1902	-	-	-	-	0.000%	-	-	-
11/1/1902	-	-	-	-	0.000%	-	-	-
12/1/1902	-	-	-	-	0.000%	-	-	-

True-Up Adjustment with Interest

-

Less (Over)/Under Recovery

-

Note 1: The revenue requirements based on actual and projected costs included for the previous calendar year excludes true-up adjustment and is sourced from the Net Zonal Revenue Requirement line on Appendix A.

Note 2: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as determined pursuant to 18 C.F.R. Section 35.19a) posted at <https://www.ferc.gov/interest-calculation-rates-and-methodology>. The monthly interest rate to be applied to the over recovery or under recovery amounts each month during the rate year will equal a simple average of the 12 monthly interest rates for the intermediate year.

Note 3: An over or under collection of a will be recovered prorata over the true-up year, held for the intermediate year and returned prorata over the rate year.

This section is used to input and compute the interest rates to be applied to each year's revenue requirement true-ups.

Applicable FERC Interest Rate (Note A):

1	1/1/1900	
2	2/1/1900	
3	3/1/1900	
4	4/1/1900	
5	5/1/1900	
6	6/1/1900	
7	7/1/1900	
8	8/1/1900	
9	9/1/1900	
10	10/1/1900	
11	11/1/1900	
12	12/1/1900	
13	1/1/1901	
14	2/1/1901	
15	3/1/1901	
16	4/1/1901	
17	5/1/1901	
18	6/1/1901	
19	7/1/1901	
20	8/1/1901	
21	9/1/1901	
22	10/1/1901	
23	11/1/1901	
24	12/1/1901	

25 Average Monthly Rate - Lines 13- 24 0.000%

Note A - Lines 1-24 are the FERC interest rates under section 35.19a of the regulations for the period shown, as posted at <https://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>.

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 6A - Project Specific Estimate and Reconciliation Worksheet

Estimated Additions - 20XX								Estimated Additions - 20XX							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
Other Projects PIS (monthly additions)	Project A	Project B	Project C	Project D	Project E	Project F			Other Projects PIS	Project A	Project B	Project C	Project D	Project E	Project F
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)				(in service)	(in service)	(in service)	(in service)	(in service)	(in service)
Dec-XX								Dec-XX	-	-	-	-	-	-	-
Jan								Jan	-	-	-	-	-	-	-
Feb								Feb	-	-	-	-	-	-	-
Mar								Mar	-	-	-	-	-	-	-
Apr								Apr	-	-	-	-	-	-	-
May								May	-	-	-	-	-	-	-
Jun								Jun	-	-	-	-	-	-	-
Jul								Jul	-	-	-	-	-	-	-
Aug								Aug	-	-	-	-	-	-	-
Sep								Sep	-	-	-	-	-	-	-
Oct								Oct	-	-	-	-	-	-	-
Nov								Nov	-	-	-	-	-	-	-
Dec								Dec	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	Total	-	-	-	-	-	-	-
								Average 13 Month Balance	-	-	-	-	-	-	-
								Average 13 Month in service		-	-	-	-	-	-
								13 Month Average CWIP to Appendix A, line 45							

Estimated Transmission Enhancement Charges (Before True-Up) - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

Actual Additions - 20XX							Actual Additions - 20XX									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
Other Projects PIS (monthly additions)	Project A	Project B	Project C	Project D	Project E	Project F			Other Projects PIS	Project A	Project B	Project C	Project D	Project E	Project F	
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)				(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	
Dec-XX								Dec-XX	-	-	-	-	-	-	-	
Jan								Jan	-	-	-	-	-	-	-	
Feb								Feb	-	-	-	-	-	-	-	
Mar								Mar	-	-	-	-	-	-	-	
Apr								Apr	-	-	-	-	-	-	-	
May								May	-	-	-	-	-	-	-	
Jun								Jun	-	-	-	-	-	-	-	
Jul								Jul	-	-	-	-	-	-	-	
Aug								Aug	-	-	-	-	-	-	-	
Sep								Sep	-	-	-	-	-	-	-	
Oct								Oct	-	-	-	-	-	-	-	
Nov								Nov	-	-	-	-	-	-	-	
Dec								Dec	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	Total	-	-	-	-	-	-	-	
								Average 13 Month Balance	-	-	-	-	-	-	-	
								Average 13 Month in service		-	-	-	-	-	-	
								13 Month Average CWIP to Appendix A, line 45								

Actual Transmission Enhancement Charges - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

Reconciliation by Project (without interest)						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

Interest on Transmission Enhancement Charge Reconciliation						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

True-up by Project (with interest) - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-	-	-	-	-	-	-

Estimated Transmission Enhancement Charges (After True-up) - 20XX						
Total Projects	Project A	Project B	Project C	Project D	Project E	Project F
-						

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

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a CIAC			
		Formula Line		
3	A	171	Net Plant Carrying Charge without Depreciation	0.00%
4	B	178	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.00%
5	C		Line B less Line A	0.00%
6	FCR if a CIAC			
7	D	172	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.00%

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 10.65%, 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.

10	Details	(Yes or No)	Project A			Project B		
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12						
12	Useful life of the project	Life						
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	CIAC						
14	Input the allowed increase in ROE	Increased ROE (Basis Points)						
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	10.40% ROE	0.00%			0.00%		
16	Line 14 plus (line 5 times line 15)/100	FCR for This Project	0.00%			0.00%		
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance	Investment						
18	Line 17 divided by line 12	Annual Depreciation or Amort Exp	0			0		
19	Months in service for depreciation expense from Attachment 6							
20	Year placed in Service (0 if CWIP)							
21		Invest Yr	Ending	Depreciation or Amortization	Revenue	Ending	Depreciation or Amortization	Revenue
22	At Allowed ROE	2006						
23	With Increased ROE	2006						
24	At Allowed ROE	2007						
25	With Increased ROE	2007						
26	At Allowed ROE	2008						
27	With Increased ROE	2008						
28	At Allowed ROE	2009						
29	With Increased ROE	2009						
30	At Allowed ROE	2010						
31	With Increased ROE	2010						
32	At Allowed ROE	2011						
33	With Increased ROE	2011						
34	At Allowed ROE	2012						
35	With Increased ROE	2012						
36	At Allowed ROE	2013						
37	With Increased ROE	2013						
38	At Allowed ROE	2014						
39	With Increased ROE	2014						
40	At Allowed ROE	2015						
41	With Increased ROE	2015						
42	At Allowed ROE	2016						
43	With Increased ROE	2016						
44	At Allowed ROE	2017						
45	With Increased ROE	2017						
46	At Allowed ROE	2018						
47	With Increased ROE	2018						
48	At Allowed ROE	2019						
49	With Increased ROE	2019						
50	At Allowed ROE	2020						

51	With Increased ROE	2020						
52	At Allowed ROE	2021	-	-	-	-	-	-
53	With Increased ROE	2021	-	-	-	-	-	-

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

1	New Plant Carrying Charge			
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4	B	178	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.00%
5	C		Line B less Line A	0.00%
6	FCR if a CIAC			
7	D	172	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.00%

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 10.65%, 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.

