



Agenda Date: 1/25/17
Agenda Item: 21

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)	DECISION AND ORDER
SERVICE ELECTRIC AND GAS COMPANY FOR A)	APPROVING STIPULATION
WAIVER ORDER AUTHORIZING THE CONTINUATION)	OF SETTLEMENT
OF THE PROVISION OF SERVICE TO THE PASSAIC)	
VALLEY SEWERAGE COMMISSION UNDER THE)	
HIGH TENSION SERVICE-HIGH VOLTAGE TARIFF)	
SCHEDULE)	DOCKET NO. EW15070839

Parties of Record:

Hesser G. McBride, Jr., Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Steven S. Goldenberg, Esq., Fox Rothschild, LLP, on behalf of Passaic Valley Sewerage Commission

BY THE BOARD:

BACKGROUND:

On or about July 22, 2015, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU"), pursuant to N.J.A.C. 14:1-1.2(b), requesting a waiver¹ authorizing the Company to continue to provide service to the Passaic Valley Sewage Commission ("PVSC") under the existing service classification despite a change in the PSE&G facilities used to serve the PVSC. Specifically, the petition sought approval from the Board to permit PSE&G to charge PVSC rates for service under the High Tension Service-High Voltage Tariff ("HTS-HV")², although the service provided

¹ Although the petition initial requested a waiver, through agreement in the proposed Stipulation of Settlement, PSE&G now seeks a tariff amendment pursuant to N.J.A.C. 14:1-5.11

² B.P.U. NJ No. 15 Electric, Original Sheet 19,
https://www.pseg.com/family/pseandg/tariffs/electric/pdf/electric_tariff.pdf

to PSVC will be delivered by facilities that would normally provide services delivered under the High Tension Service–Sub transmission tariff (“HTS-S”).

According to the Company, PVSC is provided electric service pursuant to PSE&G’s HTS-HV tariff and rate schedule by existing 138 kilovolt (“kV”) circuits. PSE&G has been directed by PJM Interconnection, LLC (“PJM”)³, as part of PJM’s Regional Transmission Expansion Planning (“RTEP”) process, to make reliability-related transmission upgrades to the PSE&G transmission system.

As a result, PSE&G is in the process of installing a new 345 kV double circuit project that will replace most of the existing 138 kV system in the portion of the Company’s system that serves PVSC. Electric service to PVSC will instead be provided by 69 kV transmission facilities that will be constructed to replace the current 138 kV transmission facilities. PSE&G asserts that a tariff modification to allow PVSC to be subject to the HTS-S tariff is beneficial because it is significantly more cost effective for the Company to serve PVSC by a 69 kV circuit configuration rather than modifying facilities that would permit the Company to serve it via a 138 kV circuit configuration. Accordingly, the Company claims that the tariff modification would prevent PVSC from being subject to a rate increase due to a change in service classification through no fault of their own.

STIPULATION⁴

Following discovery and settlement discussions, on December 20, 2016 the Company, the New Jersey Division of Rate Counsel (“Rate Counsel”), PVSC and Board Staff (collectively, “Parties”) entered into a stipulation of settlement⁵ (“Stipulation”) agreeing to the following:

1. Because PSE&G represents that the distribution costs to serve PVSC are not changing (other than costs for new meters) as a result of the change in the transmission facilities used to serve PVSC, and PVSC will continue to be served by FERC-jurisdictional facilities (rather than distribution facilities), the High Tension Service (“HTS”) tariff shall be amended, pursuant to N.J.A.C. 14:1-5.11, to provide that customers served under rate schedule HTS-HV that are changed to lower voltage facilities under FERC jurisdiction due to system-mandated changes will be served under the proposed HTS-Transmission (“HTS-Trans”) service classification with their usage adjusted to reflect usage under the HTS-HV service classification, and will continue to be billed under the HTS-HV rate schedule;

³ PJM is the privately-held, limited liability corporation approved by the Federal Energy Regulation Commission (“FERC”) as a Regional Transmission Organization that manages the regional, high-voltage electricity grid serving all or parts of 13 states, including New Jersey. PJM also operates the regional competitive wholesale electric market and manages the regional transmission planning process. N.J.S.A. 48:3-51.

⁴ 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 conclusion in this Order.

2. As part of the 69 kV transmission project, PSE&G will install, at no cost to PVSC, all equipment and facilities required to enable PVSC to be served at the 69 kV voltage level. If it is determined by a competent legal authority that these costs should not be recovered as transmission project costs, the Parties agree that PSE&G may seek to recover such prudently incurred costs in distribution rates from all distribution customers. PVSC will make sufficient real property available to PSE&G for the installation of the 69 kV facilities required to provide continuous service to PVSC;
3. In future rate cases, PSE&G will maintain the HTS-Trans service classification, or a successor equivalent service classification;
4. The Parties agree that in light of the circumstances associated with PVSC as described above and the proposed change of service described in the Stipulation, the amendment of the HTS tariff described in the Stipulation is just and reasonable. The revised HTS tariff will not result in any decrease or increase in revenue to PSE&G;
5. The proposed amendment to the HTS tariff recognizes, among other things, that the change in service to PVSC (i) is the result of the unique circumstances described above associated with the transmission project discussed in the Stipulation and was not requested by PVSC, and (ii) should not increase PSE&G's distribution rate base or increase PSE&G's distribution-related costs, and that PVSC will continue to be served by FERC-jurisdictional transmission facilities; and
6. The HTS tariff, as amended, is attached to the Stipulation as Exhibit A. Upon the Board's approval of the Stipulation, PSE&G shall file the revised tariff with the BPU to be effective no sooner than thirty (30) days after the filing.

