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JUN 22 2015

BOARD OF PUBLIC UTILITIES  
MAIL ROOM

June 19, 2015



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JUN 24 2015  
Case # 15060732

In the Matter of the 2015/2016 Annual Compliance Filings  
For a Change in the Statewide  
Electric and Gas Permanent Universal Service Fund Program  
Factors within the Electric and Gas Societal Benefits  
Charges Rates Pursuant to *N.J.S.A. 48:2-21* and  
*N.J.S.A. 48:21.1* – Public Service Electric and Gas Company

BPU Docket No. ER15060732

**VIA ELECTRONIC & REGULAR MAIL**

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

Dear Secretary Asbury:

Kindly accept for filing in letter form an original and ten (10) copies of Public Service Electric and Gas Company's (Public Service) 2015/2016 Universal Service Fund (USF) compliance filing requesting a decrease in its statewide gas Permanent USF program factor and an increase in its statewide electric Permanent USF program factor within the Gas and Electric Societal Benefits Charges (SBC) in compliance with the New Jersey Board of Public Utilities' (Board or BPU) Orders dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005 under BPU Docket Nos. EX00020091, EO09060506 and EO09090771. Additionally, there are proposed decreases in the electric and gas Lifeline program factors within the electric and gas SBC.

|         |             |
|---------|-------------|
| CMS     | S. Peterson |
| Legal   | J. May      |
| DAG     | P. Hilerio  |
| RPA     | Energy TOX  |
| H. Rich |             |

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JUN 27 2015

Irene Kim Asbury, Secretary

- 2 -

06/19/2015

BOARD OF PUBLIC UTILITIES  
MAIL ROOM

Based upon the results and available estimates known to date for the 2014/2015 USF program year and the available estimates for the 2015/2016 USF program year, it is proposed that the statewide USF rates should be set to recover \$176.0 million. The details for the recovery of the \$176.0 million statewide are set forth on the template appended hereto as Attachment A. The USF rate incorporates the anticipated Department of Community Affairs program administrator budget received from the BPU in the amount of \$7,413,495. The Lifeline rate is set to collect \$74.2 million. In addition, by Order dated June 21, 2010, the Board approved and adopted in their entirety seven separate Stipulations of Settlement that, among other things, authorized the four Electric Distribution Companies (EDCs) and the four Gas Distribution Companies (GDCs) to defer and seek annual recovery of USF-related administrative costs in each annual USF Compliance Filing beginning with the 2010-2011 USF Compliance Filing.<sup>1</sup> Order and Decision, *I/M/O Recovery of Administrative Costs Expended by Utilities Under Universal Services Funds Program*, BPU Dkt. No. EO09090771 (NJBPU June 21, 2010) (the June 21, 2010 Order). Calculations of utility administrative costs as authorized by the June 21, 2010 Order, in accordance with the seven separate Stipulations of Settlement, are incorporated in the attached spreadsheets and included as Attachment A.

Furthermore, in the June 21, 2010 Order, the BPU established that “[a]ll administrative costs requested for recovery by the Utilities in the annual USF Compliance Filing shall be reviewed each year by Board Staff and the New Jersey Division of Rate Counsel (Rate Counsel) for reasonableness and prudence.” June 21, 2010 Order at p. 4. Consequently, the

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<sup>1</sup> The four EDCs are Public Service, Atlantic City Electric Company, Jersey Central Power & Light Company and Rockland Electric Company. The four GDCs are Public Service, Elizabethtown Gas Company, New Jersey Natural Gas Company and South Jersey Gas Company. Collectively, the GDCs and the EDCs are hereinafter referred to as the “Utilities.”

Utilities respectfully request review and seek full recovery of their administrative costs as defined in Attachment A in the month following Board approval of such rates from funds disbursed to the Utilities by the USF Trust Fund maintained by the New Jersey State Department of Treasury, pursuant to the June 21, 2010 Order. Recovery of administrative costs in this manner will not delay or diminish credits received by USF and Lifeline customers in the State of New Jersey.

Public Service anticipates that each of the State's EDCs will make a compliance filing under the common docket number to be assigned to this proceeding proposing to modify its respective electric USF/Lifeline program factors to the same proposed statewide electric USF/Lifeline program factors proposed herein. Similarly, Public Service anticipates that each of the State's GDCs will also make a compliance filing under the common docket number to be assigned to this proceeding to propose a modification to its respective gas USF/Lifeline program factors to the same proposed statewide gas USF/Lifeline factors proposed herein.

