

**Annual Gas Demand and Energy Savings for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014

	Annual Savings		
	Installed	Committed	Installed and Committed
	DTh	DTh	DTh
EEE Stimulus			
Residential Whole House	-	-	-
Residential Multi-Family Housing	26,092	22,141	48,233
Small Business Direct Install	-	-	-
Government Direct Install	-	-	-
Hospital Efficiency	-	15,878	15,878
Data Center Efficiency	-	-	-
Building Retro-Commissioning	-	-	-
Technology Demonstration	-	-	-
Total	26,092	38,019	64,111

Notes:

- 1- Hospital Efficiency Participants, Savings and Emissions are reported under EEE
- 2- Following Programs Completed under the previous RGGI filing Building Retro-Commissioning, Government Direct Install, Small Business Direct Install, Residential Whole House

**Lifetime Electric Demand and Energy Savings for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014	Lifetime Savings					
	Installed		Committed		Installed and Committed	
	kW	MWh	kW	MWh	kW	MWh
EEE Stimulus						
Residential Whole House	-	-	-	-	-	-
Residential Multi-Family Housing	(54)	3,999	224	33,171	171	37,170
Small Business Direct Install	-	-	-	-	-	-
Government Direct Install	-	-	-	-	-	-
Hospital Efficiency	-	-	155	27,198	155	27,198
Data Center Efficiency	180	38,354	-	-	180	38,354
Building Retro-Commissioning	-	-	-	-	-	-
Technology Demonstration	-	-	-	-	-	-
Total	126	42,353	380	60,369	506	102,722

Notes:

-1- Hospital Efficiency Participants, Savings and Emissions are reported under EEE

-2- Following Programs Completed under the previous RGGI filing Building Retro-Commissioning, Government Direct Install, Small Business Direct Install, Residential Whole House

**Lifetime Gas Demand and Energy Savings for Reductions for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014

Program	Lifetime Savings		
	Installed	Committed	Installed and Committed
	DTh	DTh	DTh
EEE Stimulus			
Residential Whole House	-	-	-
Residential Multi-Family Housing	515,252.20	367,139	882,391
Small Business Direct Install	-	-	-
Government Direct Install	-	-	-
Hospital Efficiency	-	213,153	213,153
Data Center Efficiency	-	-	-
Building Retro-Commissioning	-	-	-
Technology Demonstration	-	-	-
Total	515,252	580,292	1,095,544

Notes:

- 1- Hospital Efficiency Participants, Savings and Emissions are reported under EEE
- 2- Following Programs Completed under the previous RGGI filing Building Retro-Commissioning, Government Direct Install, Small Business Direct Install, Residential Whole House

**Annual Emissions Reductions for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014
(Metric Tons)

Program	CO2	NOX	SO2	Hg
EEE Stimulus				
Residential Whole House				
Residential Multi-Family Housing	1,681	2	1	0.00001
Small Business Direct Install				
Government Direct Install				
Hospital Efficiency				
Data Center Efficiency	1,709	3	7	0.00004
Building Retro-Commissioning				
Technology Demonstration				
Total	3,390	5	8	0.00005

Lifetime Emissions Reductions for
PSE&G Energy Efficiency Programs

Reporting Period: April 2013 - March 2014
(Metric Tons)

Program	CO2	NOX	SO2	Hg
EEE Stimulus				
Residential Whole House				
Residential Multi-Family Housing	30,102	27	12	0.00006
Small Business Direct Install				
Government Direct Install				
Hospital Efficiency				
Data Center Efficiency	26,444	49	113	0.00062
Building Retro-Commissioning				
Technology Demonstration				
Total	56,546	76	125	0.0007

Participant Costs
Reporting Period: April 2013 - March 2014
PSE&G Energy Efficiency Programs

EEE Stimulus	Electric	Gas	Total
Residential Whole House	\$ (128,207)	\$ (85,471)	\$ (213,678)
Residential Multi-Family Housing	\$ (233,599)	\$ (155,733)	\$ (389,332)
Small Business Direct Install	\$ (386,509)	\$ (42,945)	\$ (429,454)
Government Direct Install	\$ (672,025)	\$ (74,669)	\$ (746,694)
Hospital Efficiency	\$ (3,415,543)	\$ (2,277,029)	\$ (5,692,572)
Data Center Efficiency	\$ (1,170,065)	\$ (292,516)	\$ (1,462,581)
Building Retro-Commissioning			\$ -
Technology Demonstration			\$ -
Total	(6,005,948)	(2,928,363)	(8,934,311)

Notes:

- Participant Costs are Repayments Billed to Customers during the time period. They offset program Administrative and Incentive costs and are therefore negative.

EEE Ext
Budgeted Versus Actual Program Costs
For the Period October 2013 - March 2014

	Admin/Program Dev	Marketing & Sales	Training	Incentives, Direct Cost	Processing & QC	Evaluation	Total
Actual	\$ 625,942	\$ 18,128	\$ -	\$ 23,367,368	\$ 795,496	\$ -	\$ 24,806,934
Budget	\$ 701,212	\$ -	\$ -	\$ 30,957,240	\$ 631,754	\$ -	\$ 32,290,206
Over/(Under)	\$ (75,270)	\$ 18,128	\$ -	\$ (7,589,872)	\$ 163,742	\$ -	\$ (7,483,272)

**Participants for Reporting Period: April 2013 - March 2014
PSE&G Energy Efficiency Programs**

EEE Ext	# of Participants		
	Actual	Commitments	Actual & Commitments
Residential Multi-Family Housing	11	9	20
Municipal Direct Install	296	-	296
Hospital Efficiency	4	11	15
Total	311	20	331