DISCUSSION AND FINDINGS

The Board having carefully reviewed the record in this proceeding and the attached Stipulation, the Board **FINDS** that the amendment to the above referenced tariff, which does not propose increases in charges to customers, pursuant to N.J.A.C. 14:1-5.11, is appropriate under the present circumstances. Therefore, the Board further **HEREBY FINDS** that, subject to the terms and conditions set forth below, 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 approvals granted, hereinabove, shall be subject to the following:

Approval of this tariff amendment does not constitute Board approval of any costs or expenses associated with this petition. Any determination as to the appropriateness or reasonableness of any costs and expenses sought in distribution rates shall be made in an appropriate subsequent proceeding.

The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order within five (5) business days after the effective date of this Order.

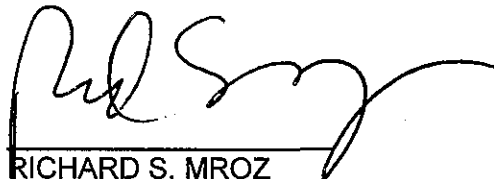
The Company's electric costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any such actions deemed to be appropriate as a result of any such audit.

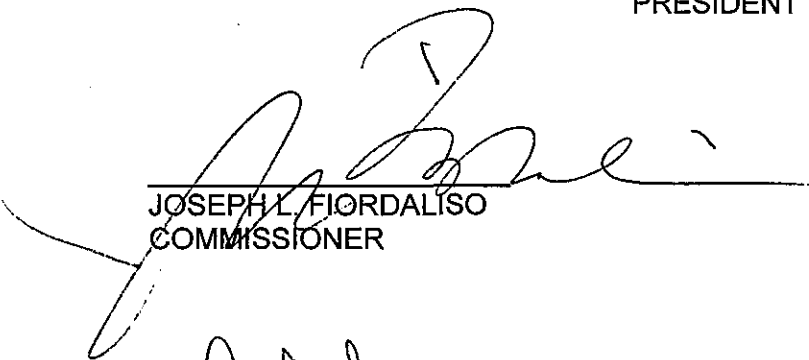
This Order shall be effective on February 4, 2017.

The newly revised tariffs shall be effective on March 6, 2017.

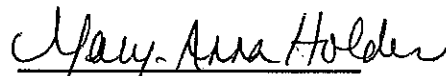
DATED: 1/25/17

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT




JOSEPH L. FIORDALISO
COMMISSIONER

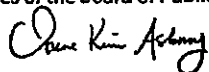

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 A WAIVER ORDER AUTHORIZING THE CONTINUATION OF THE PROVISION OF
SERVICE TO THE PASSAIC VALLEY SEWERAGE COMMISSION UNDER THE HIGH
TENSION SERVICE-HIGH VOLTAGE TARIFF SCHEDULE

DOCKET NO. EW15070839

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January 18, 2017

In the Matter of the Petition of
Public Service Electric and Gas Company
for a Waiver Order Authorizing the Continuation of the
Provision of Service to the Passaic Valley Sewerage Commission
Under the High Tension Service - High Voltage Tariff Schedule

BPU Docket No. EW15070839

VIA ELECTRONIC MAIL & OVERNIGHT MAIL

Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Asbury:

Enclosed is a fully executed Stipulation of Settlement in the above-referenced matter. If you have any questions regarding this, do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Hesser G. McBride, Jr.", written in a cursive style.

C Attached Service List (E-mail only)

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WHEREAS, Petitioner is a corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey and subject to regulation by the Board for the purposes of setting its retail distribution rates and to assure safe, adequate and reliable electric distribution and natural gas distribution service pursuant to N.J.S.A. 48:2-21, *et seq.*; and

WHEREAS, PVSC is a governmental authority established by the New Jersey Legislature pursuant to N.J.S.A. 58-14-1, *et seq.* for the purpose of providing, among other things, sewerage treatment services for various municipalities located within its service territory, which encompasses Essex, Union, Passaic, Bergen and Hudson Counties; and

WHEREAS, PVSC is located in PSE&G's service territory and is an electric delivery service customer. PVSC is provided service pursuant to PSE&G's HTS-High Voltage or HTS-HV tariff and rate schedule, B.P.U.N.J., No.15 Electric, Original Sheet 19 (HTS-HV). The HTS-HV Rate Schedule is designed to serve customers that receive service from transmission lines at the 138 kV or 230 kV voltage levels. PVSC is currently provided service via existing 138kV transmission circuits; and

WHEREAS, PSE&G has been directed by PJM, as part of PJM's Regional Transmission Expansion Planning ("RTEP") process, to make certain reliability-related transmission upgrades to the PSE&G transmission system. In order to construct the required RTEP upgrades in an economically efficient manner, PSE&G will, among other things, eliminate the 138 kV transmission facilities that currently provide service to PVSC; and

WHEREAS, the elimination of the 138 kV facilities was not requested by PVSC but will occur solely as a result of the PJM RTEP project; and