10	Details	(Yes or No)	Project C			Project D		
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	(Yes or No)						
12	Useful life of the project							
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	(Yes or No)						
14	Input the allowed increase in ROE							
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13		10.40% ROE	0.00%		0.00%	0.00%	
16	Line 14 plus (line 5 times line 15)/100		FCR for This Project	0.00%		0.00%	0.00%	
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance		Investment					
18	Line 17 divided by line 12		Annual Depreciation or Amort Exp	0		0		
19	Months in service for depreciation expense from Attachment 6							
20	Year placed in Service (0 if CWIP)							
21		Invest Yr	Ending	Depreciation or Amortization	Revenue	Ending	Depreciation or Amortization	Revenue
22	At Allowed ROE	2006						
23	With Increased ROE	2006						
24	At Allowed ROE	2007						
25	With Increased ROE	2007						
26	At Allowed ROE	2008						
27	With Increased ROE	2008						
28	At Allowed ROE	2009						
29	With Increased ROE	2009						
30	At Allowed ROE	2010						
31	With Increased ROE	2010						
32	At Allowed ROE	2011						
33	With Increased ROE	2011						
34	At Allowed ROE	2012						
35	With Increased ROE	2012						
36	At Allowed ROE	2013						
37	With Increased ROE	2013						
38	At Allowed ROE	2014						
39	With Increased ROE	2014						
40	At Allowed ROE	2015						
41	With Increased ROE	2015						

42	At Allowed ROE	2016						
43	With Increased ROE	2016						
44	At Allowed ROE	2017						
45	With Increased ROE	2017						
46	At Allowed ROE	2018						
47	With Increased ROE	2018						
48	At Allowed ROE	2019						
49	With Increased ROE	2019						
50	At Allowed ROE	2020						
51	With Increased ROE	2020						
52	At Allowed ROE	2021	-	-	-	-	-	-
53	With Increased ROE	2021	-	-	-	-	-	-

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

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a CIAC			
		Formula Line		
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4	B	178	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	0.00%
5	C		Line B less Line A	0.00%
6	FCR if a CIAC			
7	D	172	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	0.00%

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 10.65%, 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.

10	Details	(Yes or No)	Project E			Project F						
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12										
12	Useful life of the project	Life										
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	CIAC										
14	Input the allowed increase in ROE	Increased ROE (Basis Points)										
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	10.40% ROE		0.00%			0.00%					
16	Line 14 plus (line 5 times line 15)/100	FCR for This Project		0.00%			0.00%					
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance	Investment										
18	Line 17 divided by line 12	Annual Depreciation or Amort Exp		0			0					
19	Months in service for depreciation expense from Attachment 6											
20	Year placed in Service (0 if CWIP)											
21		Invest Yr	Ending	Depreciation or Amortization	Revenue	Ending	Depreciation or Amortization	Revenue	Total	Incentive Charged	Revenue Credit	Increased ROE
22	At Allowed ROE	2006										
23	With Increased ROE	2006										
24	At Allowed ROE	2007										
25	With Increased ROE	2007										
26	At Allowed ROE	2008										
27	With Increased ROE	2008										
28	At Allowed ROE	2009										
29	With Increased ROE	2009										
30	At Allowed ROE	2010										
31	With Increased ROE	2010										
32	At Allowed ROE	2011										
33	With Increased ROE	2011										
34	At Allowed ROE	2012										
35	With Increased ROE	2012										
36	At Allowed ROE	2013										
37	With Increased ROE	2013										
38	At Allowed ROE	2014										
39	With Increased ROE	2014										
40	At Allowed ROE	2015										
41	With Increased ROE	2015										
42	At Allowed ROE	2016										
43	With Increased ROE	2016										
44	At Allowed ROE	2017										
45	With Increased ROE	2017										
46	At Allowed ROE	2018										
47	With Increased ROE	2018										
48	At Allowed ROE	2019										
49	With Increased ROE	2019										
50	At Allowed ROE	2020										
51	With Increased ROE	2020										
52	At Allowed ROE	2021	-	-	-	-	-	-	\$ -		\$ -	
53	With Increased ROE	2021	-	-	-	-	-	-	\$ -	\$ -		\$ -

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 7A - True-up Adjustment for Transmission Enhancement Charges (TECs) (PJM OATT Schedule 12) - December 31, 20XX

TEC True-up Revenue Requirement For Year	TEC Projection Revenue Requirement For Year	TEC True-up Adjustment - (Over)/Under Recovery	True-up Year	
-	=	-	Intermediate Year:	
			1	
			Rate Year:	2

Month	(Refunds)/Surcharges	Cumulative (Refunds)/Surcharges - Beginning of Month (Without Interest)	Base for Quarterly Compound Interest	Base for Monthly Interest	Monthly Interest Rate	Calculated Interest	Amortization	Cumulative (Refunds)/Surcharges and Interest - End of Month
Calculation of Interest								
True-Up Year								
1/1/1900	-	-	-	-	0.000%	-	-	-
2/1/1900	-	-	-	-	0.000%	-	-	-
3/1/1900	-	-	-	-	0.000%	-	-	-
4/1/1900	-	-	-	-	0.000%	-	-	-
5/1/1900	-	-	-	-	0.000%	-	-	-
6/1/1900	-	-	-	-	0.000%	-	-	-
7/1/1900	-	-	-	-	0.000%	-	-	-
8/1/1900	-	-	-	-	0.000%	-	-	-
9/1/1900	-	-	-	-	0.000%	-	-	-
10/1/1900	-	-	-	-	0.000%	-	-	-
11/1/1900	-	-	-	-	0.000%	-	-	-
12/1/1900	-	-	-	-	0.000%	-	-	-
Intermediate Year								
1/1/1901	-	-	-	-	0.000%	-	-	-
2/1/1901	-	-	-	-	0.000%	-	-	-
3/1/1901	-	-	-	-	0.000%	-	-	-
4/1/1901	-	-	-	-	0.000%	-	-	-
5/1/1901	-	-	-	-	0.000%	-	-	-
6/1/1901	-	-	-	-	0.000%	-	-	-
7/1/1901	-	-	-	-	0.000%	-	-	-
8/1/1901	-	-	-	-	0.000%	-	-	-
9/1/1901	-	-	-	-	0.000%	-	-	-
10/1/1901	-	-	-	-	0.000%	-	-	-
11/1/1901	-	-	-	-	0.000%	-	-	-
12/1/1901	-	-	-	-	0.000%	-	-	-
(Over)/Under Recovery Plus Interest Amortized and Recovered Over 12 Months								
Rate Year								
1/1/1902	-	-	-	-	0.000%	-	-	-
2/1/1902	-	-	-	-	0.000%	-	-	-
3/1/1902	-	-	-	-	0.000%	-	-	-
4/1/1902	-	-	-	-	0.000%	-	-	-
5/1/1902	-	-	-	-	0.000%	-	-	-
6/1/1902	-	-	-	-	0.000%	-	-	-
7/1/1902	-	-	-	-	0.000%	-	-	-
8/1/1902	-	-	-	-	0.000%	-	-	-
9/1/1902	-	-	-	-	0.000%	-	-	-
10/1/1902	-	-	-	-	0.000%	-	-	-
11/1/1902	-	-	-	-	0.000%	-	-	-
12/1/1902	-	-	-	-	0.000%	-	-	-

TEC True-Up Adjustment with Interest	-
Less TEC (Over)/Under Recovery	-
Total Interest	-

Note 1: The revenue requirements based on actual and projected costs included for the previous calendar year for PJM OATT Schedule 12 Transmission Enhancement Charges (Attachment 7).