Notes:

-1- We do not report Committed projects for Municipal Direct Install

**Annual Electric Demand and Energy Savings for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014	Annual Savings					
	Installed		Committed		Installed and Committed	
	KW	MWh	KW	MWh	KW	MWh
Program						
EEE Ext						
Residential Multi-Family Housing	(55)	1,177	291	3,212	236	4,389
Municipal Direct Install	5,206	18,362	-	-	5,206	18,362
Hospital Efficiency	34	7,377	1,287	12,754	1,321	20,131
Total	5,185	26,916	1,578	15,966	6,763	42,882

**Annual Gas Demand and Energy Savings for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014

	Annual Savings		
	Installed	Committed	Installed and Committed
	DTh	DTh	DTh
EEE Ext			
Residential Multi-Family Housing	48,911	68,133	117,044
Municipal Direct Install	471	0	471
Hospital Efficiency	48,298	54,403	102,701
Total	97,679	122,536	220,216

Lifetime Electric Demand and Energy Savings for
PSE&G Energy Efficiency Programs

Reporting Period: April 2013 - March 2014	Lifetime Savings					
	Installed		Committed		Installed and Committed	
	KW	MWh	KW	MWh	KW	MWh
EEE Ext						
Residential Multi-Family Housing	(55)	17,163	291	50,207	236	67,370
Municipal Direct Install	5,206	275,432	-	-	5,206	275,432
Hospital Efficiency	34	135,260	1,287	221,581	1,321	356,842
Total	5,185	427,855	1,578	271,788	6,763	699,643

Lifetime Gas Demand and Energy Savings for Reductions for
PSE&G Energy Efficiency Programs

Reporting Period: April 2013 - March 2014

Program	Lifetime Savings		
	Installed	Committed	Installed and Committed
	DTh	DTh	DTh
EEE Ext			
Residential Multi-Family Housing	1,123,495	1,244,199	2,367,694
Municipal Direct Install	9,416	-	9,416
Hospital Efficiency	1,037,608	1,171,090	2,208,698
Total	2,170,519	2,415,289	4,585,808

**Annual Emissions Reductions for
PSE&G Energy Efficiency Programs**

Reporting Period: April 2013 - March 2014
(Metric Tons)

Program	CO2	NOX	SO2	Hg
EEE Ext				
Residential Multi-Family Housing	3,407	4	3	0.00002
Municipal Direct Install	12,685	23	54	
Hospital Efficiency	7,649	11	22	
Total	23,741	38	79	0.00002

Lifetime Emissions Reductions for
PSE&G Energy Efficiency Programs

Reporting Period: April 2013 - March 2014
(Metric Tons)

Program	CO2	NOX	SO2	Hg
EEE Ext				
Residential Multi-Family Housing	71,458	69	51	0.00028
Municipal Direct Install	190,401	350	812	0.00000
Hospital Efficiency	148,324	215	399	0.00000
Total	410,183	634	1,262	0.00028

Participant Costs
Reporting Period: April 2013 - March 2014
PSE&G Energy Efficiency Programs

EEE Ext	Electric	Gas	Total
Residential Multi-Family Housing	(89,483)	(113,887)	(203,370)
Municipal Direct Install	(815,979)	(90,664)	(906,643)
Hospital Efficiency	(618,007)	(318,367)	(936,374)
Total	(1,523,469)	(522,918)	(2,046,387)

Notes:

- Participant Costs are Repayments Billed to Customers during the time period. They offset program Administrative and Incentive costs and are therefore negative.

**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 Green Programs Recovery Charge
and its Gas Green Programs Recovery Charge
“2014 PSE&G Green Programs Cost Recovery Filing”**

BPU Docket No. _____

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DIRECT TESTIMONY
OF
STEPHEN SWETZ
DIRECTOR CORPORATE RATES
AND
REVENUE REQUIREMENTS**

ATTACHMENT B

June 30, 2014

1 8. Solar Loan III Program (“SLIII”)

2 My testimony provides the detailed calculations and cost recovery
3 mechanisms, including projected rate and bill impacts for these programs. The first
4 section will contain general cost recovery topics that apply to more than one of the
5 Green Programs. Sections 2 through 9 will contain specific cost recovery, rate and
6 bill impact testimony for each of the Green Programs that comprise each
7 corresponding component of the GPRC. Section 10 will contain the proposed
8 cumulative revenue requirements, rate and bill impacts for the Green Programs and
9 discuss rate implementation.

10

11 **COST RECOVERY, RATE AND BILL IMPACTS**

12

13 ***Section I - General***

14 The recovery period includes actual costs incurred from October 1, 2013
15 through March 31, 2014, and forecasted costs from April 1, 2014 through September
16 30, 2015 for each of the programs.¹

17 The assumptions for all Program expenditures are contained in
18 supporting electronic workpapers, which are being provided on a CD with this filing.

19 The weighted average cost of capital (“WACC”) utilized to determine
20 the return requirement for all eight programs is described below. For the Carbon

¹ Since no actual costs have been approved for the S4AExt and SLIII components, the actual costs will be shown from the rate effective date of the program June 1, 2013 through March 2014.

1 Abatement Program, the return requirement is based on the WACC at the time the
2 program was approved, as shown on Schedule SS-GPRC-1. For the EEE, EEEext,
3 DR, S4A, and SLII programs, the return requirement is based on the WACC
4 authorized by the Board in the most recent base rate case on June 7, 2010 and July 9,
5 2010 for electric and gas, respectively. Schedule SS-GPRC-1a reflects the WACC
6 approved by the Board for these specific Programs. For the S4AExt and SLIII
7 programs, the return requirement is based on the WACC at the time the program was
8 approved, as shown on Schedule SS-GPRC-1b.

