



Agenda Date: 09/23/16
Agenda Item: 2D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR)
APPROVAL OF CHANGES IN ITS ELECTRIC SOLAR)
PILOT RECOVERY CHARGE ("SPRC") FOR ITS)
SOLAR LOAN I PROGRAM) ORDER IMPLEMENTING)
PROVISIONAL RATES)
DOCKET NO. ER16070616)

Parties of Record:

Alexander C. Stern, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 1, 2016, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting approval of changes in its electric Solar Pilot Recovery Charge ("SPRC"). By this Decision and Order, the Board considers a stipulation ("Stipulation") entered into by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, the "Parties"), requesting that the Board approve an increase in the SPRC on a provisional basis, subject to refund.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated April 16, 2008, the Board approved a settlement that authorized PSE&G to implement a 30 MW solar-photovoltaic ("PV") loan pilot program ("Program") for a period of two years within its service territory, including participation across all customer classes ("SPRC Settlement").¹ The Program consisted of three segments: Municipal/Non-Profit; Residential and Multi-Family/Affordable Housing; and Commercial and Industrial. Based on reported demand within the commercial and industrial sectors, by Order dated November 10, 2009, 7.83 MW of Program capacity was transferred to Solar Loan II, leaving the Program capacity at 22.17 MW.² Under the terms of the SPRC Settlement as approved, PSE&G is entitled to recover the net

¹ In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Energy Program and an Associated Cost Recovery Mechanism, BPU Docket NO. EO07040278, Order dated April 16, 2008 ("SPRC Order").

² In re the Petition of Public Service Electric and Gas Company for Approval of a Solar Loan II Program and Associated Cost Recovery Mechanism, BPU Docket No. EO09030249, Order dated November 10, 2009.

monthly revenue requirements associated with the Program through the SPRC, provided that the Board finds the expenses were reasonable and prudent. SPRC rates were not implemented at the time the Program was approved as all costs were deferred for future recovery. By Order dated July 18, 2012, the Board approved an SPRC rate of \$0.000062 per kWh, including Sales and Use Tax ("SUT").³ Subsequently, by Order dated May 29, 2013, the Board approved an SPRC rate of \$0.000486 per kWh, including SUT.⁴ By Order dated December 31, 2013, the Board approved a stipulation maintaining the SPRC rate of \$0.000486 per kWh, including SUT.⁵ By Order dated May 19, 2015, the Board approved an SPRC rate of \$0.000161 per kWh, including SUT.⁶ By Order dated January 28, 2016, the Board approved the current SPRC rate of \$0.000046 per kWh, including SUT.⁷

COMPANY FILING

As noted above, on July 1, 2016, PSE&G filed the instant petition and accompanying exhibits, including the pre-filed direct testimony of M. Courtney McCormick and Stephen Swetz. According to the filing, the rates proposed for PSE&G's SPRC for the period October 1, 2016 through September 30, 2017 were designed to recover approximately \$2.8 million in revenue. The Company's filing was based on actual collections through March 31, 2016 and projected collections through September 30, 2017. The resultant net annual revenue impact on the Company's electric customers, if approved, is a \$1.2 million increase. The increase reflects an estimated revenue requirement of \$5,432,894 for the period October 1, 2016 through September 30, 2017 as adjusted by a projected over-recovery of \$2,654,129 through September 2016, including interest. The Company proposed that a new SPRC rate of \$0.000073 per kWh, including sales and use tax ("SUT"), be implemented on October 1, 2016, and be left in place through September 30, 2017, or until the Board approves new SPRC rates.

After appropriate notice, public hearings in this matter were held on August 22, 23, and 24, 2016 in Hackensack, Mount Holly, and New Brunswick, respectively. Two members of the public expressed general concerns about high utility rates and opposition to shutting off service for lack of payment. No members of the public appeared and commented specifically on this filing.

³ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan 1 Program; and for Changes in the Tariff for Electric Service, B.P.U.N.J. No 14 Electric, Pursuant to N.J.S.A. 48:2-21 and 2-21.1, BPU Docket No. ER10030220, Order dated July 18, 2012.

⁴ In re the the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan 1 Program; and For Changes in the Tariff for Electric Service, B.P.U.N.J. No 15 Electric, Pursuant to N.J.S.A. 48:2-21 and 2-21.1, BPU Docket No. ER12070599, Order dated May 29, 2013.

⁵ In The Matter Of The Petition Of Public Service Electric And Gas Company For Approval Of Changes In Its Electric Solar Pilot Recovery Charge ("SPRC") For Its Solar Loan 1 Program, BPU Docket No. ER13070605, Order dated December 18, 2013.