Note 2: The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the intermediate year will be determined using the monthly FERC interest rates (as determined pursuant to 18 C.F.R. Section 35.19a) posted at <https://www.ferc.gov/interest-calculation-rates-and-methodology>. The monthly interest rate to be applied to the over recovery or under recovery amounts each month during the rate year will equal a simple average of the 12 monthly interest rates for the intermediate year.

Note 3: An over or under collection of a TEC will be recovered prorata over the true-up year, held for the intermediate year and returned prorata over the rate year.

This section lists the interest rates to be applied to each year's revenue requirement true-ups from Attachment 6.

Applicable FERC Interest Rate (Note A):

1	1/1/1900	0.000%
2	2/1/1900	0.000%
3	3/1/1900	0.000%
4	4/1/1900	0.000%
5	5/1/1900	0.000%
6	6/1/1900	0.000%
7	7/1/1900	0.000%
8	8/1/1900	0.000%
9	9/1/1900	0.000%
10	10/1/1900	0.000%
11	11/1/1900	0.000%
12	12/1/1900	0.000%
13	1/1/1901	0.000%
14	2/1/1901	0.000%
15	3/1/1901	0.000%
16	4/1/1901	0.000%
17	5/1/1901	0.000%
18	6/1/1901	0.000%
19	7/1/1901	0.000%
20	8/1/1901	0.000%
21	9/1/1901	0.000%
22	10/1/1901	0.000%
23	11/1/1901	0.000%
24	12/1/1901	0.000%
25	Average Monthly Rate - Lines 13- 24	0.000%

Note A - Lines 1-24 are the FERC interest rates under section 35.19a of the regulations for the period shown, as posted at <https://www.ferc.gov/enforcement/acct-matts/interest-rates.asp>.

Public Service Electric and Gas Company

ATTACHMENT H-10A

Attachment 8 - Depreciation Rates

<u>FERC Account</u>	<u>Account Description</u>	<u>Depreciation Rate</u>
Transmission		
350.30	Sidewalks and Curbs	1.12%
352.00	Structures and Improvements	1.44%
353.00	Station Equipment	2.24%
354.00	Towers and Fixtures	1.27%
355.00	Poles and Fixtures	1.47%
356.00	Overhead Conductors and Devices	2.11%
357.00	Underground Conduit	1.07%
358.00	Underground Conductors and Devices	2.54%
359.00	Roads and Trails	0.57%
Intangible, General and Common		
303.00	Intangible Plant	Various
390.00	Structures and Improvements	1.40%
390.11	Leasehold – Improvements	Various
390.30	Improvements Other than Park Plaza	1.40%
391.10	Office Furniture	5.00%
391.20	Office Equipment	25.00%
391.30	Office Computer Equipment	14.29%
391.33	Office Personal Computers	33.33%
392.11	Transportation Equipment 13K lb and below	Various
392.20	Transportation Equipment over 13K lb	Various
393.00	Store Equipment	14.29%
394.00	Tools, Shop, and Garage Equipment	14.29%
395.00	Laboratory Equipment	20.00%
396.00	Power Operated Equipment	Various
397.00	Communications Equipment	10.00%
398.00	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		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			Total	Protected	Unprotected	FERC Account No. (3)	Protected			Unprotected	Total Amortization	Excess/(Deficient) DIT	Excess/(Deficient) DIT with Gross-Up
					Original Account 282	Original Account 190/282/283			Excess/(Deficient) Deferred Taxes 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 III

**Marked Version Tariff Attachment
H-10B**

ATTACHMENT H-10B
Formula Rate Implementation Protocols

Section 1 Annual Updates & True-Up Adjustments

- a. The ATRR calculated under Attachment H-10A shall be applicable to services on and after October 1, 2008 through December 31, 2008, and shall be applicable thereafter for services on and after each January 1 of a given calendar year through December 31 of such calendar year (the “Rate Year”).
- b. On or before June 15, 2009, and on or before June 15 of each succeeding Rate Year (“Publication Date”), PSE&G shall calculate the true-up pursuant to the Formula Rate (Attachment H-10A, Attachment 6) (the “True-Up Adjustment”) and cause it to be posted on the PJM website (www.PJM.com, or successor thereto) and filed with the Federal Energy Regulatory Commission, or successor thereto (“FERC”) for informational purposes only (“Informational Filing”). The submission of such ~~informational filing~~Informational Filing with FERC shall not require any action by the agency.
- c. The Informational Filing must include the information that is reasonably necessary to determine:
- (1) that input data under the formula rate are properly recorded in any underlying workpapers;
 - (2) that the Transmission Owner has properly applied the formula rate and these procedures;
 - (3) the accuracy of data and the consistency with the formula rate of the Actual Transmission Revenue Requirement and rates under review;
 - (4) the extent of accounting changes that affect formula rate inputs;
 - (5) the reasonableness of projected costs included in the projected capital addition expenditures (for forward-looking rates).
- ed. On or before October 15, 2008, and on or before October 15 of each succeeding Rate Year, PSE&G shall recalculate its ATRR, producing the “Annual Update” for the upcoming Rate Year. As part of the Annual Update, PSE&G shall include its projected net revenue requirement, including information in workpapers regarding projected costs of plant in forecasted rate base, expected construction schedule and in-service dates. All inputs shall be provided in sufficient detail to identify the components of PSE&G’s net revenue requirement. PSE&G shall cause such Annual Update to be posted on PJM’s website (www.PJM.com, or successor thereto) and submit such Annual Update as an informational filing with the FERC (“Posting Date”). The submission of such informational filing with FERC shall not require any action by the agency.