9 In addition, the programs have minimum filing requirements (“MFRs”)
10 to provide supporting documentation for the interest rate used to calculate monthly
11 interest on the (over) / under recovered balance. The monthly interest rates are shown
12 for these programs in each programs’ corresponding (over) / under balance schedules
13 attached herein. The supporting calculations for each month’s interest on the (over) /
14 under recovered balance are included in electronic workpaper WP-SS-GPRC-3.xlsx.

15 Also, a listing of the electronic workpapers supporting all calculations
16 and schedules provided can be found in the “Electronic Workpaper Index” at the end
17 of this Testimony.

1 *Section 2 - Carbon Abatement*

2 Based on the Company's projected revenue requirements from October
3 1, 2014 through September 30, 2015 of \$2,055,914 and \$3,541,103 for electric and
4 gas, respectively, plus the (over) / under collected balance with interest at September
5 30, 2014 of (\$164,623) and \$1,075,054, the CA GPRC's Total Target Rate Revenue
6 are \$1,891,291 and \$4,616,157 for electric and gas, respectively, including interest.
7 The rates proposed for the CA components of the GPRC's for the period October 1,
8 2014 through September 30, 2015 are designed to recover these amounts on an annual
9 basis. The resultant net annual revenue impacts on the Company's electric and gas
10 customers are increases of \$0.7 million and \$0.4 million, electric and gas,
11 respectively.

12 In support of my Testimony, I relied upon the Board-approved cost
13 recovery mechanism as described in my Direct Testimony submitted in the original
14 Program filing and associated revenue requirements, see Decision and Order
15 Approving Joint Position, BPU Docket No. EO08060426 dated December 16, 2008,
16 modified for the inclusion of capacity revenues generated from offering CA project
17 capacity into the PJM Reliability Pricing Model ("RPM") auctions as an offset to
18 revenue requirements. Attached are the following schedules that have been prepared
19 in support of the Company's request:

- 1 1. Schedule SS-CA-1 is a summary setting forth the proposed rate calculations
- 2 for October 1, 2014 through September 30, 2015.
- 3 2. Schedule SS-CA-2E sets forth the electric revenue requirements.
- 4 3. Schedule SS-CA-3E sets forth the electric over/under recovered balance and
- 5 associated interest rate calculations.
- 6 4. Schedule SS-CA-4E shows the actual monthly electric revenue by rate class.
- 7 5. Schedule SS-CA-2G sets forth the gas revenue requirements.
- 8 6. Schedule SS-CA-3G sets forth the gas over/under recovered balance and
- 9 associated interest rate calculations.
- 10 7. Schedule SS-CA-4G shows the actual monthly gas revenue by rate class.

11 The proposed rate impacts for the CA component of the electric GPRC
12 rate would increase from \$0.000029 per kWh (without SUT) to \$0.000046 per kWh
13 (without SUT). The proposed changes for the CA component of the gas GPRC would
14 increase from \$0.001537 per therm (without SUT) to \$0.001666 per therm (without
15 SUT). See Schedule SS-CA-1. As a result of the proposed increase to the CA
16 component of the electric GPRC set forth in Schedule SS-CA-1, PSE&G's class
17 average residential electric customers using 780 kWh in a summer month and 7,360
18 kWh annually would experience an increase in their annual bill from \$1,366.88 to
19 \$1,367.04, or \$0.16, or approximately 0.01%. (Based upon Delivery Rates and Basic

1 Generation Service Fixed Pricing [BGS-FP] charges in effect June 1, 2014 and
2 assumes that the customer receives BGS-FP service from PSE&G.)

3 As a result of the proposed increase to the CA component of gas GPRC
4 set forth in Schedule SS-CA-1, PSE&G's class average residential gas heating
5 customers using 160 therms in a winter month and 1,050 therms annually would
6 experience an increase in their annual bill from \$1,077.06 to \$1077.16, or \$0.10,
7 approximately 0.01% (Based upon Delivery Rates and Basic Gas Supply Service
8 [BGSS-RSG] charges in effect June 1, 2014 and assumes that the customer receives
9 BGSS service from PSE&G.) The residential customer bill impacts comparing the
10 current and proposed delivery charges are included in Attachment D, pages 3-4 for the
11 aforementioned class average customers, as well as other typical customer usage
12 patterns.

13

14 ***Section 3 – Economic Energy Efficiency Stimulus***

15 Based on the Company's projected revenue requirements from October
16 1, 2014 through September 30, 2015 of \$19,509,263 and \$8,741,779 for electric and
17 gas, respectively, plus the (over) / under collected balance with interest at September
18 30, 2014 of \$2,312,663 and (\$1,218,563), the EEE components GPRC's Total Target
19 Rate Revenue are \$21,821,927 and \$7,523,215 for electric and gas, respectively,
20 including interest. The rates for the proposed EEE components of the electric and gas

1 GPRC's for the period October 1, 2014 through September 31, 2015 are designed to
2 recover these amounts on an annual basis. The resultant net annual revenue impacts
3 on the Company's electric and gas customers are an increase of \$2.8 million to
4 electric customers and a decrease of \$3.6 million to gas customers, respectively.