⁶ In The Matter Of The Petition Of Public Service Electric And Gas Company For Approval Of Changes In Its Electric Solar Pilot Recovery Charge ("SPRC") For Its Solar Loan 1 Program, BPU Docket No. ER14070650, Order dated May 19, 2015.

⁷ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge (SPRC) for its Solar Loan 1 Program; and for Changes, BPU Docket No. ER15060754, Order dated January 28, 2016.

STIPULATION

Because the Company's filing will not be updated with actual revenues and expenses until after October 1, 2016, and additional time is needed to complete the review of the proposed rates to ensure that the costs are adequately explained, reconciled, and addressed, and the resulting rates are reasonable, on September 1, 2016, the Parties entered into a stipulation for a provisional SPRC rate.

The Stipulation provides for the following:⁸

6. The Parties agree that PSE&G shall provisionally increase the existing SPRC rate of \$0.000040/kWh without New Jersey Sales and Use Tax (SUT) (\$0.000043 per kWh including SUT) that was previously approved by the Board in Docket No. ER15060754, dated January 27, 2016, to \$0.000068/kWh without SUT (\$0.000073 per kWh including SUT). This rate increase to the SPRC rate reflects a revenue increase of \$1.2 million which reflects an increase in the existing SPRC rate based on the revenue requirements attached as Attachment B to the Stipulation.
7. The SPRC rate shall be reflected in Tariff Sheet No. 64 of the Company's Tariff for Electric Service, a copy of which is attached as Attachment A to the Stipulation, for rates effective October 1, 2016 upon approval by the Board. The Company will provide an updated tariff sheet within five (5) business days of the effective date of the Board's Order in this docket reflecting the approved provisional rate.
8. As a result of the provisional SPRC rate set forth in Attachment B of the Stipulation, PSE&G's typical residential electric customers using 750 kWh in a summer month and 7,200 kWh annually would experience an increase in their annual bill from \$1,290.28 to \$1,290.52, an increase of \$0.24 or approximately 0.02%. This is based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2016, and assumes that the customer receives BGS-RSCP service from PSE&G. The residential customer bill impacts comparing the current and proposed delivery charges are contained in Attachment C of the Stipulation for the aforementioned class average customers as well as other typical customer usage patterns. The Parties hereby agree that PSE&G should be authorized to implement the rates as set forth in the Stipulation on a provisional basis in accordance with a written Board Order of approval.
9. The Parties agree that there will be an opportunity for full review at the Office of Administrative Law, if necessary, and final approval by the Board.

⁸ Although described in this Order, should there be any conflict between this summary and the stipulation, the terms of the stipulation control, subject to the findings and conclusions contained in this Order.

DISCUSSION AND FINDING

The Board has carefully reviewed the record to date in this proceeding, including the petition and the attached Stipulation, which allows the Company to recover costs on a provisional basis. The Board **FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES**, on a provisional basis, subject to refund with interest on any net over-recovered balance, an increase in the SPRC to \$0.000073 per kWh including SUT. For average residential customers using approximately 750 kWh in a summer month and 7,200 kWh annually, this change would represent an increase of \$0.24 in their annual bills or approximately 0.02%.

These changes shall become effective as of October 1, 2016.

The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by October 1, 2016.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

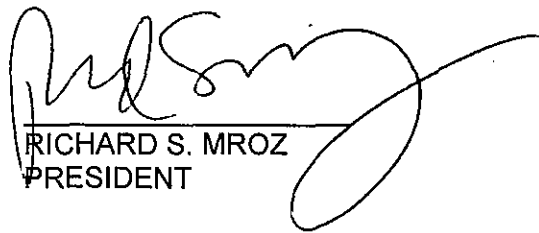
The effective date of this Order is October 1, 2016.

DATED: 9/23/16


BOARD OF PUBLIC UTILITIES
BY:




JOSEPH L. FIORDALISO
COMMISSIONER



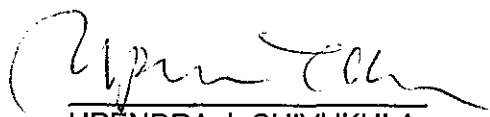
RICHARD S. MROZ
PRESIDENT



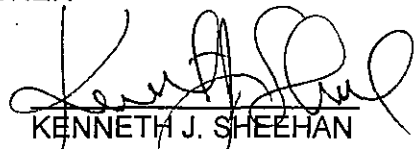
MARY-ANNA HOLDEN
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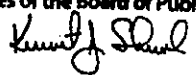
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COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 

KENNETH J. SHEEHAN
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF CHANGES IN ITS ELECTRIC SOLAR PILOT RECOVERY CHARGE
("SPRC") FOR ITS SOLAR LOAN I PROGRAM
DOCKET NO. ER16070616

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September 1, 2016

In The Matter of the Petition of
Public Service Electric And Gas Company
for Approval of Changes in its
Electric Solar Pilot Recovery Charge ("SPRC")
for its Solar Loan I Program

BPU Docket No. ER16070616

VIA OVERNIGHT MAIL

Irene Kim Asbury, Secretary
Office of Secretary
Board of Public Utilities
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Attached is the fully executed Provisional Stipulation in the above-reference matter. If you have any questions regarding this Provisional Stipulation, do not hesitate to contact me.