- ~~de.~~ If the Publication Date ~~or~~, the Posting Date, or any deadline date in Section 2 and 3 of the Protocols falls on a weekend or a holiday recognized by the FERC, then the Publication Date ~~or~~, Posting Date, or deadline date as applicable, shall be the next business day.
- ~~ef.~~ ~~Upon written request for a particular year's True-Up Adjustment or Annual Update by any NITS customer in the PSE&G Zone, the New Jersey Board of Public Utilities (or successor agency), or any party having standing under Section 206 of the Federal Power Act (each an "Interested Party" and collectively "Interested Parties"), PSE&G will~~ PSE&G will post on the PJM website and promptly make available to ~~such any~~ Interested Party ~~and/or a consultant designated by it,~~ a "workable" Excel file containing that year's True-Up Adjustment and/or Annual Update, ~~as requested by the Interested Party. Upon request.~~ In the event that the information is not otherwise publicly available, PSE&G will provide to Interested Parties a description of the basis upon which transmission projects were planned either by PJM or PSE&G. For purposes of these procedures, the term Interested Party, includes but is not limited to, customers under the Tariff, state utility regulatory commissions, the Organization of PJM States, Inc., consumer advocacy agencies and state attorneys general.
- fg. Between fifteen (15) and thirty (30) days after the Posting Date, PSE&G shall hold a public meeting to explain the Annual Update for the next calendar year and answer questions concerning the Annual Update for the next Rate Year ("Customer Meeting"). PSE&G will provide for the opportunity for remote participation at Customer Meetings.
- gh. PSE&G shall modify the Annual Update to reflect any changes that it and the Interested Parties agree upon by no later than ~~November 30~~December 15, and shall cause the revised Annual Update to be posted on the PJM website (www.PJM.com, or successor thereto) no later than December 15. PSE&G shall cause the Annual Update, as revised pursuant to the procedures set out above, to be included in the informational filing with FERC by no later than December 15. Such informational filing will not require any FERC action.
- hi. To ensure that Interested Parties receive sufficient advance notice of Customer Meetings, PSE&G shall schedule each Customer Meeting at least four (4) months in advance ~~(with the exception of the 2008 Customer Meeting)~~ and cause such notice to be posted on its website, www.PSEG.com (or successor thereto) and the PJM website (www.PJM.com, or successor thereto) and provide Interested Parties, via e-mail to the most recent e-mail address provided to PSE&G notice of the Customer Meeting. ~~PSE&G shall provide 45 days notice for the 2008 customer meeting.~~
- ij. The True-Up Adjustment for the Rate Year:
- ~~(i)~~ (i) shall, to the extent specified in the Formula Rate, be based upon PSE&G's FERC Form 1 data for the most recent calendar year, and to

the extent specified in the Formula Rate, be based upon the books and records of PSE&G consistent with FERC accounting policies;

(ii) ~~(ii)~~ shall, as and to the extent specified in the Formula Rate, provide supporting documentation for data not otherwise available in the FERC Form 1 that are used in the Formula Rate;⁺¹

(iii) shall provide notice of any change in accounting, including financial reporting changes in the FERC Form No. 1, from that in effect for the calendar year upon which the preceding Annual Update was based that affects inputs to the Formula Rate or the resulting charges under the Formula Rate (“Accounting Changes”), including:

(1) the initial implementation of an accounting standard (such as a new requirement under Generally Accepted Accounting Principles (“GAAP”) or changes to GAAP) or policy, consistent with what is required to be disclosed under FERC Form No. 1;

(2) the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;

(3) For the accounting changes as described above, any related reclassifications, including mapping changes, among FERC accounts between calendar years;

(4) ÷
the correction of errors and prior period adjustments that impact FERC Account 439 or other FERC Accounts included in the Annual Update calculation;

(5) the implementation of new estimation methods or policies that change prior estimates.

(6)
the implementation of changes in accounting valuation, period of recognition for revenue and expense items, account classification, or presentation in the FERC Form No. 1.

¹ It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate True-Up Adjustment will be either taken directly from the FERC Form 1 or reconcilable to the FERC Form 1 by the application of clearly identified and supported information. 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 the absence of specific FERC guidance, the Company will report the items noted above in (1) through (6) as defined under GAAP ASC 250 "Accounting Changes and Error Corrections" and any other applicable GAAP guidance.

- ~~(iv) 1. It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate True-Up Adjustment will be either taken directly from the FERC Form 1 or reconcilable to the FERC Form 1 by the application of clearly identified and supported information. 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.~~
- ~~(iii) shall provide an explanation of material changes in PSE&G's accounting policies and practices from those in effect for the calendar year upon which the immediately preceding Annual Update was based as reported in Notes 3 and 4 of PSE&G's Securities and Exchange Commission Form 10-Q ("Material Accounting Changes"). To the extent there are Material Accounting Changes, PSE&G's Form 10-Q will be posted on the PJM website (www.PJM.com, or successor thereto) at the time of the Annual Update;²~~
- ~~(iv) shall be subject to review and challenge and ~~review only~~ in accordance with the procedures set forth in Section 2 and Section 3 of this Attachment H-10B and only as to the appropriateness of the application of the Formula Rate according to its terms and the procedures in this Attachment H-10B (including terms and procedures related to challenges concerning ~~Material~~ Accounting Changes);~~
- ~~(v) (v) shall be subject to review with respect to the prudence of any ~~new~~ costs and expenditures included for recovery incurred in the Annual Update last five years, provided, however, that the initial burden to raise a substantial doubt as to the prudence of any ~~new expenditure expenditures~~ shall be upon the Interested Party raising the challenge; and~~
- ~~(vi) (vi) shall not seek to modify the Formula Rate and shall not be subject to challenge by anyone seeking to modify the Formula Rate (i.e., all such modifications to the Formula Rate – including return on equity will require, as applicable, a Federal Power Act ("FPA") Section 205 or Section 206 filing).~~

jk. If PSE&G files any corrections to ~~its~~ previously submitted FERC Form 1 ~~during the Rate Year or otherwise makes accounting corrections~~ that would affect the Formula Rate for ~~that~~ the current or a prior Rate Year, such corrections and any

resulting refunds or surcharges shall be reflected in the Annual Update and True-Up Adjustment for the next effective Rate Year, with interest.

1. Interest on any True-Up Adjustment Over/Under Recovery shall be calculated on the Over/Under Recovery during each month of the True-Up Year, during each month of the succeeding year (“Intermediate Year”) (12 months-True-up Year plus one), and during each month of the year in which the true-up will be billed and collected (“Projection Year”) (True-Up Year plus two). The total True-Up Adjustment and interest for the 36 months described above will be added to (or deducted from) the ATRR during the 12 months of the Projection Year.

For example, the 2020 True-Up Adjustment will be calculated in 2021 and will be billed or credited to customers during 2022. The True-Up Adjustments will include interest calculations over a 36-month period, including the 12 months during the True-Up year (2020), the 12 months during the Intermediate Year (2021) and the 12 months during the Projection Year (2022) in which the True-Up Adjustment is remitted to customers.

The rates used to calculate interest for True-Up Adjustments will be sourced directly from the FERC website in accordance with 18 C.F.R. § 35.19a. The monthly interest rate used to calculate interest during each month of the Projection Year will be based on an average of the 12 monthly interest rates during the Intermediate Year. Interest True-up Adjustments will be compounded quarterly in accordance with 18 C.F.R. § 35.19a.