5 In support of my Testimony, I relied upon the written Board Decision
6 and Order Approving Stipulation, BPU Docket No. EO09010056 dated July 16, 2009
7 for the cost recovery mechanism of the EEE Program, modified for the inclusion of
8 capacity revenues generated from offering EEE project capacity into the PJM RPM
9 auctions as an offset to revenue requirements per the Board Order approving the 2010
10 RGGI cost recovery filing in Docket Nos. ER10100737 and ER09100824. Attached
11 are the following schedules that have been prepared in support of the Company's
12 request:

- 13 1. Schedule SS-EEE-1 is a summary setting forth the proposed rate calculations
14 for October 1, 2014 through September 30, 2015.
- 15 2. Schedule SS-EEE-2E sets forth the electric revenue requirements.
- 16 3. Schedule SS-EEE-3E sets forth the electric over/under recovered balance and
17 associated interest rate calculations.
- 18 4. Schedule SS-EEE-4E shows the actual monthly electric revenue by rate class.
- 19 5. Schedule SS-EEE-2G sets forth the gas revenue requirements.

1 6. Schedule SS-EEE-3G sets forth the gas over/under recovered balance and
2 associated interest rate calculations.

3 7. Schedule SS-EEE-4G shows the actual monthly gas revenue by rate class.

4 The proposed rate impacts for the EEE component of the electric GPRC
5 rate would increase it from \$0.000458 per kWh (without SUT) to \$0.000526 per kWh
6 (without SUT). The proposed changes for the EEE component of the gas GPRC
7 would decrease it from \$0.004000 per therm (without SUT) to \$0.002715 per therm
8 (without SUT). See Schedule SS-EEE-1. As a result of the proposed increase to the
9 EEE component of the electric GPRC set forth in Schedule SS-EEE-1, PSE&G's
10 class average residential electric customers using 780 kWh in a summer month and
11 7,360 kWh annually would experience an increase in their annual bill from \$1,366.88
12 to \$1,367.44, or \$0.56, or approximately 0.04%. (Based upon Delivery Rates and
13 Basic Generation Service Fixed Pricing [BGS-FP] charges in effect June 1, 2014 and
14 assumes that the customer receives BGS-FP service from PSE&G.)

15 As a result of the proposed decrease to the EEE component of the gas
16 GPRC set forth in Schedule SS-EEE-1, PSE&G's class average residential gas
17 heating customers using 160 therms in a winter month and 1,050 therms annually
18 would experience an decrease in their annual bill from \$1,077.06 to \$1,075.58, or
19 \$1.48, or approximately 0.14%. (Based upon Delivery Rates and Basic Gas Supply
20 Service [BGSS-RSG] charges in effect June 1, 2014 and assumes that the customer

1 receives BGSS service from PSE&G.) The residential customer bill impacts
2 comparing the current and proposed delivery charges are included in Attachment D,
3 pages 5-6 for the aforementioned class average customers, as well as other typical
4 customer usage patterns.

5

6 ***Section 4 – Demand Response***

7 Based on the Company's projected revenue requirements from October
8 1, 2014 through September 30, 2015 of \$2,217,292 plus the (over) / under collected
9 balance with interest at September 30, 2014 of (\$4,117,902), the electric DR
10 component GPRC's Total Target Rate Revenue is (\$1,900,610) including interest.
11 The resultant net annual revenue impact on the Company's electric customers is a
12 \$6.05 million decrease.

13 In support of my Testimony, I relied upon the Board Decision and Order
14 Approving Stipulation, BPU Docket No. EO08080544 dated July 31, 2009 for the
15 cost recovery mechanism of the DR Program. Attached are the following schedules
16 that have been prepared in support of the Company's request:

- 17 1. Schedule SS-DR-1 is a summary setting forth the proposed rate calculations
18 for October 1, 2014 through September 30, 2015.
- 19 2. Schedule SS-DR-2 sets forth the revenue requirements.

- 1 3. Schedule SS-DR-2a sets forth the revenue requirements for the Residential
2 A/C Cycling Sub-Program.
- 3 4. Schedule SS-DR-2b sets forth the revenue requirements for the Small
4 Commercial A/C Cycling Sub-Program.
- 5 5. Schedule SS-DR-3 sets forth the over/under recovered balance and associated
6 interest rate calculations.
- 7 6. Schedule SS-DR-4 shows the actual monthly electric revenue by rate class.
- 8 7. Schedule SS-DR-5 shows the results of the Total Resource Cost (“TRC”) and
9 Ratepayer Impact (“RIM”) cost-effectiveness tests on the DR Program based
10 on actual results through March 2014.

11 The proposed rate impacts for the DR component of the electric GPRC
12 rate would decrease it from \$0.000100 per kWh (without SUT) to (\$0.000046) per
13 kWh (without SUT). As a result of the proposed decrease to the DR component of
14 the electric GPRC set forth in Schedule SS-DR-1, PSE&G’s class average residential
15 electric customers using 780 kWh in a summer month and 7,360 kWh annually would
16 experience a decrease in their annual bill from \$1,366.88 to \$1,365.76, or \$1.12, or
17 approximately 0.08%. (Based upon Delivery Rates and BGS-FP charges in effect
18 June 1, 2014 and assumes that the customer receives BGS-FP service from PSE&G.)
19 The residential customer bill impacts comparing the current and proposed delivery

1 charges are included in Attachment D, page 7 for the aforementioned class average
2 customers as well as other typical customer usage patterns.

3

4 ***Section 5 – Solar 4 All***

5 Based on the Company's projected revenue requirements from October
6 1, 2014 through September 30, 2015 of \$33,302,474 plus the (over) / under collected
7 balance with interest at September 30, 2014 of \$14,727,597, the S4A component
8 GPRC's Total Target Rate Revenue is \$48,030,071 including interest. The rate
9 proposed for the S4A component of the electric GPRC for the period October 1, 2014
10 through September 30, 2015 is designed to recover these amounts on an annual basis.
11 The resultant net annual revenue impact on the Company's electric customers is a
12 \$5.7 million decrease.