In accordance with the Board's above-referenced Orders, Public Service has appended hereto a form of Notice of Filing and of Public Hearings as Attachment B. This form of notice sets forth the requested rate changes and will be placed in newspapers having a circulation within Public Service's service territory, and notice of this filing will be served on the County Executives and Clerks of all municipalities within Public Service's service territory upon the receipt, scheduling and publication of hearing dates.

In addition, Public Service has appended proposed electric and gas tariff sheets (Attachment C), proposing to increase its electric USF program factor from \$0.001863 per kWh (\$0.001993 per kWh including SUT) to \$0.002098 per kWh (\$0.002245 per kWh including

SUT) and to decrease its gas USF program factor from \$0.0103 per therm (\$0.0110 per therm including SUT) to \$0.0048 per therm (\$0.0051 per therm including SUT). Those proposed rates are designed to recover the above-referenced 2015/2016 statewide total USF budget.

These proposed electric and gas tariff sheets also incorporate a decrease in the electric Lifeline program factor from \$0.000690 per kWh (\$0.000738 per kWh including SUT) to \$0.000677 per kWh (\$0.000724 per kWh including SUT). The proposed gas Lifeline program factor reflects a decrease from the current rate of \$0.0055 per therm (\$0.0059 per therm including SUT) to \$0.0053 per therm (\$0.0057 per therm including SUT). Those proposed rates are designed to recover the above-referenced 2015/2016 statewide total Lifeline budget.

Once effective and implemented, the proposed increase in USF and decrease in Lifeline charges will mean the statewide average residential electric customers using 7,800 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,478.74 to \$1,480.57 or \$1.83 (approximately 0.12%). Residential electric customer annual bills comparing the current and proposed USF/Lifeline charges are included in Attachment D for the aforementioned statewide average customer as well as other typical customer usage patterns.

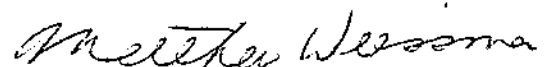
Once effective and implemented, the proposed decrease in USF and Lifeline charges will mean the statewide average residential gas customers using 1,000 therms on an annual basis would see a net decrease in the annual bill from \$911.60 to \$905.50 or \$6.10 (approximately 0.67%). Residential gas customer annual bills comparing the current and proposed USF/Lifeline charges are also included in Attachment D for the aforementioned statewide average customer as well as other typical customer usage patterns.

Finally, in order to assist Board Staff and Rate Counsel in their efforts to ensure that new USF and Lifeline rates can be implemented by October 1, 2015, the Utilities respectfully propose consideration of the following schedule for the instant proceeding:

|          |  |
|----------|--|
| June 29: | BPU Staff/Rate Counsel approve Public Notices Elec Utilities |
| July 9:  | BPU Staff/Rate Counsel Discovery Due                         |
| July 24: | Utility Responses Due  |
| Aug. 5:  | BPU Staff/Rate Counsel Final Discovery Due                   |
| August:  | Utility Public Hearings, as necessary                        |
| Aug. 12: | Utility Responses Due  |
| Aug. 17: | Rate Counsel Comments Due                                    |
| Aug. 21: | Utility Comments Due   |
| Aug. 25: | Rate Counsel Reply Comments (if necessary)                   |

WHEREFORE, Public Service respectfully requests that the Board issue an Order 1) approving implementation of its proposed statewide electric and gas USF/Lifeline rates as contained in the proposed tariff sheets appended hereto as Attachment C as provided for in the Board's above referenced July 16, 2003 and June 22, 2005 Orders; and, 2) authorizing the full recovery and inclusion in rates of administrative costs set forth in Attachment A effective for electric and gas service rendered on and after October 1, 2015, pursuant to the June 21, 2010 USF Order in this matter.