WHEREAS, for these reasons, and in order to achieve economic efficiencies that will benefit all customers, service to PVSC will be provided by 69kV transmission facilities that will be constructed to replace the current 138 kV transmission facilities. While PVSC will continue to be served by transmission facilities, the PSE&G Rate Schedule High Tension Service (“HTS”) requires modification to incorporate a service classification for HTS-HV customers taking service from a 69 kV Federal Energy Regulatory Commission (FERC) jurisdictional transmission facility installed due to transmission system modifications; and

WHEREAS, service provided via 69 kV facilities is currently provided under PSE&G’s Rate Schedule High Tension Service at Sub-transmission Voltages (“HTS-Sub”) and is based upon the costs of facilities classified as distribution facilities; and

WHEREAS, on July 21, 2015, PSE&G filed a petition with the Board requesting that the Board issue an order, pursuant to N.J.A.C. 14:1-1.2(b), waiving any requirement that the service to be provided to PVSC be subject to the terms of the HTS-Sub service tariff; and

WHEREAS, through dialogue, PSE&G and PVSC recognize that minimal tariff revisions, pursuant to N.J.A.C. 14:1-5.11, will address the issue without the need for a waiver and with greater clarity; and

WHEREAS, as discussed herein, PVSC currently receives services via FERC-regulated transmission facilities; and

WHEREAS, upon completion of the transmission project described hereinabove, PVSC will continue to be served by FERC-regulated transmission facilities; and

WHEREAS, PSE&G does not anticipate that the change in transmission voltage levels provided to PVSC will result in any change in distribution costs or distribution investment other than minimal costs associated with new meters; and

WHEREAS, if PSE&G were to alter its system design in the course of completing the RTEP-mandated project described above so as to be able to provide service to PVSC via 138 kV facilities, PSE&G has represented that its RTEP-mandated transmission project costs would increase by more than \$30M, which would be recovered from PSE&G's transmission customers generally; and

WHEREAS, in order for PSE&G to convert PVSC's service voltage to 69 kV and install the required facilities, it is necessary for PSE&G to obtain access to PVSC's property and to replace the existing transformers and related equipment used to serve PVSC; and

WHEREAS, PSE&G has represented that it has no reasonable alternative to the use of the PVSC site for the transmission upgrades, as any alternative site would delay the upgrades mandated by the PJM RTEP process and increase the costs associated with the upgrades; and

WHEREAS, PVSC does not object to the imposition of a change in voltage service levels provided the change does not result in a higher rate or costs or other adverse impact to PVSC; and

WHEREAS, PVSC's situation as described herein is unlikely to be replicated by any other PSE&G customer. Among other things: (1) PVSC is a governmental entity that provides an essential service to 1.5 million ratepayers resident in the 48 municipalities within its treatment district and to 1.5 million citizens located in 50 additional municipalities that participate in PVSC's Liquid Waste Acceptance Program, and provides a significant environmental benefit to

these municipalities and to the State generally; (2) PVSC serves citizens that are among the State's poorest, and the least able to tolerate increases in the cost of essential services; (3) PVSC currently receives service under a tariff schedule required by PSE&G for the provision of 138 kV service (HTS-HV) provided over transmission facilities; (4) PVSC designed its current service connection to take service under HTS-HV; (5) the change in service voltage levels to PVSC is in response to a PJM RTEP requirement and was not requested by PVSC or occasioned by any changes in PVSC's usage or service requirements; (6) PVSC is the only PSE&G customer whose service level is affected by this PJM RTEP required change to PSE&G facilities; (7) apart from PVSC's sharing in the reliability benefits to be conferred on transmission customers generally, the change in service will not enhance the service currently provided by PSE&G to PVSC; (8) apart from the transmission cost savings that will be conferred upon all transmission customers, PVSC will not realize any direct cost savings achieved by PSE&G as a result of the change in service to PVSC; (9) the change in service level will cause the costs of PSE&G's RTEP transmission investments to be significantly lower than if PSE&G were to reconfigure the transmission system to continue to serve PVSC at 138kV, which will benefit all transmission customers; (10) no other customer's voltage service level will be lowered as a result of the RTEP project upgrade discussed above, and (11) the installation of the 69 kV facilities will increase system reliability for customers generally.

Throughout the course of this proceeding the Company has responded to discovery requests from Board Staff and Rate Counsel, and the Company's responses to the discovery requests, RCR-001 to RCR-015, are incorporated herein. Thereafter, the Parties engaged in settlement discussions which culminated in the preparation of a Term Sheet, whose provisions,

as modified by the Parties, are set forth in this Stipulation; and


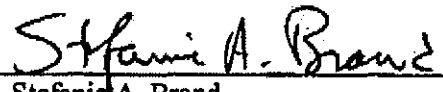
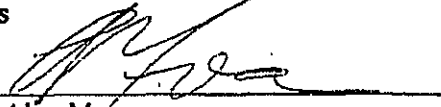
NOW, THEREFORE, the Parties hereby stipulate and agree to the following:

1. Because PSE&G represents that the distribution costs to serve PVSC are not changing (other than costs for new meters) as a result of the change in the transmission facilities used to serve PVSC, and PVSC will continue to be served by FERC-jurisdictional facilities (rather than distribution facilities), the HTS tariff shall be amended, pursuant to N.J.A.C. 14:1-5.11, to provide that customers served under rate schedule HTS-High Voltage that are changed to lower voltage facilities under FERC jurisdiction due to system-mandated changes will be served under the proposed HTS-Transmission (HTS-Trans) service classification with their usage adjusted to reflect usage under the HTS-HV service classification, and will continue to be billed under the HTS-HV rate schedule.
2. As part of the 69 kV transmission project, PSE&G will install, at no cost to PVSC, all equipment and facilities required to enable PVSC to be served at the 69 kV voltage level. If it is determined by a competent legal authority that these costs should not be recovered as transmission project costs, the Parties agree that PSE&G may seek to recover such prudently incurred costs in distribution rates from all distribution customers. PVSC will make sufficient real property available to PSE&G for the installation of the 69 kV facilities required to provide continuous service to PVSC.
3. In future rate cases, PSE&G will maintain the HTS-Trans service classification, or a successor equivalent service classification.
4. The Parties agree that in light of the circumstances associated with PVSC as described above and the proposed change of service described herein, the amendment of the HTS tariff described herein is just and reasonable. The revised HTS tariff will not result in any decrease or increase in revenue to PSE&G.
5. The proposed amendment to the HTS tariff recognizes, among other things, that the change in service to PVSC (i) is the result of the unique circumstances described above associated with the transmission project discussed herein and was not requested by PVSC, and (ii) should not increase PSE&G's distribution rate base or increase PSE&G's distribution-related costs, and that PVSC will continue to be served by FERC-jurisdictional transmission facilities.
6. The HTS Tariff, as amended, is attached hereto as Exhibit A. Upon the Board's approval of this Stipulation, PSE&G shall file the revised tariff

with the BPU to be effective no sooner than thirty (30) days after the filing.

7. The Parties acknowledge that the agreements contained herein cannot be construed to bind the Board in its future decisions regarding the subject matter of this Stipulation. Notwithstanding the foregoing, it is the Parties' intention and purpose in entering this Stipulation to memorialize the rate classification and tariff amendment set forth herein that the Parties have deemed to be acceptable, and to jointly recommend that the Board adopt this tariff amendment to the HTS tariff and that the HTS tariff amendment contained herein be maintained in PSE&G's tariff. In this regard, the Parties agree to support the continuation of the HTS tariff service classification as amended herein.
8. This Stipulation shall be binding on the Parties upon approval by the Board. This Stipulation shall bind the Parties only with regard to the subject matter of this proceeding and shall have no precedential value. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, as the Parties expressly and jointly state that they would not have signed the Stipulation had any term been modified in any way. Because the Parties have compromised in numerous areas, each is entitled to certain procedures in the event that any modifications whatsoever are made to the Stipulation. If, upon consideration of this Stipulation, the Board were to modify any of the terms described above, the Parties each must be given the right to be placed in the position it was in before the Stipulation was entered into. It is essential that each Party be afforded the option, prior to the implementation of any modification of this Stipulation, either to modify its own position to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached. This proceeding, under such circumstance, would resume at the point where it was terminated. The Parties agree that these procedures are fair to all concerned, and therefore, they are made an integral and essential element of this Stipulation. None of the Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding; as such agreements pertain only to this matter.
9. This Stipulation may be executed in as many counterparts as there are Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

Wherefore, the Parties hereto have duly executed and respectfully submit this Stipulation to the Board, and recommend that the Board issue a final Decision and Order consistent with the recommendations made herein.

<p>PUBLIC SERVICE ELECTRIC AND GAS COMPANY</p> <p>BY: <u></u> Hesser G. McBride Jr. Associate Regulatory Counsel</p> <p>DATED: <u>12/20/2016</u></p>	<p>NEW JERSEY DIVISION OF RATE COUNSEL, STEFANIE A. BRAND, DIRECTOR</p> <p>BY: <u></u> Stefanie A. Brand Director</p> <p>DATED: <u>1/5/17</u></p>
<p>CHRISTOPHER S. PORRINO ATTORNEY GENERAL OF NEW JERSEY Attorney for the Staff of the Board of Public Utilities</p> <p>BY: <u></u> Alex Mpreau Deputy Attorney General</p> <p>DATED: <u>12/21/2016</u></p>	<p>PASSAIC VALLEY SEWERAGE COMMISSION</p> <p>BY: _____ Steven S. Goldenberg</p> <p>DATED: _____</p>

Wherefore, the Parties hereto have duly executed and respectfully submit this Stipulation to the Board, and recommend that the Board issue a final Decision and Order consistent with the recommendations made herein.

<p>PUBLIC SERVICE ELECTRIC AND GAS COMPANY</p> <p>BY: _____ Hesser G. McBride Jr. Associate Regulatory Counsel</p> <p>DATED: _____</p>	<p>NEW JERSEY DIVISION OF RATE COUNSEL, STEFANIE A. BRAND, DIRECTOR</p> <p>BY: _____ Stefanie A. Brand Director</p> <p>DATED: _____</p>
<p>CHRISTOPHER S. PORRINO</p> <p>ATTORNEY GENERAL OF NEW JERSEY for the Staff of the Board of Public Utilities</p> <p>BY: _____ Deputy Attorney General</p> <p>DATED: _____</p>	<p>PASSAIC VALLEY SEWERAGE COMMISSION</p> <p>BY: _____ Steven S. Goldenberg</p> <p>DATED: <u>January 12, 2017</u></p>