Respectfully,

A handwritten signature in cursive script that reads "Alexander C. Stern".

C Attached Service List (Email only)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF CHANGES)
IN ITS ELECTRIC SOLAR PILOT RECOVERY)
CHARGE (SPRC) FOR ITS SOLAR LOAN I)
PROGRAM)

STIPULATION FOR
PROVISIONAL
SOLAR PILOT
RECOVERY CHARGE

BPU DKT NO. ER16070616

APPEARANCES:

Matthew M. Weissman, Esq., General Regulatory Counsel - Rates, and **Alexander C. Stern, Esq.**, Associate General Regulatory Counsel, for the Petitioner Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, **Kurt Lewandowski, Esq.**, Assistant Deputy Rate Counsel, and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Alex Moreau and Emma Yao Xiao, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Christopher S. Porrino**, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. As authorized by the New Jersey Board of Public Utilities (Board or BPU) in an Order dated April 16, 2008 in BPU Docket No. EO07040278, Public Service Electric and Gas Company (PSE&G or Company) implemented the Solar Loan I (SL I) Program and associated cost recovery mechanism (SPRC Order). On July 1, 2016, PSE&G made a filing in BPU Docket No. ER16070616 requesting an increase in the cost recovery charge for the SL I Program, which is referred to as the Solar Pilot Recovery Charge, or SPRC. The Company proposed that the current SPRC of \$0.000040/kWh without New Jersey Sales and Use Tax (SUT) (\$0.000043 per

kWh including SUT) be increased to \$0.000068/kWh without SUT (\$0.000073 per kWh including SUT). As part of the July 1, 2016 filing, PSE&G included an annual update on the status of the Program.

2. As proposed in the Company's filing, the resultant revenue increase on the Company's electric customers is \$1.2 million on an annual basis. This increase reflected an estimated revenue requirement of \$5,432,894 for the period October 1, 2016 through September 30, 2017, a projected over-recovery of \$2,654,129 through September 2016, including interest, for a total rate revenue to be recovered of \$2,778,765.

3. Notice setting forth the Company's July 1, 2016 request to reset the SPRC rates, including the date, time and place of the public hearing, was placed in newspapers of broad circulation within the Company's electric service territory and was served on the county executives and clerks of all municipalities within the Company's electric service territory.

4. Public hearings were scheduled and conducted in Hackensack, Mount Holly and New Brunswick on August 22, 23, and 24, 2016, respectively. Two members of the public expressed general concerns about high utility rates and opposition to shutting off service for lack of payment. No members of the public appeared and commented specifically on this filing.

5. Public Service, Board Staff, and the New Jersey Division of Rate Counsel (Rate Counsel) (collectively, the Parties) have determined that additional time is needed to complete the review of the Company's proposed SPRC. However, the Parties also agree that action with respect to the Company's SPRC for the 2016-2017 SPRC year, on a provisional basis, is reasonable at this time and HEREBY STIPULATE AND AGREE as follows:

STIPULATED MATTERS

6. The Parties hereby agree that PSE&G shall provisionally increase the existing SPRC rate of \$0.000040/kWh without New Jersey Sales and Use Tax (SUT) (\$0.000043 per kWh including SUT) that was previously approved by the Board in Docket No. ER15060754, dated January 28, 2016, to \$0.000068/kWh without SUT (\$0.000073 per kWh including SUT). This rate increase to the SPRC rate reflects a revenue increase of \$1.2 million which reflects an increase in the existing SPRC rate based on the revenue requirements attached as Attachment B.

7. The SPRC rate shall be reflected in Tariff Sheet No. 64 of the Company's Tariff for Electric Service, a copy of which is attached as Attachment A, for rates effective October 1, 2016 upon approval by the Board. The Company will provide an updated tariff sheet within five (5) business days of the effective date of the Board's Order in this docket reflecting the approved provisional rate.

8. As a result of the provisional SPRC rate set forth in Attachment B, Public Service's typical residential electric customers using 750 kWh in a summer month and 7,200 kWh annually would experience an increase in their annual bill from \$1,290.28 to \$1,290.52, an increase of \$0.24 or approximately 0.02%. This is based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2016, and assumes that the customer receives BGS-RSCP service from PSE&G. The residential customer bill impacts comparing the current and proposed delivery charges are contained in Attachment C for the aforementioned class average customers as well as other typical customer usage patterns. The Parties hereby agree that PSE&G should be authorized to

implement the rates as set forth herein on a provisional basis in accordance with a written BPU Order of approval.