Respectfully submitted,



C Service List (via electronic delivery)



06/18/2015

Public Service Electric and Gas Company  
USF 2015-2016  
BPU Docket No. \_\_\_\_\_

JUN 22 2015 Page 1 of 3

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Combined USF/Lifeline calculation of rates as of 10/1/15

|  | <u>Gas</u>      | <u>Electric</u>   |
|--|-----------------|-------------------|
| <b><u>Combined After-Tax Rate Impact</u></b>   |                 |                   |
| Current USF rate                               | \$0.0110        | \$0.001993        |
| Current Lifeline rate                          | <u>\$0.0059</u> | <u>\$0.000738</u> |
| Total Current USF/ Lifeline factor             | \$0.0169        | \$0.002731        |
| <br>   |                 |                   |
| New USF rate                                   | \$0.0051        | \$0.002245        |
| New Lifeline rate                              | <u>\$0.0057</u> | <u>\$0.000724</u> |
| Total New USF/ Lifeline factor                 | \$0.0108        | \$0.002969        |
| <br>   |                 |                   |
| Total USF/ Lifeline factor increase/(decrease) | (\$0.0061)      | \$0.000238        |

Lifeline calculation of rates as of 10/1/15

| Jurisdictional Revenue Percentages   |          | <u>Gas</u><br>33% | <u>Electric</u><br>67% | <u>Total</u><br>100% |
|--------------------------------------|----------|-------------------|------------------------|----------------------|
| Lifeline budget                      | n        | \$24,498,210      | \$49,738,790           | \$74,237,000         |
| Projected Volumes *                  | g        | 4,586,549,116     | 73,449,784,893         |                      |
| New rate, before tax                 | o=n/g    | \$0.0053          | \$0.000677             |                      |
| Current before tax rate              | p        | \$0.0055          | \$0.000690             |                      |
| Pre-tax Increase/(Decrease)          | q=o-p    | (\$0.0002)        | (\$0.000013)           |                      |
| New Rate, after tax                  | r=o*1.07 | \$0.0057          | \$0.000724             |                      |
| Current Rate, after-tax              | s=p*1.07 | \$0.0059          | \$0.000738             |                      |
| <b>After-tax Increase/(Decrease)</b> | t=r-s    | <b>(\$0.0002)</b> | <b>(\$0.000014)</b>    |                      |

\* Normalized jurisdictional volumes for 12 mos beginning 10/1/15.

USF calculation of rates as of 10/1/15

|  | Gas<br>17.940%                  | Electric<br>82.060%  | Total<br>100.000%    |
|--|---------------------------------|----------------------|----------------------|
| <b>USF-Permanent program projections for Program Year 2016</b> |                                 |                      |                      |
| admin costs-DCA  | a \$1,330,006                   | \$6,083,489          | \$7,413,495          |
| admin costs-utility  | b \$11,142                      | (\$10,015)           | \$1,127              |
| estimate of benefits for next program year                     | c \$29,111,091                  | \$133,155,079        | \$162,266,170        |
| <b>Est. program under/(over) recovery @ 9/30/15*</b>           | d (\$11,007,951)                | \$10,670,853         | (\$337,098)          |
| <b>Fresh Start Program</b>                                     | e \$2,468,653                   | \$4,189,324          | \$6,657,978          |
| <b>Total</b>   | <b>f=a+b+c+d+e</b> \$21,912,940 | <b>\$154,088,731</b> | <b>\$176,001,672</b> |
| <b>Projected Volumes **</b>                                    | g 4,586,549,116                 | 73,449,784,893       |                      |
| New rate, before tax   | h=f/g \$0.0048                  | \$0.002098           |                      |
| Current before tax rate  | i \$0.0103                      | \$0.001863           |                      |
| Before tax Increase/(Decrease)                                 | j=h-i (\$0.0055)                | \$0.000235           |                      |
| New Rate, after tax  | k=h*1.07 \$0.0051               | \$0.002245           |                      |
| Current Rate, after tax  | l=i*1.07 \$0.0110               | \$0.001993           |                      |
| <b>After tax Increase/(Decrease)</b>                           | <b>m=k-l</b> <b>(\$0.0059)</b>  | <b>\$0.000252</b>    |                      |

\* Actuals through April 2015. Estimated under/overrecovery is calculated as the difference between the USF expenditures (benefits to customers, FSP costs, administrative costs and SBC carrying costs) and the amounts received from the State. See (Projected Underrecovery by Utility-Gas) and (Projected Underrecovery by Utility-Electric) for each company's under/(over) recovery position.

\*\* Normalized jurisdictional volumes for 12 mos beginning 10/1/15.