STANDARD TERMS AND CONDITIONS – INDEX

	Sheet No.		Sheet No.
1. General	10	8. Customer's Installation	24
2. Obtaining Service	10	8.1. General	24
2.1. Application	10	8.2. Wiring	24
2.2. Initial Selection of Rate Schedule	10	8.3. Inspection and Acceptance	24
2.3. Deposit and Guarantee	11	8.4. Customer On-Site Generation	24
2.4. Permits	12	8.5. Maintenance of Customer's Installation	25
2.5. Selection of Lighting Options	12	8.6. Electrical Equipment and Appliances	25
3. Charges For Service	12	8.7. Power Factor	25
3.1. General	12	8.8. Liability for Customer's Installation	25
3.2. Definitions	12	9. Meter Reading and Billing	25
3.3. Removal of Public Service Facilities	13	9.1. Measurement of Electric Service	25
3.4. Temporary Service	13	9.2. Metering on Customer's Premises	26
3.5. Provision of Service	14	9.3. Testing of Meters	27
3.6. Extensions – General Provisions	15	9.4. Metering Options	27
3.7. Charges for Extensions	15	9.5. Billing Adjustments	30
3.8. Charges for Increased Load	18	9.6. Meter Reading and Billing Period	30
Characteristics Of Service	18	9.7. Proration of Monthly Charges	30
4. 4.1. General	18	9.8. Averaged Bills	30
4.2. Types of Service	19	9.9. Budget Plan (Equal Payment Plan)	30
4.3. Losses	19	9.10. Billing of Charges in Tariff	31
Service Connections	19	9.11. Payment of Bills	31
5. 5.1. General	19	9.12. Late Payment Charge	31
5.2. Overhead Service	20	9.13. Returned Check Charge	32
5.3. Underground Service in Underground Zone	20	9.14. Field Collection Charge	32
5.4. Underground Service in Overhead Zone	20	10. Access To Customer's Premises	32
5.5. Change in Location of Existing Service Line	21	11. Discontinuance Of Service	32
Service Entrance Installations	21	11.1. By Public Service	32
6. 6.1. General	21	11.2. At Customer's Request	34
6.2. Seals	21	12. Reconnection Charge	34
6.3. Secondary Distribution Service	21	13. Service Limitations	34
6.4. Primary Distribution, Subtransmission, Transmission or High Voltage Service	22	13.1. Continuity of Service	34
Meters and Other Equipment	22	13.2. Emergencies	34
7. 7.1. General	22	13.3. Unusual Conditions	35
7.2. Other Devices	23	14. Third Party Supplier	35
7.3. Protection of Meters and Other Equipment	23	14.1. Third Party Supplier Electric Supply	35
7.4. Tampering	23	14.2. Initiation of Service	35
		14.3. Customer Billing Process	36
		14.4. Continuity of Service	37
		14.5. Interval Metering	37

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Filed pursuant to Order of Board of Public Utilities dated
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STANDARD TERMS AND CONDITIONS

(Continued)

- 3.8 Charges for Increased Load:** When it is necessary for Public Service to construct, upgrade, or install facilities necessary to service the additional requirements of existing customers and these facilities do not meet the definition of an Extension as defined in Section 3.2 (h) of these Standard Terms and Conditions, the following shall apply:
- a) Public Service may require a deposit from the customer to cover all or part of the investment necessary to supply service. Any such deposit will be calculated by comparing the estimated annual increase in Distribution Revenue as determined by Public Service to the total cost of the applicable work to determine if excess costs exist.
 - b) Excess cost is defined as the total cost of the applicable work less any contribution required for Atypical Conditions less the ten times the estimated average annual increase in Distribution Revenue, such result grossed up for income tax effects. The excess cost shall not be less than zero in any case.
 - c) Any excess cost shall be deposited and remain with Public Service without interest. Public Service will waive the deposit requirement where the excess cost is \$500.00 or less.
 - d) In each annual period from the date of connection of such additional load, if the actual increase in Distribution Revenue from the customer exceeds the greater of either: (1) the estimated annual increase in Distribution Revenue used as the basis for the initial deposit computation, or (2) the highest increase in actual Distribution Revenue from any prior year, there shall be returned to the Applicant an additional amount, equal to ten times such excess multiplied by the tax gross up factor used when the deposit was taken.
 - e) In no event shall more than the original deposit be returned to the Applicant nor shall any part of the deposit remaining after ten years from the date of the original deposit be returned.

4. CHARACTERISTICS OF SERVICE

- 4.1. General:** The standard service supply of Public Service is alternating current with a nominal frequency of 60 hertz (cycles per second). All types of service listed below are not available at all locations, and service from the primary distribution, subtransmission, transmission or high voltage system may be specified under special conditions, such as location, size, or type of load. The customer shall ascertain and comply with the service characteristics requirements of Public Service which are covered in detail in "Information and Requirements for Electric Service," issued by Public Service and available on request.

Public Service must always be consulted to determine the type of service to be supplied to a particular installation. The type of service may govern the characteristics of equipment to be connected.