9. The Parties agree that there will be an opportunity for full review at the Office of Administrative Law, if necessary, and final approval by the Board.

10. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, or is modified by the Board, each party that is adversely affected by the modification can either accept the modification or declare this Settlement to be null and void, and the Parties shall be placed in the same position that they were in immediately prior to its execution. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

11. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

12. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

13. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have

approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

NEW JERSEY DIVISION OF RATE
COUNSEL
STEFANIE A. BRAND, DIRECTOR

BY: Alexander C. Stern
Alexander C. Stern, Esq.
Associate General Regulatory Counsel

BY: Kurt Lewandowski
Kurt Lewandowski, Esq.
Assistant Deputy Rate Counsel

DATED: August 31, 2016

DATED: Sept 1, 2016

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

BY: Alex Moreau
Alex Moreau
Deputy Attorney General

DATED: September 1, 2016

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 15 ELECTRIC

XXX Revised Sheet No. 64
Superseding
XXX Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

Charge
(per kilowatthour)

SOLAR PILOT RECOVERY CHARGE:

Charge.....	\$ 0.000040 <u>0.000068</u>
Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.000043 <u>0.000073</u>

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. This interest rate shall change each August 1.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 15 ELECTRIC

XXX Revised Sheet No. 64
Superseding
XXX Revised Sheet No. 64

SOLAR PILOT RECOVERY CHARGE

Charge
(per kilowatthour)

SOLAR PILOT RECOVERY CHARGE:

Charge..... \$ 0.000068

Charge including New Jersey Sales and Use Tax (SUT)..... \$ 0.000073

SOLAR PILOT RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. The net recovery by the Company is subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. This interest rate shall change each August 1.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PSE&G Solar Loan I Program Proposed Rate Calculations

Schedule SS-SLI-2

(\$'s Unless Specified)

Actual results through March 2016
SUT Rate 7%

<u>Line</u>	<u>Date(s)</u>		<u>Electric</u>	<u>Source/Description</u>
1	Oct 2016 - Sep 2017	Revenue Requirements	5,432,894	SUM (Schedule SS-SLI-3, Col 20)
2	Sep-16	(Over) / Under Recovered Balance	(2,620,222)	Schedule SS-SLI-3, Line 4, Col 105
3	Sep-16	Cumulative Interest Exp / (Credit)	<u>(33,907)</u>	Schedule SS-SLI-3, Line 7, Col 105
4	Oct 2016 - Sep 2017	Total Target Rate Revenue	2,778,765	Line 1 + Line 2 + Line 3
5	Oct 2016 - Sep 2017	Forecasted kWh (000)	41,104,726	
6		Calculated Rate w/o SUT (\$/kWh)	0.000068	(Line 4 / (Line 5*1,000)) [Rnd 6]
7		Public Notice Rate w/o SUT (\$/kWh)	0.000068	Line 6
8		Existing Rate w/o SUT (\$/kWh)	0.000040	
9		Proposed Rate w/o SUT (\$/kWh)	0.000068	Line 7
10		Proposed Rate w/ SUT (\$/kWh)	0.000073	(Line 9 * (1 + SUT Rate)) [Rnd 6]
11		Difference in Proposed and Previous Rate	0.000028	(Line 9 - Line 8)
12		Resultant SPRC Revenue Increase / (Decrease)	1,150,932	(Line 5 * Line 11 * 1,000)

ATTACHMENT B

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Summary
 Actual data through March 2016