Projected Underrecovery by Utility-Gas

|   | October 2014 actual | November 2014 actual | December 2014 actual | January 2015 actual | February 2015 actual | March 2015 actual | April 2015 actual | May 2015 estimate | June 2015 estimate | July 2015 estimate | August 2015 estimate | September 2015 estimate |
|---|---------------------|----------------------|----------------------|---------------------|----------------------|-------------------|-------------------|-------------------|--------------------|--------------------|----------------------|-------------------------|
| <b>PSE&amp;G-gas</b>                            |                     |                      |                      |                     |                      |                   |                   |                   |                    |                    |                      |                         |
| Am't. received from Treasury                    | \$701,005           | \$0                  | \$2,626,271          | \$4,294,862         | \$5,022,438          | \$6,309,805       | \$5,008,731       | \$3,569,652       | \$1,600,943        | \$1,178,345        | \$1,032,010          | \$897,944               |
| USF benefit expenditures                        | \$2,130,664         | \$1,658,217          | \$1,609,519          | \$1,556,551         | \$1,507,528          | \$1,450,701       | \$1,507,938       | \$1,507,938       | \$1,507,938        | \$1,507,938        | \$1,507,938          | \$1,507,938             |
| Fresh Start expenditures                        | \$204,698           | \$168,809            | \$141,137            | \$156,918           | \$156,870            | \$143,684         | \$162,492         | \$162,492         | \$152,492          | \$152,492          | \$152,492            | \$152,492               |
| Administrative costs                            | \$0                 | \$0                  | \$0                  | \$0                 | \$0                  | \$0               | \$0               | \$0               | \$0                | \$0                | \$0                  | \$0                     |
| Total program costs-direct utilities            | \$2,335,362         | \$1,817,025          | \$1,750,656          | \$1,713,469         | \$1,664,398          | \$1,594,384       | \$1,670,430       | \$1,670,430       | \$1,660,430        | \$1,660,430        | \$1,660,430          | \$1,660,430             |
| Monthly Under/(Over)/Recovery                   | \$1,634,568         | \$1,817,025          | (\$978,615)          | (\$2,578,304)       | (\$3,368,037)        | (\$4,665,410)     | (\$3,348,300)     | (\$1,408,622)     | \$59,488           | \$484,085          | \$928,470            | \$792,480               |
| Cumulative Under/(Over)/Recovery excl. interest | \$4,906,162         | \$6,387,795          | \$7,478,150          | \$4,900,757         | \$1,542,720          | (\$3,122,690)     | (\$6,470,991)     | (\$7,879,613)     | (\$7,870,125)      | (\$7,330,039)      | (\$6,707,619)        | (\$6,915,133)           |
| SBC carrying costs                              | \$3,188             | \$4,112              | \$4,254              | \$3,844             | \$1,731              | (\$431)           | (\$2,718)         | (\$4,067)         | (\$4,450)          | (\$4,290)          | (\$3,980)            | (\$3,678)               |
| Est. Under/(Over)/Recovery position             | \$8,543,929         | \$8,365,005          | \$7,490,705          | \$4,918,156         | \$1,556,850          | (\$3,106,051)     | (\$6,467,070)     | (\$7,890,759)     | (\$7,914,721)      | (\$7,334,332)      | (\$6,710,492)        | (\$6,921,564)           |
| <b>ETG</b>                                      |                     |                      |                      |                     |                      |                   |                   |                   |                    |                    |                      |                         |
| Am't. received from Treasury                    | \$07,432            | \$189,056            | \$183,225            | \$620,479           | \$1,375,600          | \$68,005          | \$706,103         | \$427,701         | \$243,106          | \$163,865          | \$143,820            | \$230,868               |
| USF benefit expenditures                        | \$303,290           | \$234,453            | \$230,132            | \$443,401           | (\$4,455)            | \$213,617         | \$205,257         | \$206,287         | \$208,257          | \$206,257          | \$206,257            | \$206,257               |
| Fresh Start expenditures                        | \$21,991            | \$18,741             | \$22,785             | \$26,727            | \$22,860             | \$18,059          | \$25,139          | \$25,139          | \$25,139           | \$25,139           | \$25,139             | \$25,139                |
| Administrative costs                            | \$0                 | \$0                  | \$0                  | \$0                 | \$0                  | \$0               | \$0               | \$0               | \$0                | \$0                | \$0                  | \$0                     |
| Total program costs-direct utilities            | \$325,281           | \$253,193            | \$252,917            | \$470,128           | \$18,205             | \$231,677         | \$231,397         | \$231,397         | \$231,397          | \$231,397          | \$231,397            | \$231,397               |
| Monthly Under/(Over)/Recovery                   | \$227,849           | \$70,137             | \$98,692             | (\$160,361)         | (\$1,357,404)        | \$102,871         | (\$474,707)       | (\$186,305)       | \$8,290            | \$87,462           | \$87,576             | \$110,440               |
| Cumulative Under/(Over)/Recovery excl. interest | \$1,526             | \$784,959            | \$364,952            | \$214,001           | (\$1,143,403)        | (\$680,731)       | (\$1,455,438)     | (\$1,051,743)     | (\$1,643,452)      | (\$1,575,990)      | (\$1,468,414)        | (\$1,377,074)           |
| SBC carrying costs                              | \$62                | \$143                | \$177                | \$160               | (\$290)              | (\$560)           | (\$394)           | (\$912)           | (\$889)            | (\$912)            | (\$889)              | (\$812)                 |
| Est. Under/(Over)/Recovery position             | \$224,564           | \$294,854            | \$364,734            | \$214,563           | (\$1,143,001)        | (\$681,076)       | (\$1,456,478)     | (\$1,053,061)     | (\$1,640,305)      | (\$1,574,756)      | (\$1,469,048)        | (\$1,383,420)           |