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STANDARD TERMS AND CONDITIONS
 (Continued)

4.2. Types of Service: Subject to the restrictions in Section 4.1, the types of service available, with their nominal voltages are:

<u>Type of Service</u>	<u>Volts</u>	
Secondary Distribution Service	Single-phase, two-wire	120
	Single-phase, three wire	120/240
	Single-phase, three-wire	120/208
	Three-phase, three-wire	240
	Three-phase, four wire	120/240
	Three-phase, four wire	120/208
	Three-phase, four-wire	277/480
Primary Distribution Service	Three-phase, four wire	2,400/4,160
	Three-phase, four-wire	13,200
Subtransmission Service:	Three-phase, three-wire	26,400
	Three-phase, three-wire	69,000
High Voltage Service:	Three-phase, three-wire	138,000
	Three-phase, three-wire	230,000
<u>Transmission Service</u>	<u>Three-phase, three-wire</u>	<u>69,000</u>

4.3. Losses: Nominal electric losses and unaccounted for percentages:

<u>Type of Service</u>	<u>Losses</u>
Secondary Distribution Service:	7.5377%
Primary Distribution Service:	5.1232%
Subtransmission & Transmission Service:	2.9402%
High Voltage Service:	1.4590%

5. SERVICE CONNECTIONS

5.1. General: The customer shall consult Public Service before starting work, to determine the type of service facilities involved, the exact location of the point of connection between customer's service entrance and Public Service's facilities and the construction to be installed by each.

Electric service will be supplied to each building or premises through a single service connection unless otherwise agreed in accordance with the detailed requirements of "Information and Requirements for Electric Service," Section 3.

Whenever conductors are required under or within a building to provide a continuous service run to the customer's entrance equipment, they shall be installed by Public Service at the expense of the customer.

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STANDARD TERMS AND CONDITIONS

(Continued)

Where a customer is provided Subtransmission or High Voltage Service, the customer's high side bus shall be considered part of the Public Service distribution system for operational purposes with no remuneration to the customer by Public Service.

- 5.2. Overhead Service:** For overhead service in overhead zones, Public Service will furnish, install, and maintain the overhead service facilities to the point of connection to the customer's facilities. A deposit or non-refundable contribution may be required as provided in Section 3 of these Standard Terms and Conditions.
- 5.3. Underground Service in Underground Zone:** For underground service in underground zones, Public Service will furnish, install, and maintain the underground service facilities to the point of connection to customer's facilities. A deposit or non-refundable contribution may be required as provided in Section 3 of these Standard Terms and Conditions.
- 5.4. Underground Service in Overhead Zone:**
- 5.4.1. Secondary Distribution Service:** Where underground service in an overhead zone is to be supplied, and secondary voltage supply from overhead facilities is inadequate for the size of customer's load, the customer shall furnish and install at its expense and in accordance with the specifications of Public Service the primary conduits and any necessary manholes, which will be maintained by Public Service. The customer shall also be required to furnish, install, and maintain all secondary conduits and conductors and provide space on its property for necessary transformation.

Where underground service in an overhead zone is to be supplied, and secondary voltage supply from overhead facilities is adequate for the size of customer's load, such service will be supplied under the following conditions:

At Request of Customer: The customer shall furnish and install the service facilities at its expense and in accordance with the specifications of Public Service. Public Service will connect the service conductors and maintain the service facilities without charge to the customer.

Operating Reasons Beyond the Control of Public Service: The customer shall furnish and install at its expense and in accordance with the specifications of Public Service the service conduit which will be maintained by Public Service. Public Service will furnish, install, and maintain the service conductors to the point of connection to customer's facilities.

- 5.4.2. Primary Distribution Service:** Where underground service in an overhead zone is to be supplied, and primary voltage supply is required because of the size of the customer's load, such service will be supplied under the following condition:

At Request of Customer or for Operating Reasons Beyond the Control of Public Service: The customer shall furnish and install at its expense and in accordance with the specifications of Public Service the service conduit and any necessary manholes which will be maintained by Public Service. Public Service will furnish, install, and maintain the service conductors to the point of connection to customer's facilities.

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STANDARD TERMS AND CONDITIONS

(Continued)

6.4. **Primary Distribution, Subtransmission, Transmission or High Voltage Service:** For new installations to be metered at voltages exceeding 600 volts, meter-mounting equipment, current transformers, potential transformers, test switches, time switches, and associated unmetered wiring will be furnished without charge to the contractor, or may be furnished by the contractor at its expense if approved by Public Service. The contractor will install and wire this equipment as part of its contract with the customer. Public Service will furnish and install the meter.

Where service is received at primary distribution, subtransmission, transmission or high voltage entrance voltages, customer must furnish, install and maintain a service entrance interrupting device acceptable to Public Service and, where necessary, transformers and appurtenances.

The customer shall ascertain and comply with the general requirements of Public Service for primary distribution, subtransmission, transmission or high voltage service installations, which are covered in detail in "Information and Requirements for Electric Service," issued by Public Service and available on request.

Where subtransmission, transmission or high voltage service is supplied, it is necessary that the switching operations be controlled by Public Service; therefore, customer shall agree to abide by the operating instructions issued to customer by Public Service.

7. METERS AND OTHER EQUIPMENT

7.1. **General:** The installation of meters and connections shall be in accordance with N.J.A.C. 14:3-4.2.

Public Service will select the type and make of metering and its other equipment, and may, from time to time, change or alter such equipment; its sole obligation is to supply metering that will furnish accurate and adequate records for billing purposes.

Electric service normally will be supplied to each building or premises at a single metering point, by one watt-hour meter equipped, where necessary, with demand and recording devices. Additional meters will be installed (1) where, in the judgment of Public Service, the operating characteristics of its system require the installation of more than one meter, or (2) at the customer's request provided that the service measured by each meter shall be billed separately at an applicable rate schedule.

No person except a duly authorized employee or agent of Public Service is permitted to alter or change a meter or its connection.