Annual Pre-Tax WACC	11.1100%
Monthly Pre-Tax WACC	0.92583%

Month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(17a)	(18)	(19)	(20)	
Calculation	Total Loan Outstanding Balance	SREC Investment	Total Net Loan Investment	Return on Net Loan Investment	Net Plant Investment	Return on Loan Investment	Loan Accrued Interest	Loan Interest Paid	Net Loan Accrued Interest	Loan Principal Paid	Plant Depreciation	Depreciation / Amortization	OpM Expenses	SREC Value Credited to Loans	Gain / (Loss) on SREC Sales	SREC Disposition Expenses	SREC Coll Option Net Benefit	SREC Floor Price Cost	Net Proceeds from the Sale of SRECs	Cash Payments to Loans	Revenue Requirements	
	From Sched SS-SLI-3a Col 11	From Sched SS-SLI-3a Col 15	From Sched SS-SLI-3a Col 3 + Col 16	From Sched SS-SLI-3a Col 5 / 2 (Monthly Pre Tax WACC)	From Sched SS-SLI-3a Col 4	From Sched SS-SLI-3a Col 7	From Sched SS-SLI-3a Col 8	From Sched SS-SLI-3a Col 9	From Sched SS-SLI-3a Col 10	From Sched SS-SLI-3a Col 14	From Sched SS-SLI-3a Col 17	From Sched SS-SLI-3a Col 18a	From Sched SS-SLI-3a Col 17	From Sched SS-SLI-3a Col 14	From Sched SS-SLI-3a Col 17	From Sched SS-SLI-3a Col 17a	From Sched SS-SLI-3a Col 16	From Sched SS-SLI-3a Col 17	From Sched SS-SLI-3a Col 17a	From Sched SS-SLI-3a Col 6	From Sched SS-3 + Col 13 - Col 18 - Col 19	
2009	42,055,057	1,483,481	43,538,538	1,322,954	-	1,267,817	1,208,181	58,635	837,413	-	-	837,413	505,554	2,146,604	271,258	135,081	-	3,489	2,725,270	-	-	428,024
2010	62,387,945	2,636,299	65,024,244	5,825,922	-	5,558,552	5,617,178	(58,628)	3,820,753	-	-	3,820,753	258,525	5,411,252	1,499,493	203,401	-	10,717,244	10,717,244	26,680	(770,168)	7,784,227
2011	73,059,428	1,795,218	74,854,646	7,945,123	-	7,473,721	7,429,658	44,062	4,927,271	-	-	4,927,271	127,415	12,280,358	(3,244,577)	265,220	-	559,458	3,089,672	76,574	4,784,933	5,201,659
2012	68,251,150	1,287,922	69,539,072	8,049,416	-	7,741,058	7,674,212	102,876	4,658,082	-	-	4,658,082	68,189	12,340,193	(8,730,193)	168,511	-	3,867,845	2,692,350	145,264	10,148,563	5,201,659
2013	58,542,118	268,749	58,810,867	7,480,617	-	7,106,211	7,053,134	(145,940)	4,552,082	-	-	4,552,082	33,273	11,388,375	(2,124,850)	31,975	-	6,033,615	2,329,265	417,236	7,013,910	5,201,659
2014	58,826,912	199,653	59,026,565	6,925,446	-	6,620,393	6,705,314	(7,081)	4,223,202	-	-	4,223,202	88,258	11,388,375	(2,124,850)	31,975	-	6,033,615	2,329,265	417,236	7,013,910	5,201,659
2015	53,360,129	250,247	53,610,376	6,365,310	-	6,252,272	6,269,853	(7,081)	5,459,702	-	-	5,459,702	88,258	11,223,052	1,258,416	22,728	-	5,715,555	5,714,080	568,583	5,201,659	
2016	47,374,984	1,746,880	49,121,864	5,816,230	-	5,588,512	5,674,522	(205,810)	5,725,235	-	-	5,725,235	88,258	11,568,876	285,516	16,915	-	5,212,652	6,469,885	98,861	5,201,659	
2017	40,767,223	1,726,740	42,493,963	5,133,639	-	4,988,275	4,988,574	(301)	6,607,460	-	-	6,607,460	110,579	11,597,034	-	24,501	-	5,125,731	6,446,882	-	5,402,177	
Oct 2016 - Sep 2017	-	-	-	5,314,928	-	5,165,268	5,160,384	(177)	6,468,950	-	-	6,468,950	116,407	11,635,334	-	24,568	-	5,143,258	6,467,507	-	-	5,432,894

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Detail
Actual data through March 2016

Annual Pre-Tax WACC 11.1100%
Monthly Pre-Tax WACC 0.92583%

Main data table with 14 columns and 175 rows. Columns include: (1) Loan Amount Issued, (2) Capitalized Plant, (3) Return On Total Outstanding Loan Balance, (3a) Rate to WACC Differential Cost, (3b) Rate to WACC Differential Cost, (4) Loan Accrued Interest, (4a) Loan Accrued Interest - Commercial, (4b) Loan Accrued Interest - Residential, (5) SREC Value Credited to Loans, (6) Cash Payments to Loans, (7) Loan Interest Paid, (8) Loan Principal Paid / Amortized, (9) Loan Accrued Interest Balance, (10) Loan Principal Balance, (11) Total Loan Outstanding Balance, (12) Value of SREC Transferred to PSE&G, (13) SREC Auction Sales, (14) Gain / (Loss) on SREC Sales. Rows are grouped into Monthly Calculations and Annual Summary.