² ~~Such notice may incorporate by reference applicable disclosure statements filed with the Securities and Exchange Commission (“SEC”).~~

~~k. Interest on any over-recovery of the net revenue requirement shall be determined based on the Commission's regulations at 18 C.F.R. § 35.19a. Interest on any under-recovery of the net revenue requirement shall be determined using the interest rate equal to PSE&G's actual short-term debt costs capped at the applicable FERC refund interest rate. In either case, the interest payable shall be calculated using the average of the interest rates used to calculate the time value of money for the twenty-one (21) months during which the over- or under-recovery in the net revenue requirement exists. The interest rate to be applied to the over- or under-recovery in the net revenue requirement will be determined using the average of the interest rates for the twenty-one (21) months through September 30th of each year.~~

lm. If after October 15, but prior to December 15 of the then current calendar year, PJM determines the actual peak load for NITS for the PSE&G Zone that will be used by the Transmission Provider to determine each Network Customer's Zone Network Load pursuant to Section 34.1 of the Tariff differs from the value used to calculate the ATRR to be in effect pursuant to Attachment H-10A for the next calendar year, the rate for NITS shall be adjusted to reflect the updated Network Service Peak Load and PSE&G shall cause an updated calculation of the Rate for NITS to be posted on the PJM website (www.PJM.com, or successor thereto) no later than fifteen (15) business days following the posting by PJM of the actual Network Service Peak Load for the PSE&G Zone.

mn. Formula Rate inputs for (i) rate of return on common equity; (ii) ~~“Post-Employment Benefits other than Pension” pursuant to Statement of Financial Accounting Standards No. 106, Employers' Accounting for Post Retirement Benefits other than Pensions (“PBOP”) charges,~~ (iii) extraordinary property losses, and (iv) depreciation and/or amortizations shall be stated values to be used in the Formula Rate until changed pursuant to an FPA Section 205 or 206 proceeding. PSE&G may make a limited Section 205 filing to change its amortization/depreciation rates or add new amortization/depreciation rates, ~~PBOP accruals,~~ and extraordinary property losses, in which the sole issue for examination in any such limited Section 205 filing shall be whether such proposed changes are just and reasonable, and shall not include other aspects of the formula rate. ~~Changes in depreciation rates to track a state commission order shall become effective on the same date as the state commission order becomes effective.~~

Construction Work in Progress

- a. *Accounting.* PSE&G shall use the following accounting procedures for CWIP-transmission projects as authorized by the Commission to ensure that it does not recover an Allowance for Funds Used During Construction (“AFUDC”) to the extent that it has been authorized by a Commission order to include 100 percent of Construction Work in Progress (“CWIP”) in transmission rate base, ~~as noted for affected incentive transmission projects listed on Attachment 7 of PSE&G’s Formula Rate.~~
- (i) PSE&G shall assign each authorized incentive transmission project a unique Funding Project Number (“FPN”) for internal cost tracking purposes.
 - (ii) PSE&G shall record actual construction costs to each FPN through work orders that are coded to correspond to the FPN for each incentive transmission project. Such work orders shall be segregated from work orders for non-incentive transmission projects for which the Commission has not authorized PSE&G to include any portion of CWIP in rate base.
 - (iii) For each incentive transmission project, PSE&G shall prepare monthly work order summaries of costs incurred under the associated FPN. These summaries shall show monthly additions to CWIP and plant in service and shall correspond to amounts recorded in PSE&G’s FERC Form 1. PSE&G shall use these summaries as data inputs into the Annual Update calculated on Attachment 6A of the Formula Rate. PSE&G shall make such work order summaries available upon request under the review procedures of Section 3.
 - (iv) When an incentive transmission project, or portion thereof, is placed into service, PSE&G shall deduct from the total CWIP the accumulated charges for work orders under the FPN for that project, or portion thereof. The purpose of this control process is to ensure that expenditures are not double counted as both CWIP and as additions to plant.
 - (v) For non-incentive transmission projects, PSE&G shall record AFUDC to be applied to CWIP and capitalized when the project is placed into service.
 - (vi) PSE&G shall cease to accrue (or not accrue at all) AFUDC on the portion of transmission project CWIP included in rate base.
- b. *Annual Reporting.* For each incentive project listed on Attachment 7 of the Formula Rate for which the Commission has authorized PSE&G to include any portion of CWIP in transmission rate base, PSE&G shall file a report with the

Commission at the time of PSE&G's Publication Date that shall include the following information concerning each such project:

- (i) the actual amount of CWIP recorded for each project;
- (ii) any amounts recorded in related FERC accounts or subaccounts, such as AFUDC and regulatory liability;
- (iii) the resulting effect on the CWIP revenue requirement;
- (iv) a statement of the current status of each project; and
- (v) the estimated in-service date for each project.

Section 2 Annual Review Procedures

Each True-Up Adjustment and/or ~~Material~~-Accounting Change shall be subject to the following review procedures ("Annual Review Procedures"):

- ~~a.~~ a. Interested Parties shall have up to one hundred fifty (150) days after each annual Publication Date (unless such period is extended with the written consent of PSE&G with such consent not to be unreasonably withheld) to serve reasonable information requests on PSE&G ("Review Period"); provided, however, that Interested Parties shall make a good faith effort to submit consolidated sets of information requests that limit the number and overlap of questions to the maximum extent practicable. Such information requests shall be limited to what is necessary to determine if PSE&G has properly calculated the True-Up Adjustment and its components and the procedures in this Attachment H-10B, and shall not otherwise be directed to ascertaining whether the Formula Rate is just and reasonable. ~~In addition, such information requests shall not solicit information concerning costs or allocations where the costs or allocation method have been determined by FERC (or resolved by a settlement accepted by FERC) or in the context of True-Up Adjustments for other years, except that such information requests shall be permitted if they seek to determine if there has been a material change in circumstances.~~
- ~~b.~~ b. PSE&G shall make a good faith effort to respond to information requests pertaining to the True-Up Adjustments or ~~Material~~-Accounting Changes within fifteen (15) business days of receipt of such requests. PSE&G may give reasonable priority to responding to requests that satisfy the practicable coordination and consolidation provision of Section ~~23~~.a above.
- c. If PSE&G and any Interested Party are unable to resolve disputes related to information requests submitted in accordance with these Annual Review Procedures, PSE&G or the Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes and compel

the production of discovery, as appropriate, in accordance with the Annual Review Procedures and consistent with FERC's discovery rules.