Included in the Administrative Costs line for October are disbursements from Treasury related to distribution of utility administrative costs per the 9/30/14 Order in BPU Docket No. ER 14090013

Projected Underrecovery by Utility-Electric

|  | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual | May<br>2015<br>estimate | June<br>2015<br>estimate | July<br>2015<br>estimate | August<br>2015<br>estimate | September<br>2015<br>estimate | Total         |
|--|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|----------------------------|-------------------------------|---------------|
| In summary                                     |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| Amt. received from Treasury                    | \$13,947,997              | \$0                        | \$14,471,279               | \$11,373,559              | \$11,688,069               | \$11,872,182            | \$11,302,816            | \$10,374,491            | \$9,417,821              | \$11,114,813             | \$13,521,715               | \$14,328,411                  | \$133,413,191 |
| USF benefit expenditures                       | \$10,765,472              | \$10,486,662               | \$10,728,395               | \$10,681,539              | \$10,471,684               | \$10,881,938            | \$11,096,267            | \$11,096,267            | \$11,096,267             | \$11,096,267             | \$11,096,267               | \$11,096,267                  | \$130,603,220 |
| Fresh Start expenditures                       | \$62,296                  | \$48,471                   | \$68,120                   | \$48,471                  | \$68,120                   | \$68,120                | \$68,120                | \$68,120                | \$68,120                 | \$68,120                 | \$68,120                   | \$68,120                      | \$4,488,976   |
| Administrative costs                           | (\$69,245)                | (\$1,507)                  | (\$1,912)                  | (\$4,996)                 | (\$2,996)                  | (\$2,406)               | \$75                    | \$75                    | \$75                     | \$75                     | \$75                       | \$75                          | (\$78,023)    |
| SBC carrying costs                             | \$4,248                   | \$6,478                    | \$8,347                    | \$8,505                   | \$7,026                    | \$7,644                 | \$8,859                 | \$7,174                 | \$8,052                  | \$8,721                  | \$8,226                    | \$6,820                       | \$68,071      |
| Total program costs-direct utilities           | \$11,229,146              | \$10,942,952               | \$11,148,012               | \$11,029,464              | \$10,815,614               | \$11,220,441            | \$11,452,272            | \$11,452,618            | \$11,453,494             | \$11,454,163             | \$11,453,668               | \$11,452,262                  | \$135,103,244 |
| Other administrative costs (DHS BPU)           | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | \$0           |
| Total program costs                            | \$11,229,146              | \$10,942,952               | \$11,148,012               | \$11,029,464              | \$10,815,614               | \$11,220,441            | \$11,452,272            | \$11,452,618            | \$11,453,494             | \$11,454,163             | \$11,453,668               | \$11,452,262                  | \$135,103,244 |
| Est. Under/(Over)Recovery position             | \$9,026,164               | \$17,204,041               | \$13,890,775               | \$13,536,639              | \$12,664,164               | \$12,012,444            | \$12,161,901            | \$13,240,028            | \$16,275,699             | \$16,615,949             | \$13,547,002               | \$10,670,653                  | \$10,670,653  |
| By Company                                     |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| PSEG-Electric                                  |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| Amt. received from Treasury                    | \$8,778,425               | \$0                        | \$9,890,286                | \$7,327,231               | \$7,625,892                | \$7,805,192             | \$7,214,983             | \$6,765,503             | \$6,141,722              | \$7,249,285              | \$9,818,028                | \$9,344,106                   | \$86,959,843  |
| USF benefit expenditures                       | \$7,428,099               | \$6,908,874                | \$6,904,140                | \$6,908,069               | \$6,825,028                | \$6,900,018             | \$7,189,052             | \$7,189,052             | \$7,189,052              | \$7,189,052              | \$7,189,052                | \$7,189,052                   | \$85,006,639  |
| Fresh Start expenditures                       | \$396,838                 | \$307,674                  | \$273,615                  | \$282,880                 | \$282,880                  | \$269,046               | \$274,911               | \$274,911               | \$274,911                | \$274,911                | \$274,911                  | \$274,911                     | \$3,452,634   |
| Administrative costs                           | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | \$0           |