PSE&G Solar Loan I Program
Electric Revenue Requirements Calculation - Detail
 Actual data through March 2016

Annual Pre-Tax WACC	11.1100%
Monthly Pre-Tax WACC	0.92563%

	(15)	(16)	(17)	(18)	(18a)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
	SREC Inventory	Return on SREC Inventory	SREC Disposition Expenses	SREC Call Option Net Benefit	SREC Floor Price Cost	Gross Plant	Plant Depreciation	Accumulated Depreciation	Net Plant	Tax Depreciation	Deferred Income Tax	Accumulated Deferred Income Tax	Net Plant Investment	Return Requirement on Plant Investment	O&M Expenses	Revenue Requirements	Alternative Revenue Requirements Calculation
Monthly Calculations																	
Sep-15	1,603,108	9,440	-	-	857,930	-	-	-	-	-	-	-	-	-	8,537	880,318	880,318
Oct-15	452,620	6,965	6,649	-	672,284	-	-	-	-	-	-	-	-	-	6,241	264,227	264,227
Nov-15	830,143	4,243	205	-	515,750	-	-	-	-	-	-	-	-	-	5,327	529,590	529,590
Dec-15	250,247	1,840	6,190	-	332,578	-	-	-	-	-	-	-	-	-	7,743	38,835	38,835
Jan-16	417,420	2,407	582	-	207,602	-	-	-	-	-	-	-	-	-	4,799	219,390	219,390
Feb-16	847,673	3,750	-	-	268,972	-	-	-	-	-	-	-	-	-	4,213	280,613	280,613
Mar-16	269,824	1,852	3,433	-	306,826	-	-	-	-	-	-	-	-	-	5,675	88,716	88,716
Apr-16	677,394	2,588	-	-	322,980	-	-	-	-	-	-	-	-	-	7,459	336,736	336,736
May-16	1,249,529	6,566	-	-	453,390	-	-	-	-	-	-	-	-	-	7,459	471,020	471,020
Jun-16	1,895,334	11,607	-	-	511,002	-	-	-	-	-	-	-	-	-	7,459	533,555	533,555
Jul-16	769,825	17,542	7,343	-	609,797	-	-	-	-	-	-	-	-	-	9,237	596,705	596,705
Aug-16	1,522,160	7,493	-	-	595,770	-	-	-	-	-	-	-	-	-	9,237	615,681	615,681
Sep-16	2,267,605	14,127	-	-	590,188	-	-	-	-	-	-	-	-	-	9,237	616,580	616,580
Oct-16	688,470	20,916	8,557	-	545,580	-	-	-	-	-	-	-	-	-	10,491	588,426	588,426
Nov-16	1,273,060	6,465	-	-	483,215	-	-	-	-	-	-	-	-	-	10,491	482,902	482,902
Dec-16	1,746,880	12,157	-	-	376,270	-	-	-	-	-	-	-	-	-	10,491	400,536	400,536
Jan-17	298,390	16,042	6,592	-	236,313	-	-	-	-	-	-	-	-	-	9,437	270,892	270,892
Feb-17	561,270	2,623	-	-	208,320	-	-	-	-	-	-	-	-	-	9,437	222,823	222,823
Mar-17	888,280	5,396	-	-	259,116	-	-	-	-	-	-	-	-	-	9,437	276,343	276,343
Apr-17	401,210	7,963	3,352	-	317,938	-	-	-	-	-	-	-	-	-	9,437	341,001	341,001
May-17	969,370	3,959	-	-	450,181	-	-	-	-	-	-	-	-	-	9,437	465,812	465,812
Jun-17	1,608,020	9,046	-	-	506,890	-	-	-	-	-	-	-	-	-	9,437	526,489	526,489
Jul-17	783,465	14,918	6,068	-	604,608	-	-	-	-	-	-	-	-	-	9,437	637,012	637,012
Aug-17	1,510,500	7,431	-	-	591,394	-	-	-	-	-	-	-	-	-	9,437	610,096	610,096
Sep-17	2,249,585	14,018	-	-	585,423	-	-	-	-	-	-	-	-	-	9,437	610,563	610,563
	Prior Col 15 + Col 12 - Col 13 - Col 14	WP-SS-SL1-2.xlsx 'SREC Inv.' Col 28	WP-SS-SL1-2.xlsx 'SREC Inv.' Col 29	Included in Col 14	WP-SS-SL1-2.xlsx 'Loans' wksht Col 36	Prior Month Col 19 + Col 2	1/120 of Each Prior 120 Months of Col 2 (10 year amortization)	Prior Col 21 + Col 20	Col 19 - Col 21	See WP-SS-SL1-1.xlsx 'AmortE' wksht	(Col 23 - Col 20) * Income Tax Rate	Prior Col 25 + Col 24	Col 22 - Col 25	(Prior Col 26 + Col 26) / 2 * Monthly Pro Tax WACC	Program Assumption	Col 3 - Col 4 - Col 5 - Col 6 + Col 7 + Col 8 - Col 14 + Col 16 + Col 17 - Col 18 + Col 20 + Col 27 + Col 28	3a + 3b - 14 + 18 + 17 - 18 + 20 + 27 + 28
Annual Summary																	
2009	1,483,481	50,579	135,091	-	3,499	-	-	-	-	-	-	-	-	-	505,554	428,024	428,024
2010	2,636,299	192,841	203,401	-	-	-	-	-	-	-	-	-	-	-	258,525	(770,198)	(770,198)
2011	1,795,218	350,277	285,220	-	559,489	-	-	-	-	-	-	-	-	-	127,415	4,788,503	4,788,503
2012	1,287,922	156,293	108,511	-	3,967,845	-	-	-	-	-	-	-	-	-	68,189	10,143,665	10,143,665
2013	268,789	89,770	37,127	-	7,028,218	-	-	-	-	-	-	-	-	-	95,021	9,445,803	9,445,803
2014	199,853	48,141	33,975	-	6,980,955	-	-	-	-	-	-	-	-	-	82,769	7,013,900	7,013,900
2015	250,247	45,151	32,739	-	6,715,559	-	-	-	-	-	-	-	-	-	98,368	5,681,789	5,681,789
2016	1,746,880	107,469	19,915	-	5,250,592	-	-	-	-	-	-	-	-	-	96,249	5,230,859	5,230,859
2017	1,726,740	120,550	24,501	-	5,125,731	-	-	-	-	-	-	-	-	-	110,579	5,405,177	5,405,177
Oct 2016 - Sep 2017		120,932	24,569	-	5,143,258	-	-	-	-	-	-	-	-	-	116,407	5,432,894	5,432,894