- d. Interested Parties shall have until December 31 (or 21 days after the production of information as a result of the resolution of a discovery dispute under Section 23.c) to notify PSE&G in writing of any specific challenges, including challenges related to the rate treatment of ~~Material~~ Accounting Changes, to the application of the Formula Rate ("Preliminary Challenge"). The time period for Interested Parties to raise Preliminary Challenges is the "Preliminary Challenge Period."
- e. Preliminary or Formal Challenges (as defined under Section 34.a, below) are not intended to serve as a means of pursuing other objections to the Formula Rate.
- f. Preliminary or Formal Challenges related to ~~Material~~ Accounting Changes shall be subject to the resolution procedures and limitations in Section 34, except that Section 34.d shall not apply. In any proceeding initiated to address a Preliminary or Formal Challenge or *sua sponte* by the FERC, a party or parties (other than PSE&G) seeking to modify the Formula Rate in any respect shall bear the burden of proving that the Formula Rate is no longer just and reasonable without such modification and that the proposed modification is just, reasonable and consistent with the original intent of the Formula Rate and the procedures in this Attachment H-10B; provided, however, that in any such proceeding, in determining whether the Formula Rate is no longer just and reasonable without modification to a ~~Material~~ Accounting Change and whether the proposed modification is just and reasonable, no offsets unrelated to the applicable ~~Material~~ Accounting Changes may be considered.

Section 43 Resolution of Challenges

- a. If PSE&G and any Interested Party(ies) have not resolved any Preliminary Challenge to the True-Up Adjustment or ~~Material~~ Accounting Change within the Preliminary Challenge Period, an Interested Party shall have an additional twenty-one (21) days (unless such period is extended with the written consent of PSE&G to continue efforts to resolve the Preliminary Challenge, which consent shall not be unreasonably withheld) to file a complaint with the FERC, pursuant to 18 C.F.R. § 385.206 ("Formal Challenge"), which shall be served on PSE&G by electronic service on the date of such filing. However, there shall be no need to make a Formal Challenge or to await conclusion of the Preliminary Challenge Period if the FERC already has initiated a proceeding to consider the True-Up Adjustment or ~~Material~~ Accounting Changes.
- b. If PSE&G and an Interested Party agree upon a resolution to a Preliminary Challenge to that year's True-Up Adjustment or ~~Material~~ Accounting Change by November 30, such resolution shall be reflected in the next Annual Update as provided in Section 1.f. Otherwise, any resolution to a Preliminary Challenge, or a Formal Challenge, if applicable, shall be reflected in the first Annual Update following resolution of the challenge, with interest.

- c. Any response by PSE&G to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the Formal Challenge, unless such time period is extended by the mutual agreement of PSE&G and the Interested Party filing a Formal Challenge or by FERC, and shall be served on the filing party(ies) by electronic service on the date of such filing.
- d. Except as provided in Section 3.e, in any proceeding initiated in response to a Formal Challenge and in any proceeding initiated by the FERC concerning the current year's True-Up Adjustment or ~~Material~~-Accounting Change, PSE&G shall bear the burden of proving that it has reasonably applied the terms of the Formula Rate, the applicable procedures in these Formula Rate Implementation Protocols, in that year's True-Up Adjustment, and to demonstrate the justness and reasonableness of the charges resulting from the application of the formula rate.
- e. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of PSE&G to file unilaterally, pursuant to FPA Section 205 and the regulations thereunder, to change the Formula Rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the Formula Rate with a stated rate, or the right of any other party to request such changes pursuant to Section 206 of the Federal Power Act and the regulations thereunder.
- f. Subject to Section 3.e above, it is recognized that resolution of Formal Challenges concerning ~~Material~~-Accounting Changes may necessitate adjustments to the Formula Rate input data for the applicable True-Up Adjustment or changes to the rate formula to achieve a just and reasonable end result consistent with the intent of the Formula Rate. Such adjustments shall be reflected in the next Annual Update after resolution of the Formal Challenge to ~~a-Material~~an Accounting Change.

Section ~~54~~ Changes to Annual Informational Filings

Any changes to the data inputs, including but not limited to revisions to PSE&G's FERC Form 1, or as the result of any FERC proceeding to consider the True-Up Adjustment or ~~Material~~ Accounting Change, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 38.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. §38.19a) for the then current Rate Year shall be made in the event that the Formula Rate is replaced by a stated rate by PSE&G.

EXHIBIT IV

**Clean Version Tariff Attachment
H-10B**

ATTACHMENT H-10B
Formula Rate Implementation Protocols

Section 1 Annual Updates & True-Up Adjustments

- a. The ATRR calculated under Attachment H-10A shall be applicable to services on and after October 1, 2008 through December 31, 2008, and shall be applicable thereafter for services on and after each January 1 of a given calendar year through December 31 of such calendar year (the “Rate Year”).

- b. On or before June 15, 2009, and on or before June 15 of each succeeding Rate Year (“Publication Date”), PSE&G shall calculate the true-up pursuant to the Formula Rate (Attachment H-10A, Attachment 6) (the “True-Up Adjustment”) and cause it to be posted on the PJM website (www.PJM.com, or successor thereto) and filed with the Federal Energy Regulatory Commission, or successor thereto (“FERC”) for informational purposes only (“Informational Filing”). The submission of such Informational Filing with FERC shall not require any action by the agency.

- c. The Informational Filing must include the information that is reasonably necessary to determine:
 - (1) that input data under the formula rate are properly recorded in any underlying workpapers;
 - (2) that the Transmission Owner has properly applied the formula rate and these procedures;
 - (3) the accuracy of data and the consistency with the formula rate of the Actual Transmission Revenue Requirement and rates under review;
 - (4) the extent of accounting changes that affect formula rate inputs;
 - (5) the reasonableness of projected costs included in the projected capital addition expenditures (for forward-looking rates).

- d. On or before October 15, 2008, and on or before October 15 of each succeeding Rate Year, PSE&G shall recalculate its ATRR, producing the “Annual Update” for the upcoming Rate Year. As part of the Annual Update, PSE&G shall include its projected net revenue requirement, including information in workpapers regarding projected costs of plant in forecasted rate base, expected construction schedule and in-service dates. All inputs shall be provided in sufficient detail to identify the components of PSE&G’s net revenue requirement. PSE&G shall cause such Annual Update to be posted on PJM’s website (www.PJM.com, or successor thereto) and submit such Annual Update as an informational filing with the FERC (“Posting Date”). The submission of such informational filing with FERC shall not require any action by the agency.