When requested by a customer, equipment to provide remote meter reading, data pulses and advanced interval meter access may be installed, if feasible, at the expense of the customer. The payment shall not give the customer any interest in the equipment thus installed, the ownership being vested exclusively in Public Service.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**XXX Revised Sheet No. 57
Superseding**

B.P.U.N.J. No. 15 ELECTRIC

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs.....	\$ 0.001103
Energy Efficiency and Renewable Energy Programs.....	0.002849
Manufactured Gas Plant Remediation.....	0.000472
Sub-total per kilowatthour.....	\$ 0.004424

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	7.5377%	\$ 0.004785	\$ 0.001862	\$ 0.000727	\$ 0.007374
LPL Primary	5.1232%	0.004663	0.001862	0.000727	0.007252
HTS Subtransmission	2.9402%	0.004558	0.001862	0.000727	0.007147
HTS High Voltage & HTS Transmission	1.4590%	0.004490	0.001862	0.000727	0.007079

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$0.007890
LPL Primary.....	0.007760
HTS Subtransmission.....	0.007647
HTS High Voltage & HTS Transmission.....	0.007575

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be 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 for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

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**XXX Revised Sheet No. 60
Superseding**

B.P.U.N.J. No. 15 ELECTRIC

XXX Revised Sheet No. 60

NON-UTILITY GENERATION CHARGE

	Cost Recovery (per kilowatthour)		
	St Lawrence NYPA Credit RS, RHS and RLM	Non-Utility Generation above market costs (\$0.000086)	Total
Total Cost per kilowatthour			
Amount per kilowatthour of cost recovery after application of losses:			
RS, RHS & RLM (Loss Factor =7.5377%)	(\$ 0.000052)	(\$0.000093)	(\$0.000145)
Other Secondary (Loss Factor =7.5377%)		(0.000093)	(0.000093)
LPL Primary (Loss Factor =5.1232%)		(0.000091)	(0.000091)
HTS Subtransmission (Loss Factor =2.9402%)		(0.000089)	(0.000089)
HTS High Voltage & HTS Transmission (Loss Factor =1.4590%)		(0.000087)	(0.000087)
Charges including New Jersey Sales and Use Tax (SUT)			
RS, RHS & RLM	(\$ 0.000056)	(\$0.000100)	(\$0.000156)
Other Secondary Service		(0.000100)	(0.000100)
LPL Primary		(0.000097)	(0.000097)
HTS Subtransmission		(0.000095)	(0.000095)
HTS High Voltage & HTS Transmission		(0.000093)	(0.000093)

NON-UTILITY GENERATION CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. This charge shall recover: 1) above market costs associated with non-regulated generation costs which are related to long-term contractual power purchase arrangements approved by the Board and/or established under requirements of the Public Utility Regulatory Policies Act of 1978 and 2) other generation costs as may be approved by the Board. Actual costs incurred by the Company will be subject to deferred accounting. The St. Lawrence New York Power Authority (NYPA) Annual Benefit Allocation credit reflects the annual Economic Benefit allocation for New Jersey's investor owned utilities to supply residential customers' load.

Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered Non-utility Generation above market cost balances. This interest rate shall change each August 1.

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**XXX Revised Sheet No. 73
Superseding**

B.P.U.N.J. No. 15 ELECTRIC

XXX Revised Sheet No. 73

COMMERCIAL AND INDUSTRIAL ENERGY PRICING (CIEP) STANDBY FEE

APPLICABLE TO:

All kilowatthour usage under Rate Schedules LPL-Secondary (500 kilowatts or greater), LPL-Primary, HTS-Subtransmission, HTS-High Voltage, HTS-Transmission and all kilowatthour usage for customers under Rate Schedules HS, GLP and LPL-Secondary (less than 500 kilowatts) who have elected hourly energy pricing service from either BGS-CIEP or a Third Party Supplier.

	Charge (per kilowatthour)
Commercial and Industrial Energy Pricing (CIEP) Standby Fee	\$ 0.000150
Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.000161

The above charges shall recover costs associated with the administration, maintenance and availability of the Basic Generation Service default electric supply service for applicable rate schedules. These charges shall be combined with the Distribution Kilowatthour Charges for billing.

Kilowatt threshold noted above is based upon the customer's Peak Load Share of the overall summer peak load assigned to Public Service by the Pennsylvania-New Jersey-Maryland Office of the Interconnection (PJM). See Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions of this Tariff.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 82

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 82

**BASIC GENERATION SERVICE – COMMERCIAL AND INDUSTRIAL ENERGY PRICING (CIEP)
ELECTRIC SUPPLY CHARGES**

APPLICABLE TO:

Default electric supply service for Rate Schedules LPL-Secondary (500 kilowatts or greater), LPL-Primary, HTS-Subtransmission, ~~HTS-Transmission~~, HTS-High Voltage and to customers served under Rate Schedules HS, GLP and LPL-Secondary (less than 500 kilowatts) who have elected BGS-CIEP as their default supply service.