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000150	0.000050	0.000050	0.000050	0.000050	0.000040	0.000040
	(93)	(94)	(95)	(96)	(97)	(98)	(99)
<u>SLI (Over)/Under Calculation</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>
(1) Solar Loan I SPRC Revenue	567,295	152,979	148,598	154,965	169,431	127,987	125,638
(2) Revenue Requirements	<u>880,318</u>	<u>264,227</u>	<u>529,590</u>	<u>38,835</u>	<u>219,390</u>	<u>280,613</u>	<u>88,716</u>
(3) Monthly (Over)/Under Recovery	313,023.4	111,248.1	380,992.8	(116,129.9)	49,959.2	152,625.6	(36,921.4)
(4) Deferred Balance	(5,447,033.2)	(5,349,193.9)	(4,968,201.1)	(5,084,331.0)	(5,034,371.7)	(4,881,746.2)	(4,918,667.5)
(5) Monthly Interest Rate	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%
(6) After Tax Monthly Interest Expense/(Credit)	(3,521.5)	(3,392.4)	(3,241.9)	(3,158.7)	(3,179.5)	(3,115.8)	(3,079.5)
(7) Cumulative Interest	(13,408.9)	(3,392.4)	(6,634.3)	(9,793.0)	(12,972.5)	(16,088.3)	(19,167.8)
(8) Balance Added to Subsequent Year's Revenue Requirements	(5,460,442.0)	(5,352,586.3)	(4,974,835.4)	(5,094,124.0)	(5,047,344.2)	(4,897,834.5)	(4,937,835.3)
(9) Net Sales - kWh (000)							
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000040	0.000040	0.000040	0.000040	0.000040	0.000040	0.000068
	(100)	(101)	(102)	(103)	(104)	(105)	(106)
<u>SLI (Over)/Under Calculation</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>
(1) Solar Loan I SPRC Revenue	117,858	130,678	146,120	174,455	169,582	133,137	202,646
(2) Revenue Requirements	<u>336,736</u>	<u>471,020</u>	<u>533,555</u>	<u>596,705</u>	<u>615,681</u>	<u>616,580</u>	<u>588,426</u>
(3) Monthly (Over)/Under Recovery	218,877.5	340,341.2	387,435.3	422,249.9	446,098.7	483,442.9	385,779.5
(4) Deferred Balance	(4,699,790.0)	(4,359,448.8)	(3,972,013.5)	(3,549,763.6)	(3,103,664.9)	(2,620,222.0)	(2,268,349.7)
(5) Monthly Interest Rate	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%
(6) After Tax Monthly Interest Expense/(Credit)	(3,022.3)	(2,846.6)	(2,617.9)	(2,363.5)	(2,090.6)	(1,798.6)	(1,536.1)
(7) Cumulative Interest	(22,190.1)	(25,036.7)	(27,654.6)	(30,018.0)	(32,108.7)	(33,907.2)	(1,536.1)
(8) Balance Added to Subsequent Year's Revenue Requirements	(4,721,980.1)	(4,384,485.4)	(3,999,668.0)	(3,579,781.6)	(3,135,773.6)	(2,654,129.2)	(2,269,885.7)
(9) Net Sales - kWh (000)	2,946,450	3,266,957	3,652,997	4,361,384	4,239,558	3,328,426	2,980,091
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh	0.000068	0.000068	0.000068	0.000068	0.000068	0.000068	0.000068
	(107)	(108)	(109)	(110)	(111)	(112)	(113)
<u>SLI (Over)/Under Calculation</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>
(1) Solar Loan I SPRC Revenue	195,761	223,945	232,122	226,836	225,230	200,577	217,383
(2) Revenue Requirements	<u>482,902</u>	<u>400,536</u>	<u>270,892</u>	<u>222,823</u>	<u>276,343</u>	<u>341,001</u>	<u>465,812</u>
(3) Monthly (Over)/Under Recovery	287,140.7	176,590.5	38,769.8	(4,012.9)	51,112.6	140,424.3	248,428.4
(4) Deferred Balance	(1,981,209.0)	(1,804,618.5)	(1,765,848.7)	(1,769,861.7)	(1,718,749.1)	(1,578,324.8)	(1,329,896.4)
(5) Monthly Interest Rate	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%	0.10667%
(6) After Tax Monthly Interest Expense/(Credit)	(1,335.3)	(1,189.6)	(1,121.9)	(1,111.0)	(1,096.2)	(1,036.0)	(913.8)
(7) Cumulative Interest	(2,871.4)	(4,060.9)	(5,182.9)	(6,293.8)	(7,390.0)	(8,426.0)	(9,339.8)
(8) Balance Added to Subsequent Year's Revenue Requirements	(1,984,080.4)	(1,808,679.5)	(1,771,031.6)	(1,776,155.5)	(1,726,139.1)	(1,586,750.9)	(1,339,236.3)
(9) Net Sales - kWh (000)	2,878,837	3,293,316	3,413,563	3,335,823	3,312,211	2,949,657	3,196,813
(10) SPRC Settlement: Application Fee Credit							
(11) SPRC Settlement: Prior to Filing Expenses Credit							