- e. If the Publication Date, the Posting Date, or any deadline date in Section 2 and 3 of the Protocols falls on a weekend or a holiday recognized by the FERC, then the Publication Date, Posting Date, or deadline date as applicable, shall be the next business day.
- f. PSE&G will post on the PJM website and promptly make available to any Interested Party a “workable” Excel file containing that year’s True-Up Adjustment and/or Annual Update. In the event that the information is not otherwise publicly available, PSE&G will provide to Interested Parties a description of the basis upon which transmission projects were planned either by PJM or PSE&G. For purposes of these procedures, the term Interested Party, includes but is not limited to, customers under the Tariff, state utility regulatory commissions, the Organization of PJM States, Inc., consumer advocacy agencies and state attorneys general.
- g. Between fifteen (15) and thirty (30) days after the Posting Date, PSE&G shall hold a public meeting to explain the Annual Update for the next calendar year and answer questions concerning the Annual Update for the next Rate Year (“Customer Meeting”). PSE&G will provide for the opportunity for remote participation at Customer Meetings.
- h. PSE&G shall modify the Annual Update to reflect any changes that it and the Interested Parties agree upon by no later than December 15, and shall cause the revised Annual Update to be posted on the PJM website (www.PJM.com, or successor thereto) no later than December 15. PSE&G shall cause the Annual Update, as revised pursuant to the procedures set out above, to be included in the informational filing with FERC by no later than December 15. Such informational filing will not require any FERC action.
- i. To ensure that Interested Parties receive sufficient advance notice of Customer Meetings, PSE&G shall schedule each Customer Meeting at least four (4) months in advance and cause such notice to be posted on its website, www.PSEG.com (or successor thereto) and the PJM website (www.PJM.com, or successor thereto) and provide Interested Parties, via e-mail to the most recent e-mail address provided to PSE&G notice of the Customer Meeting.
- j. The True-Up Adjustment for the Rate Year:
 - (i) shall, to the extent specified in the Formula Rate, be based upon PSE&G’s FERC Form 1 data for the most recent calendar year, and to the extent specified in the Formula Rate, be based upon the books and records of PSE&G consistent with FERC accounting policies;

- (ii) shall, as and to the extent specified in the Formula Rate, provide supporting documentation for data not otherwise available in the FERC Form 1 that are used in the Formula Rate;¹
- (iii) shall provide notice of any change in accounting, including financial reporting changes in the FERC Form No. 1, from that in effect for the calendar year upon which the preceding Annual Update was based that affects inputs to the Formula Rate or the resulting charges under the Formula Rate (“Accounting Changes”), including:
 - (1) the initial implementation of an accounting standard (such as a new requirement under Generally Accepted Accounting Principles (“GAAP”) or changes to GAAP) or policy, consistent with what is required to be disclosed under FERC Form No. 1;
 - (2) the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - (3) For the accounting changes as described above, any related reclassifications, including mapping changes, among FERC accounts between calendar years;
 - (4) the correction of errors and prior period adjustments that impact FERC Account 439 or other FERC Accounts included in the Annual Update calculation;
 - (5) the implementation of new estimation methods or policies that change prior estimates.
 - (6) the implementation of changes in accounting valuation, period of recognition for revenue and expense items, account classification, or presentation in the FERC Form No. 1.

In the absence of specific FERC guidance, the Company will report the items noted above in (1) through (6) as defined under GAAP ASC 250 "Accounting Changes and Error Corrections" and any other applicable GAAP guidance.

¹ It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate True-Up Adjustment will be either taken directly from the FERC Form 1 or reconcilable to the FERC Form 1 by the application of clearly identified and supported information. 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.

- (iv) shall be subject to review and challenge and in accordance with the procedures set forth in Section 2 and Section 3 of this Attachment H-10B and only as to the appropriateness of the application of the Formula Rate according to its terms and the procedures in this Attachment H-10B (including terms and procedures related to challenges concerning Accounting Changes);
 - (v) shall be subject to review with respect to the prudence of any costs and expenditures incurred in the last five years , provided, however, that the initial burden to raise a substantial doubt as to the prudence of any expenditures shall be upon the Interested Party raising the challenge; and
 - (vi) shall not seek to modify the Formula Rate and shall not be subject to challenge by anyone seeking to modify the Formula Rate (*i.e.*, all such modifications to the Formula Rate – including return on equity will require, as applicable, a Federal Power Act (“FPA”) Section 205 or Section 206 filing).
- k. If PSE&G files any corrections to a previously submitted FERC Form 1 or otherwise makes accounting corrections that would affect the Formula Rate for the current or a prior Rate Year, such corrections and any resulting refunds or surcharges shall be reflected in the Annual Update and True-Up Adjustment for the next effective Rate Year, with interest.
- l. Interest on any True-Up Adjustment Over/Under Recovery shall be calculated on the Over/Under Recovery during each month of the True-Up Year, during each month of the succeeding year (“Intermediate Year”) (12 months-True-up Year plus one), and during each month of the year in which the true-up will be billed and collected (“Projection Year”) (True-Up Year plus two). The total True-Up Adjustment and interest for the 36 months described above will be added to (or deducted from) the ATRR during the 12 months of the Projection Year.

For example, the 2020 True-Up Adjustment will be calculated in 2021 and will be billed or credited to customers during 2022. The True-Up Adjustments will include interest calculations over a 36-month period, including the 12 months during the True-Up year (2020), the 12 months during the Intermediate Year (2021) and the 12 months during the Projection Year (2022) in which the True-Up Adjustment is remitted to customers.

The rates used to calculate interest for True-Up Adjustments will be sourced directly from the FERC website in accordance with 18 C.F.R. § 35.19a. The monthly interest rate used to calculate interest during each month of the Projection Year will be based on an average of the 12 monthly interest rates during the Intermediate Year. Interest True-up Adjustments will be compounded quarterly in accordance with 18 C.F.R. § 35.19a.

- m. If after October 15, but prior to December 15 of the then current calendar year, PJM determines the actual peak load for NITS for the PSE&G Zone that will be used by the Transmission Provider to determine each Network Customer's Zone Network Load pursuant to Section 34.1 of the Tariff differs from the value used to calculate the ATRR to be in effect pursuant to Attachment H-10A for the next calendar year, the rate for NITS shall be adjusted to reflect the updated Network Service Peak Load and PSE&G shall cause an updated calculation of the Rate for NITS to be posted on the PJM website (www.PJM.com, or successor thereto) no later than fifteen (15) business days following the posting by PJM of the actual Network Service Peak Load for the PSE&G Zone.

- n. Formula Rate inputs for (i) rate of return on common equity; (ii) extraordinary property losses, and (iii) depreciation and/or amortizations shall be stated values to be used in the Formula Rate until changed pursuant to an FPA Section 205 or 206 proceeding. PSE&G may make a limited Section 205 filing to change its amortization/depreciation rates or add new amortization/depreciation rates, and extraordinary property losses, in which the sole issue for examination in any such limited Section 205 filing shall be whether such proposed changes are just and reasonable, and shall not include other aspects of the formula rate.