BGS ENERGY CHARGES:

Charges per kilowatthour:

BGS Energy Charges are hourly and include PJM Locational Marginal Prices, and PJM Ancillary Services. The total BGS Energy Charges are based on the sum of the following:

- The real time PJM Load Weighted Average Residual Metered Load Aggregate Locational Marginal Prices for the Public Service Transmission Zone, adjusted for losses (tariff losses, as defined in Standard Terms and Conditions Section 4.3, adjusted to remove the mean hourly PJM marginal losses of 0.76193%), and adjusted for SUT, plus
- Ancillary Services (including PJM Administrative Charges) at the rate of \$0.006000 per kilowatthour, adjusted for losses (tariff losses, as defined in Standard Terms and Conditions Section 4.3, adjusted to remove the mean hourly PJM marginal losses of 0.76193%), and adjusted for SUT, plus

BGS CAPACITY CHARGES:

Charges per kilowatt of Generation Obligation:

Charge applicable in the months of June through September \$ 10.2066
Charge including New Jersey Sales and Use Tax (SUT) \$ 10.9211

Charges applicable in the months of October through May \$ 10.2066
Charges including New Jersey Sales and Use Tax (SUT)..... \$ 10.9211

The above charges shall recover each customer's share of the overall summer peak load assigned to the Public Service Transmission Zone by the PJM Interconnection, L.L.C. (PJM) as adjusted by PJM assigned capacity related factors and shall be in accordance with Section 9.1, Measurement of Electric Service, of the Standard Terms and Conditions.

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XXX Revised Sheet No. 155

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 155

**RATE SCHEDULE HTS
HIGH TENSION SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Delivery service for general purposes at subtransmission, transmission and high voltages. Customers may either purchase electric supply from a Third Party Supplier (TPS) or from Public Service's Basic Generation Service default service as detailed in this rate schedule.

DELIVERY CHARGES FOR SERVICE AT SUBTRANSMISSION VOLTAGES:

Service Charge:

\$1,911.39 in each month [\$2,045.19 including New Jersey Sales and Use Tax (SUT)].

Distribution Kilowatt Charges:

Annual Demand Charge applicable in all months:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$ 1.0450	\$ 1.1182	per kilowatt of Annual Peak Demand

Summer Demand Charge applicable in the months of June through September:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$ 3.7785	\$ 4.0430	per kilowatt of On-Peak Monthly Peak Demand

Distribution Kilowatthour Charges:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.000000	\$0.000000	per kilowatthour

DELIVERY CHARGES FOR SERVICE AT TRANSMISSION VOLTAGES:

Customers historically served under rate schedule HTS-High Voltage that currently receive service at lower voltage levels on facilities under FERC jurisdiction as a result of system modifications mandated by the Company, and that have not changed their usage characteristics, will continue to be billed as High Voltage customers, but will have their usage adjusted solely by a factor based upon the current Subtransmission and High Voltage Losses, as detailed in the Standard Terms and Conditions, Section 4.3. The current adjustment factor for Subtransmission to High Voltage usage is 1.01526%.

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**RATE SCHEDULE HTS
HIGH TENSION SERVICE
(Continued)**

DELIVERY CHARGES FOR SERVICE AT HIGH VOLTAGE:

Service Charge:

\$1,720.25 in each month [\$1,840.67 including New Jersey Sales and Use Tax (SUT)].

Distribution Kilowatt Charges:

Annual Demand Charge applicable in all months:

<u>Charge</u>	<u>Charge Including SUT</u>	
\$ 0.6692	\$ 0.7160	per kilowatt of Annual Peak Demand

Distribution Kilowatthour Charges:

<u>All Use</u>		
<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.000000	\$0.000000	per kilowatthour

DELIVERY CHARGES FOR SERVICE AT SUBTRANSMISSION, TRANSMISSION AND HIGH VOLTAGES:

Societal Benefits Charge:

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Non-utility Generation Charge:

This charge shall recover above market costs associated with non-utility generation costs and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

Securitization Transition Charges:

These charges include the Transition Bond Charge and the MTC-Tax charge and shall recover costs and associated taxes for transition bonds collected by PSE&G as servicer on behalf of PSE&G Transition Funding LLC. Refer to the Securitization Transition Charges sheet of this Tariff for the current charges.

System Control Charge:

This charge is designed to provide recovery of costs associated with the operation of certain programs as approved by the BPU. Refer to the System Control Charge sheet of this Tariff for the current charge.

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**RATE SCHEDULE HTS
HIGH TENSION SERVICE
(Continued)**

Commercial and Industrial Energy Pricing (CIEP) Standby Fee:

Applicable to all kilowatthour usage under this rate schedule. This charge shall recover costs associated with the administration, maintenance and availability of the Basic Generation Service default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

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. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

Green Programs Recovery Charge:

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

The Distribution Kilowatthour Charge, the Non-utility Generation Charge, the System Control Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge and the CIEP Standby Fee shall be combined for billing.

Capital Adjustment Charge:

These charges are designed to recover the revenue requirements associated with the acceleration of electric capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system and capital expenditures related to energy efficiency infrastructure improvements. Refer to the Capital Adjustment Charge sheet of this Tariff for the current charges. These charges shall be combined with the applicable Service Charge, Distribution Kilowatt Charges and Distribution Kilowatthour Charges for billing.

ELECTRIC SUPPLY CHARGES:

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Commercial and Industrial Energy Pricing (BGS – CIEP) default service.

Third Party Supply:

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

Basic Generation Service:

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service - Commercial and Industrial Energy Pricing (BGS – CIEP) default service.

The BGS Energy Charges, BGS Capacity Charge, BGS Transmission Charge and BGS Reconciliation Charge are applicable. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule HTS for subtransmission, transmission or high voltage service.

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