13 In support of my Testimony, I relied upon the Board Decision and Order
14 Approving Stipulation, BPU Docket No. EO09020125 dated August 3, 2009 for the
15 cost recovery mechanism of the S4A Program. Attached are the following schedules
16 that have been prepared in support of the Company's request:

- 17 1. Schedule SS-S4A-1 is a summary setting forth the proposed rate calculations
18 for October 1, 2014 through September 30, 2015.
- 19 2. Schedule SS-S4A-2 sets forth the revenue requirements.

- 1 3. Schedule SS-S4A-2a sets forth the revenue requirements for the Centralized
2 Segments (1a & 1b).
- 3 4. Schedule SS-S4A-2b sets forth the revenue requirements for the Neighborhood
4 Segment (2).
- 5 5. Schedule SS-S4A-2c sets forth the revenue requirements for the UEZ Segment
6 (1c).
- 7 6. Schedule SS-S4A-3 sets forth the (over)/under recovered balance and
8 associated interest rate calculations.
- 9 7. Schedule SS-S4A-4 shows the actual monthly electric revenue by rate class.

10 The proposed rate impacts for the S4A component of the electric GPRC
11 rate would decrease it from \$0.001295 per kWh (without SUT) to \$0.001158 per kWh
12 (without SUT). As a result of the proposed decrease to the S4A component of electric
13 GPRC set forth in Schedule SS-S4A-1, PSE&G's class average residential electric
14 customers using 780 kWh in a summer month and 7,360 kWh annually would
15 experience a decrease in their annual bill from \$1,366.88 to \$1,365.80, or \$1.08, or
16 approximately 0.08%. (Based upon Delivery Rates and BGS-FP charges in effect
17 June 1, 2014 and assumes that the customer receives BGS-FP service from PSE&G.)
18 The residential customer bill impacts comparing the current and proposed delivery
19 charges are included in Attachment D, page 8 for the aforementioned class average
20 customers as well as other typical customer usage patterns.

1 *Section 6 – Solar 4 All Extension*

2 Based on the Company's projected revenue requirements from October
3 1, 2014 through September 30, 2015 of \$6,064,312 plus the (over) / under collected
4 balance with interest at September 30, 2014 of (\$1,331,158), the S4AE component
5 GPRC's Total Target Rate Revenue is \$4,733,154 including interest. The rate
6 proposed for the S4AE component of the electric GPRC for the period October 1,
7 2014 through September 30, 2015 is designed to recover these amounts on an annual
8 basis. The resultant net annual revenue impact on the Company's electric customers
9 is a \$3.3 million increase.

10 In support of my Testimony, I relied upon the Board Decision and Order
11 Approving Stipulation, BPU Docket No. EO12080721 dated May 31, 2013 for the
12 cost recovery mechanism of the S4AE Program. Attached are the following
13 schedules that have been prepared in support of the Company's request:

- 14 1. Schedule SS-S4AE-1 is a summary setting forth the proposed rate calculations
15 for October 1, 2014 through September 30, 2015.
- 16 2. Schedule SS-S4AE-2 sets forth the revenue requirements.
- 17 3. Schedule SS-S4AE-2a sets forth the revenue requirements for the
18 Landfills/Brownfields Segment (a).
- 19 4. Schedule SS-S4AE-2b sets forth the revenue requirements for the Grid
20 Security/Storm Preparedness Segment (b).

- 1 5. Schedule SS-S4AE-2c sets forth the revenue requirements for the Innovative
- 2 Parking Lot Application Segment (c).
- 3 6. Schedule SS-S4AE-2d sets forth the revenue requirements for the
- 4 Underutilized Government Buildings Segment (d).
- 5 7. Schedule SS-S4AE-3 sets forth the (over)/under recovered balance and
- 6 associated interest rate calculations.
- 7 8. Schedule SS-S4AE-4 shows the actual monthly electric revenue by rate class.

8 The proposed rate impacts for the S4AE component of the electric

9 GPRC rate would increase it from \$0.000035 per kWh (without SUT) to \$0.000114

10 per kWh (without SUT). As a result of the proposed increase to the S4AE component

11 of electric the GPRC set forth in Schedule SS-S4AE-1, PSE&G's class average

12 residential electric customers using 780 kWh in a summer month and 7,360 kWh

13 annually would experience an increase in their annual bill from \$1,366.88 to

14 \$1,367.56, or \$0.68, or approximately 0.05%. (Based upon Delivery Rates and BGS-

15 FP charges in effect June 1, 2014 and assumes that the customer receives BGS-FP

16 service from PSE&G.) The residential customer bill impacts comparing the current

17 and proposed delivery charges are included in Attachment D, page 9 for the

18 aforementioned class average customers as well as other typical customer usage

19 patterns.

1 *Section 7 - Solar Loan II*

2 Based on the Company's projected revenue requirements from October
3 1, 2014 through September 30, 2015 of \$15,565,003 plus the (over) / under collected
4 balance with interest at September 30, 2014 of \$8,329,065, the SLII component
5 GPRC's Total Target Rate Revenue is \$23,894,068 including interest. The rate
6 proposed for the SLII component of the electric GPRC for the period October 1, 2014
7 through September 30, 2015 is designed to recover these amounts on an annual basis.
8 The resultant net annual revenue impact on the Company's electric customers is a
9 \$0.4 million decrease.