| Total program costs-direct utilities           | \$7,824,937               | \$7,216,548                | \$7,177,755                | \$7,190,959               | \$7,107,908                | \$7,189,067             | \$7,463,962             | \$7,463,962             | \$7,463,962              | \$7,463,962              | \$7,463,962                | \$7,463,962                   | \$88,459,073  |
| Monthly Under/(Over)recovery                   | (\$665,487)               | \$7,216,749                | (\$2,712,552)              | (\$136,271)               | (\$518,061)                | (\$646,095)             | \$346,970               | \$696,369               | \$1,322,240              | \$215,667                | (\$1,354,066)              | (\$1,880,143)                 | \$1,489,230   |
| Cumulative Under/(Over)recovery excl. interest | \$2,528,807               | \$1,573,320                | \$8,790,968                | \$6,077,537               | \$5,423,206                | \$4,777,110             | \$5,026,079             | \$5,724,438             | \$7,046,679              | \$7,262,246              | \$5,908,180                | \$4,028,037                   | \$4,028,037   |
| SBC carrying costs                             | \$1,142                   | \$2,861                    | \$3,994                    | \$3,732                   | \$3,053                    | \$3,168                 | \$2,778                 | \$3,047                 | \$3,620                  | \$4,058                  | \$3,733                    | \$2,816                       | \$38,000      |
| Est. Under/(Over)Recovery position             | \$1,574,462               | \$8,794,071                | \$6,065,534                | \$5,952,995               | \$5,437,687                | \$4,785,080             | \$5,046,808             | \$5,748,214             | \$7,074,074              | \$7,283,687              | \$5,943,364                | \$4,066,036                   | \$4,066,036   |
| JCP&L  |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| Amt. received from Treasury                    | \$2,582,471               | \$0                        | \$2,055,495                | \$1,781,940               | \$1,710,231                | \$1,581,752             | \$1,670,079             | \$1,492,506             | \$1,384,967              | \$1,589,119              | \$1,945,405                | \$2,061,467                   | \$18,835,470  |
| USF benefit expenditures                       | \$1,825,552               | \$1,305,936                | \$1,677,468                | \$1,563,933               | \$1,356,430                | \$1,605,248             | \$1,579,333             | \$1,579,333             | \$1,579,333              | \$1,579,333              | \$1,579,333                | \$1,579,333                   | \$18,650,456  |
| Fresh Start expenditures                       | \$67,296                  | \$48,471                   | \$68,120                   | \$48,471                  | \$68,120                   | \$68,120                | \$68,120                | \$68,120                | \$68,120                 | \$68,120                 | \$68,120                   | \$68,120                      | \$2,226,659   |
| Administrative costs                           | (\$65,333)                | (\$1,507)                  | (\$1,912)                  | (\$4,996)                 | (\$2,996)                  | (\$2,406)               | \$75                    | \$75                    | \$75                     | \$75                     | \$75                       | \$75                          | (\$74,881)    |
| Total program costs-direct utilities           | \$1,617,510               | \$1,352,818                | \$1,743,676                | \$1,611,991               | \$1,437,528                | \$1,654,882             | \$1,646,675             | \$1,646,675             | \$1,646,675              | \$1,646,675              | \$1,646,675                | \$1,646,675                   | \$18,299,274  |
| Monthly Under/(Over)recovery                   | (\$964,955)               | \$1,352,818                | (\$811,759)                | (\$189,949)               | (\$272,703)                | \$72,940                | (\$23,404)              | (\$154,070)             | \$291,708                | \$47,658                 | (\$298,790)                | (\$414,791)                   | (\$537,186)   |
| Cumulative Under/(Over)recovery excl. interest | (\$926,541)               | (\$1,991,496)              | (\$660,437)                | (\$1,030,966)             | (\$1,303,063)              | (\$1,230,146)           | (\$1,283,562)           | (\$1,099,482)           | (\$807,774)              | (\$760,216)              | (\$1,059,946)              | (\$1,473,727)                 | (\$1,473,727) |
| SBC carrying costs                             | (\$790)                   | (\$678)                    | (\$379)                    | (\$557)                   | (\$927)                    | (\$787)                 | (\$704)                 | (\$667)                 | (\$541)                  | (\$444)                  | (\$516)                    | (\$719)                       | (\$7,456)     |
| Est. Under/(Over)Recovery position             | (\$1,910,131)             | (\$657,990)                | (\$970,127)                | (\$1,040,663)             | (\$1,313,993)              | (\$1,241,836)           | (\$1,265,947)           | (\$1,112,544)           | (\$821,376)              | (\$774,263)              | (\$1,073,826)              | (\$1,489,017)                 | (\$1,489,017) |