Construction Work in Progress

- a. *Accounting.* PSE&G shall use the following accounting procedures for CWIP-transmission projects as authorized by the Commission to ensure that it does not recover an Allowance for Funds Used During Construction (“AFUDC”) to the extent that it has been authorized by a Commission order to include 100 percent of Construction Work in Progress (“CWIP”) in transmission rate base.
- (i) PSE&G shall assign each authorized incentive transmission project a unique Funding Project Number (“FPN”) for internal cost tracking purposes.
 - (ii) PSE&G shall record actual construction costs to each FPN through work orders that are coded to correspond to the FPN for each incentive transmission project. Such work orders shall be segregated from work orders for non-incentive transmission projects for which the Commission has not authorized PSE&G to include any portion of CWIP in rate base.
 - (iii) For each incentive transmission project, PSE&G shall prepare monthly work order summaries of costs incurred under the associated FPN. These summaries shall show monthly additions to CWIP and plant in service and shall correspond to amounts recorded in PSE&G’s FERC Form 1. PSE&G shall use these summaries as data inputs into the Annual Update calculated on Attachment 6A of the Formula Rate. PSE&G shall make such work order summaries available upon request under the review procedures of Section 3.
 - (iv) When an incentive transmission project, or portion thereof, is placed into service, PSE&G shall deduct from the total CWIP the accumulated charges for work orders under the FPN for that project, or portion thereof. The purpose of this control process is to ensure that expenditures are not double counted as both CWIP and as additions to plant.
 - (v) For non-incentive transmission projects, PSE&G shall record AFUDC to be applied to CWIP and capitalized when the project is placed into service.
 - (vi) PSE&G shall cease to accrue (or not accrue at all) AFUDC on the portion of transmission project CWIP included in rate base.
- b. *Annual Reporting.* For each incentive project listed on Attachment 7 of the Formula Rate for which the Commission has authorized PSE&G to include any portion of CWIP in transmission rate base, PSE&G shall file a report with the Commission at the time of PSE&G’s Publication Date that shall include the following information concerning each such project:
- (i) the actual amount of CWIP recorded for each project;

- (ii) any amounts recorded in related FERC accounts or subaccounts, such as AFUDC and regulatory liability;
- (iii) the resulting effect on the CWIP revenue requirement;
- (iv) a statement of the current status of each project; and
- (v) the estimated in-service date for each project.

Section 2 Annual Review Procedures

Each True-Up Adjustment and/or Accounting Change shall be subject to the following review procedures (“Annual Review Procedures”):

- a. Interested Parties shall have up to one hundred fifty (150) days after each annual Publication Date (unless such period is extended with the written consent of PSE&G with such consent not to be unreasonably withheld) to serve reasonable information requests on PSE&G (“Review Period”); provided, however, that Interested Parties shall make a good faith effort to submit consolidated sets of information requests that limit the number and overlap of questions to the maximum extent practicable. Such information requests shall be limited to what is necessary to determine if PSE&G has properly calculated the True-Up Adjustment and its components and the procedures in this Attachment H-10B, and shall not otherwise be directed to ascertaining whether the Formula Rate is just and reasonable.
- b. PSE&G shall make a good faith effort to respond to information requests pertaining to the True-Up Adjustments or Accounting Changes within fifteen (15) business days of receipt of such requests. PSE&G may give reasonable priority to responding to requests that satisfy the practicable coordination and consolidation provision of Section 2.a above.
- c. If PSE&G and any Interested Party are unable to resolve disputes related to information requests submitted in accordance with these Annual Review Procedures, PSE&G or the Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes and compel the production of discovery, as appropriate, in accordance with the Annual Review Procedures and consistent with FERC’s discovery rules.
- d. Interested Parties shall have until December 31 (or 21 days after the production of information as a result of the resolution of a discovery dispute under Section 2.c) to notify PSE&G in writing of any specific challenges, including challenges related to the rate treatment of Accounting Changes, to the application of the Formula Rate (“Preliminary Challenge”). The time period for Interested Parties to raise Preliminary Challenges is the “Preliminary Challenge Period.”

- e. Preliminary or Formal Challenges (as defined under Section 3.a, below) are not intended to serve as a means of pursuing other objections to the Formula Rate.
- f. Preliminary or Formal Challenges related to Accounting Changes shall be subject to the resolution procedures and limitations in Section 3, except that Section 3.d shall not apply. In any proceeding initiated to address a Preliminary or Formal Challenge or *sua sponte* by the FERC, a party or parties (other than PSE&G) seeking to modify the Formula Rate in any respect shall bear the burden of proving that the Formula Rate is no longer just and reasonable without such modification and that the proposed modification is just, reasonable and consistent with the original intent of the Formula Rate and the procedures in this Attachment H-10B; provided, however, that in any such proceeding, in determining whether the Formula Rate is no longer just and reasonable without modification to an Accounting Change and whether the proposed modification is just and reasonable, no offsets unrelated to the applicable Accounting Changes may be considered.

Section 3 Resolution of Challenges

- a. If PSE&G and any Interested Party(ies) have not resolved any Preliminary Challenge to the True-Up Adjustment or Accounting Change within the Preliminary Challenge Period, an Interested Party shall have an additional twenty-one (21) days (unless such period is extended with the written consent of PSE&G to continue efforts to resolve the Preliminary Challenge, which consent shall not be unreasonably withheld) to file a complaint with the FERC, pursuant to 18 C.F.R. § 385.206 (“Formal Challenge”), which shall be served on PSE&G by electronic service on the date of such filing. However, there shall be no need to make a Formal Challenge or to await conclusion of the Preliminary Challenge Period if the FERC already has initiated a proceeding to consider the True-Up Adjustment or Accounting Changes.
- b. If PSE&G and an Interested Party agree upon a resolution to a Preliminary Challenge to that year’s True-Up Adjustment or Accounting Change by November 30, such resolution shall be reflected in the next Annual Update as provided in Section 1.f. Otherwise, any resolution to a Preliminary Challenge, or a Formal Challenge, if applicable, shall be reflected in the first Annual Update following resolution of the challenge, with interest.
- c. Any response by PSE&G to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the Formal Challenge, unless such time period is extended by the mutual agreement of PSE&G and the Interested Party filing a Formal Challenge or by FERC, and shall be served on the filing party(ies) by electronic service on the date of such filing.
- d. Except as provided in Section 3.e, in any proceeding initiated in response to a Formal Challenge and in any proceeding initiated by the FERC concerning the current year’s True-Up Adjustment or Accounting Change, PSE&G shall bear the burden of proving that it has reasonably applied the terms of the Formula Rate,

the applicable procedures in these Formula Rate Implementation Protocols, in that year's True-Up Adjustment, and to demonstrate the justness and reasonableness of the charges resulting from the application of the formula rate.

- e. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of PSE&G to file unilaterally, pursuant to FPA Section 205 and the regulations thereunder, to change the Formula Rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the Formula Rate with a stated rate, or the right of any other party to request such changes pursuant to Section 206 of the Federal Power Act and the regulations thereunder.
- f. Subject to Section 3.e above, it is recognized that resolution of Formal Challenges concerning Accounting Changes may necessitate adjustments to the Formula Rate input data for the applicable True-Up Adjustment or changes to the rate formula to achieve a just and reasonable end result consistent with the intent of the Formula Rate. Such adjustments shall be reflected in the next Annual Update after resolution of the Formal Challenge to an Accounting Change.

Section 4 Changes to Annual Informational Filings

Any changes to the data inputs, including but not limited to revisions to PSE&G's FERC Form 1, or as the result of any FERC proceeding to consider the True-Up Adjustment or Accounting Change, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 38.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. §38.19a) for the then current Rate Year shall be made in the event that the Formula Rate is replaced by a stated rate by PSE&G.