10 In support of my Testimony, I relied upon the Board Decision and Order
11 Approving Stipulation, BPU Docket No. EO09030249 dated November 10, 2009 for
12 the cost recovery mechanism of the SLII Program. For the forecasted period, SREC
13 prices for the months of April 2014 through September 2015 are assumed to be
14 \$155.00. Attached are the following schedules that have been prepared in support of
15 the Company's request:

- 16 1. Schedule SS-SLII-1 is a summary setting forth the proposed rate calculations
17 for October 1, 2014 through September 30, 2015.
- 18 2. Schedule SS-SLII-2 sets forth the summary revenue requirements.
- 19 3. Schedule SS-SLII-2a sets forth the detailed revenue requirements.

1 4. Schedule SS-SLII-3 sets forth the over/under recovered balance and associated
2 interest rate calculations.

3 5. Schedule SS-SLII-4 shows the actual monthly revenue by rate class.

4 The proposed rate impacts for the SLII component of the electric GPRC
5 rate would decrease it from \$0.000585 per kWh (without SUT) to \$0.000576 per kWh
6 (without SUT). As a result of the proposed decrease to the SLII component of the
7 electric GPRC set forth in Schedule SS-SLII-1, PSE&G's class average residential
8 electric customers using 780 kWh in a summer month and 7,360 kWh annually would
9 not experience a change in their annual bill of \$1,366.88. (Based upon current
10 Delivery Rates and BGS-FP charges in effect June 1, 2014 and assumes that the
11 customer receives BGS-FP service from PSE&G.) The residential customer bill
12 impacts comparing the current and proposed delivery charges are included in
13 Attachment D, page 10 for the aforementioned class average customers as well as
14 other typical customer usage patterns.

15

16 ***Section 8 - Solar Loan III***

17 Based on the Company's projected revenue requirements from October
18 1, 2014 through September 30, 2015 of \$850,813 plus the (over) / under collected
19 balance with interest at September 30, 2014 of (\$46,674), the SLIII component
20 GPRC's Total Target Rate Revenue is \$804,139 including interest. The rate proposed

1 for the SLIII component of the electric GPRC for the period October 1, 2014 through
2 September 30, 2015 is designed to recover these amounts on an annual basis. The
3 resultant net annual revenue impact on the Company's electric customers is a \$41,470
4 decrease.

5 In support of my Testimony, I relied upon the Board Decision and Order
6 Approving Stipulation, BPU Docket No. EO12080726 dated May 31, 2013 for the
7 cost recovery mechanism of the SLIII Program. For the forecasted period, SREC
8 prices for the months of April 2014 through September 2015 are assumed to be
9 \$155.00. Attached are the following schedules that have been prepared in support of
10 the Company's request:

- 11 1. Schedule SS-SLIII-1 is a summary setting forth the proposed rate calculations
12 for October 1, 2014 through September 30, 2015.
- 13 2. Schedule SS-SLIII-2 sets forth the summary revenue requirements.
- 14 3. Schedule SS-SLIII-2a sets forth the detailed revenue requirements.
- 15 4. Schedule SS-SLIII-3 sets forth the over/under recovered balance and associated
16 interest rate calculations.5. Schedule SS-SL3-4 shows the actual monthly revenue
17 by rate class.

18 The proposed rate impacts for the SLIII component of the electric
19 GPRC rate would decrease it from \$0.000020 per kWh (without SUT) to \$0.000019
20 per kWh (without SUT). As a result of the proposed decrease to the SLIII component

1 of the electric GPRC set forth in Schedule SS-SLIII-1, PSE&G's class average
2 residential electric customers using 780 kWh in a summer month and 7,360 kWh
3 annually would not experience a change in their annual bill of \$1,366.88. (Based
4 upon current Delivery Rates and BGS-FP charges in effect June 1, 2014 and assumes
5 that the customer receives BGS-FP service from PSE&G.) The residential customer
6 bill impacts comparing the current and proposed delivery charges are included in
7 Attachment D, page 11 for the aforementioned class average customers as well as
8 other typical customer usage patterns.

9

10 ***Section 9 – EEE Extension***

11 Based on the Company's projected revenue requirements from October
12 1, 2014 through September 30, 2015 of \$11,127,689 and \$5,487,719 for electric and
13 gas, respectively, plus the (over) / under collected balance with interest at September
14 30, 2014 of \$435,880 and \$599,529, the EEEext GPRC's Total Target Rate Revenues
15 are \$11,563,570 and \$6,087,248 for electric and gas, respectively, including interest.
16 The rates for the proposed EEEext components of the electric and gas GPRC's for the
17 period October 1, 2014 through September 31, 2015 are designed to recover these
18 amounts on an annual basis. The resultant net annual revenue impacts on the
19 Company's electric and gas customers are an increase of \$5.6 million to electric
20 customers and an increase of \$2.9 million to gas customers.

1 In support of my Testimony, I relied upon the written Board Decision
2 and Order Approving Stipulation, BPU Docket No. EO11010030 dated July 14, 2011
3 for the cost recovery mechanism of the EEEext Program. Attached are the following
4 schedules that have been prepared in support of the Company's request:

- 5 1. Schedule SS-EEEext-1 is a summary setting forth the proposed rate
6 calculations for October 1, 2014 through September 30, 2015.
- 7 2. Schedule SS-EEEext-2E sets forth the electric revenue requirements.
- 8 3. Schedule SS-EEEext-3E sets forth the electric over/under recovered balance
9 and associated interest rate calculations.
- 10 4. Schedule SS-EEEext-4E shows the actual monthly electric revenue by rate
11 class.
- 12 5. Schedule SS-EEEext-2G sets forth the gas revenue requirements.
- 13 6. Schedule SS-EEEext-3G sets forth the gas over/under recovered balance and
14 associated interest rate calculations.
- 15 7. Schedule SS-EEEext-4G shows the actual monthly gas revenue by rate class.