PSE&G Solar Loan I Program
(Over)/Under Calculation

Existing / Proposed SL I Rate w/o SUT \$/kWh		0.000068	0.000068	0.000068	0.000068	
		(114)	(115)	(116)	(117)	
<u>SLI (Over)/Under Calculation</u>		<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Notes</u>
(1)	Solar Loan I SPRC Revenue	251,225	301,897	291,619	225,880	SL I Rate * Line 9
(2)	Revenue Requirements	<u>526,489</u>	<u>637,012</u>	<u>610,096</u>	<u>610,563</u>	From SS-SL1-3, Col 20
(3)	Monthly (Over)/Under Recovery	275,265.0	335,115.1	318,477.1	384,682.8	Line 2 - Line 1
(4)	Deferred Balance	(1,054,631.5)	(719,516.4)	(401,039.3)	(16,356.5)	Prev Line 4 + Line 3 + Line 10 + Line 11
(5)	Monthly Interest Rate	0.10667%	0.10667%	0.10667%	0.10667%	Annual Interest Rate / 12
(6)	After Tax Monthly Interest Expense/(Credit)	(749.3)	(557.5)	(352.1)	(131.2)	(Prev Line 4 + Line 4) / 2 * (1 - Tax Rate) * Line 5
(7)	Cumulative Interest	(10,089.1)	(10,646.6)	(10,998.7)	(11,129.8)	Prev Line 7 + Line 6
(8)	Balance Added to Subsequent Year's Revenue Requirements	(1,064,720.6)	(730,163.0)	(412,038.0)	(27,486.4)	Line 4 + Line 7
(9)	Net Sales - kWh (000)	3,694,478	4,439,658	4,288,510	3,321,769	
(10)	SPRC Settlement: Application Fee Credit					
(11)	SPRC Settlement: Prior to Filing Expenses Credit					

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric Solar Pilot Recovery Charge (SPRC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
200	1,920	\$363.36	\$363.36	\$0.00	0.00%
450	4,320	780.84	780.96	0.12	0.02
750	7,200	1,290.28	1,290.52	0.24	0.02
803	7,800	1,397.40	1,397.65	0.25	0.02
1,360	13,160	2,360.92	2,361.32	0.40	0.02

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2016 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes changes in the Solar Pilot Recovery Charge.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,920	200	\$37.96	\$37.96	\$0.00	0.00%
4,320	450	82.35	82.36	0.01	0.01
7,200	750	137.71	137.73	0.02	0.01
7,800	803	147.86	147.89	0.03	0.02
13,160	1,360	254.51	254.55	0.04	0.02

- (3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect September 1, 2016 and assumes that the customer receives BGS-RSCP service from Public Service.
- (4) Same as (3) except includes changes in the Solar Pilot Recovery Charge.