16 The proposed rate impacts for the EEEext component of the electric
17 GPRC rate would increase it from \$0.000143 per kWh (without SUT) to \$0.000279
18 per kWh (without SUT). The proposed changes for the EEEext component of the gas
19 GPRC would increase it from \$0.001162 per therm (without SUT) to \$0.002197 per
20 therm (without SUT). See Schedule SS-EEEext-1. As a result of the proposed

1 increase to the EEEext component of electric GPRC set forth in Schedule SS-EEEext-
2 1, PSE&G's class average residential electric customers using 780 kWh in a summer
3 month and 7,360 kWh annually would experience an increase in their annual bill from
4 \$1,366.88 to \$1,368.00, or \$1.12, or approximately 0.08%. (Based upon Delivery
5 Rates and BGS-FP charges in effect June 1, 2014 and assumes that the customer
6 receives BGS-FP service from PSE&G.)

7 As a result of the proposed increase to the EEEext component of gas
8 GPRC set forth in Schedule SS-EEEext-1, PSE&G's class average residential gas
9 heating customers using 160 therms in a winter month and 1,050 therms annually
10 would experience an increase in their annual bill from \$1,077.06 to \$1,078.16, or
11 \$1.10, or approximately 0.10%. (Based upon Delivery Rates and BGSS-RSG charges
12 in effect June 1, 2014 and assumes that the customer receives BGSS service from
13 PSE&G.) The residential customer bill impacts comparing the current and proposed
14 delivery charges are included in Attachment D, pages 12-13 for the aforementioned
15 class average customers, as well as other typical customer usage patterns.

16

17 ***Section 10 – Cumulative Revenue Requirements, Rate Impacts and Implementation***

18 A summary of the proposed revenue requirements and corresponding
19 rates for each component of the GPRC along with the proposed cumulative revenue
20 requirements and rates for the combined components of the electric and gas GPRCs

1 for the period October 1, 2014 through September 30, 2015 are shown on Schedule
2 SS-GPRC-2. The proposed rates are designed to recover approximately \$110.8
3 million and \$18.2 million for electric and gas, respectively, in revenue on an annual
4 basis. The resultant net combined annual revenue impacts on the Company's electric
5 customers is an increase of \$0.3 million and a decrease of \$0.3 million for its gas
6 customers.

7 The cumulative proposed rate impacts for the change in these
8 components of the electric GPRC rate would be an increase from \$0.002665 per kWh
9 without SUT (\$0.002852 per kWh including SUT) to \$0.002672 per kWh without
10 SUT (\$0.002859 per kWh including SUT). The cumulative proposed changes for the
11 gas GPRC (which includes only the CA, EEE and EEEext components) would be a
12 decrease from \$0.006699 per therm without SUT (\$0.007168 per therm including
13 SUT) to \$0.006578 per therm without SUT (\$0.007038 per therm including SUT).
14 See Attachment C (electric and gas Tariff Sheets) which are incorporated herein by
15 reference. As a result of the proposed increase to the electric GPRC as shown in
16 Attachment C, page 1, PSE&G's class average residential electric customers using
17 780 kWh in a summer month and 7,360 kWh annually would experience an increase
18 in their annual bill from \$1,366.88 to \$1,367.00, or \$0.12, or approximately 0.01%.
19 (Based upon Delivery Rates and BGS-FP charges in effect June 1, 2014 and assumes
20 that the customer receives BGS-FP service from PSE&G.)

1 As a result of the proposed increase to the gas GPRC set forth in
2 Attachment C, page 3, PSE&G's class average residential gas heating customers
3 using 160 therms in a winter month and 1,050 therms annually would experience a
4 decrease in their annual bill from \$1,077.06 to \$1,076.90, or \$0.16, or approximately
5 0.01%. (Based upon current Delivery Rates and BGSS-RSG charges in effect June 1,
6 2014 and assumes that the customer receives BGSS service from PSE&G.) The
7 residential customer bill impacts comparing the current and proposed delivery charges
8 are included in Attachment D, pages 1-2 for the aforementioned class average
9 customers as well as other typical customer usage patterns.

10 According to Board Orders, the proposed rates, as set forth in the tariff
11 sheets in Attachment C, are just and reasonable and PSE&G respectfully requests
12 authorization to implement the proposed rates as set forth herein, on October 1, 2014,
13 upon issuance of a written Board Order.

14 This concludes my testimony at this time.

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- Schedule SS-GPRC Credentials of Stephen Swetz
- Schedule SS-GPRC-1 WACC - Initial GPRC
- Schedule SS-GPRC-1a WACC - 2010 Base Rate Case Result
- Schedule SS-GPRC-1b WACC – SLIII and S4AE WACC
- Schedule SS-GPRC-2 Cumulative Revenue Requirements and Rate Impacts
- Schedule SS-CA-1 Proposed Rate Calculations - CA
- Schedule SS-CA-2E Revenue Requirements Calculations - CA Electric
- Schedule SS-CA-2G Revenue Requirements Calculations - CA Gas
- Schedule SS-CA-3E Over / Under Recovered Balance Calculation - CA Electric
- Schedule SS-CA-3G Over / Under Recovered Balance Calculation - CA Gas
- Schedule SS-CA-4E Component Revenue by Rate Class - CA Electric
- Schedule SS-CA-4G Component Revenue by Rate Class - CA Gas
- Schedule SS-EEE-1 Proposed Rate Calculations - EEE
- Schedule SS-EEE-2E Revenue Requirements Calculations - EEE Electric
- Schedule SS-EEE-2G Revenue Requirements Calculations - EEE Gas
- Schedule SS-EEE-3E Over / Under Recovered Balance Calculation - EEE Electric
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- Schedule SS-EEE-4E Component Revenue by Rate Class – EEE Electric
- Schedule SS-EEE-4G Component Revenue by Rate Class – EEE Gas
- Schedule SS-EEEext-1 Proposed Rate Calculations - EEEext
- Schedule SS-EEEext-2E Revenue Requirements Calculations - EEEext Electric
- Schedule SS-EEEext-2G Revenue Requirements Calculations - EEEext Gas
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- Schedule SS-EEEext-3G Over / Under Recovered Balance Calculation - EEEext Gas
- Schedule SS-EEEext-4E Component Revenue by Rate Class – EEEext Electric
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- Schedule SS-DR-1 Proposed Rate Calculations - DR
- Schedule SS-DR-2 Revenue Requirements Calculations - DR
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- Schedule SS-DR-2b Revenue Requirements Calculations – DR - Small Comm.
- Schedule SS-DR-3 Over / Under Recovered Balance Calculation - DR
- Schedule SS-DR-4 Component Revenue by Rate Class – DR
- Schedule SS-DR-5 Cost-Effectiveness Analysis – DR
- Schedule SS-S4A-1 Proposed Rate Calculations - S4A
- Schedule SS-S4A-2 Revenue Requirements Calculations - S4A
- Schedule SS-S4A-2a Revenue Requirements Calculations – S4A - Cent.Seg 1a & 1b
- Schedule SS-S4A-2b Revenue Requirements Calculations – S4A – Neighborhood Seg. 2
- Schedule SS-S4A-2c Revenue Requirements Calculations – S4A - UEZ Seg. 1c.
- Schedule SS-S4A-3 Over / Under Recovered Balance Calculation - S4A
- Schedule SS-S4A-4 Component Revenue by Rate Class – S4A
- Schedule SS-S4AE-1 Proposed Rate Calculations - S4AE
- Schedule SS-S4AE-2 Revenue Requirements Calculations - S4AE
- Schedule SS-S4AE-2a Revenue Requirements Calculations – S4AE – Landfills/Brownfields.Seg a
- Schedule SS-S4AE-2b Revenue Requirements Calculations – S4AE – Grid Security/Storm Preparedness Seg. b
- Schedule SS-S4AE-2c Revenue Requirements Calculations – S4AE – Innovative Parking Lot Seg. c

- Schedule SS-S4AE-2d Revenue Requirements Calculations – S4AE – Underutilized Government Buildings Seg. d
- Schedule SS-S4AE-3 Over / Under Recovered Balance Calculation - S4AE
- Schedule SS-S4AE-4 Component Revenue by Rate Class – S4AE
- Schedule SS-SLII-1 Proposed Rate Calculations – SLII
- Schedule SS-SLII-2 Revenue Requirements Calculations – SLII - Summary
- Schedule SS-SLII-2a Revenue Requirements Calculations – SLII – Detail
- Schedule SS-SLII-3 Over / Under Recovered Balance Calculation - SLII
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- Schedule SS-SLIII-1 Proposed Rate Calculations – SLIII
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- Schedule SS-SLIII-2a Revenue Requirements Calculations – SLIII – Detail
- Schedule SS-SLIII-3 Over / Under Recovered Balance Calculation - SLIII
- Schedule SS-SLIII-4 Component Revenue by Rate Class – SLIII

Electronic Work Paper Index

- WP-SS-GPRC-1.xlsx WACC Calculations – GPRC
- WP-SS-GPRC-2.xlsx GPRC Component Revenues by Rate Class
- WP-SS-GPRC-3.xlsx Over / Under Balance Monthly Interest Rate Calculation Detail
- WP-SS-GPRC-4.xlsx GPRC Proposed Rate Calculations
- WP-SS-CA-1.xlsx Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – CA
- WP-SS-EEE-1.xlsx Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – EEE
- WP-SS-EEEext-1.xlsx Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – EEEext

WP-SS-DR-1.xlsx	Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – DR
WP-SS-S4A-1.xlsx	Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – S4A
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WP-SS-SLII-1.xlsx	Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – SLII
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WP-SS-SLIII-1.xlsx	Actual and Forecasted Revenue Requirements, Over / Under Balance and Rate Calculations – SLIII
WP-SS-SLIII-2.xlsx	Forecasted Revenue Requirement Inputs

1 Revenue Requirements and contribute to the development and implementation of
2 PSE&G electric and gas rates.

3 I have submitted pre-filed direct cost recovery testimony as well as oral
4 testimony to the New Jersey Office of Administrative Law. A list of my prior
5 testimonies can be found in Appendix A of this document. I have also contributed to
6 other filings that the Company has made to the New Jersey Board of Public Utilities,
7 including the Capital Economic Stimulus Infrastructure Investment Programs, as well
8 as unbundling electric rates and Off-Tariff Rate Agreements. I have had a leadership
9 role in various economic analyses, asset valuations, rate design and pricing efforts and
10 participated in electric and gas marginal cost studies.

11 I am an active member of the American Gas Association's Rate and
12 Strategic Issues Committee and the Edison Electric Institute's Rates and Regulatory
13 Affairs Committee. I am also a member of the New Jersey Utility Association
14 (NJUA) Finance and Regulatory Committee.