Projected Underrecovery by Utility-Electric

|   | October 2014 actual | November 2014 actual | December 2014 actual | January 2015 actual | February 2015 actual | March 2015 actual | April 2016 actual | May 2015 estimate | June 2015 estimate | July 2015 estimate | August 2015 estimate | September 2015 estimate | Total        |
|---|---------------------|----------------------|----------------------|---------------------|----------------------|-------------------|-------------------|-------------------|--------------------|--------------------|----------------------|-------------------------|--------------|
| <b>Algonic City Electric</b>                    |                     |                      |                      |                     |                      |                   |                   |                   |                    |                    |                      |                         |              |
| Am't. received from Treasury                    | \$2,539,048         | \$0                  | \$2,474,533          | \$2,224,193         | \$2,302,557          | \$2,439,555       | \$2,378,251       | \$2,078,475       | \$1,896,811        | \$2,226,795        | \$2,705,005          | \$2,870,622             | \$26,133,843 |
| USF benefit expenditures                        | \$1,672,397         | \$2,240,511          | \$2,107,792          | \$2,169,455         | \$2,210,782          | \$2,345,648       | \$2,286,600       | \$2,286,600       | \$2,298,600        | \$2,266,600        | \$2,266,600          | \$2,266,600             | \$26,468,188 |
| Fresh Start expenditures                        | \$73,953            | \$82,617             | \$71,027             | \$7,437             | \$10,817             | \$12,184          | \$6,419           | \$6,419           | \$6,419            | \$6,419            | \$6,419              | \$6,419                 | \$305,551    |
| Administrative costs                            | (\$3,936)           | \$0                  | \$0                  | \$0                 | \$0                  | \$0               | \$0               | \$0               | \$0                | \$0                | \$0                  | \$0                     | (\$3,936)    |
| Total program costs-direct utilities            | \$1,742,415         | \$2,323,128          | \$2,178,819          | \$2,176,892         | \$2,221,599          | \$2,357,832       | \$2,293,020       | \$2,293,020       | \$2,293,020        | \$2,263,020        | \$2,293,020          | \$2,293,020             | \$26,788,803 |
| Monthly Under/(Over)/recovery                   | (\$795,630)         | \$2,333,128          | (\$395,713)          | (\$47,301)          | (\$86,958)           | (\$81,722)        | (\$63,232)        | \$214,944         | \$406,208          | \$66,225           | (\$415,965)          | (\$577,603)             | \$634,161    |
| Cumulative Under/(Over)/recovery excl. interest | \$7,550,093         | \$6,755,453          | \$9,086,581          | \$8,743,566         | \$8,656,608          | \$8,574,898       | \$8,491,654       | \$8,705,199       | \$9,112,407        | \$9,178,632        | \$8,762,646          | \$8,185,044             | \$8,185,044  |
| SBC carrying costs                              | \$46,214            | \$3,984              | \$4,372              | \$4,803             | \$4,674              | \$5,351           | \$4,837           | \$4,874           | \$5,050            | \$5,184            | \$5,085              | \$4,803                 | \$58,463     |
|   | 1.13%               | 1.12%                | 1.09%                | 1.26%               | 1.09%                | 1.26%             | 1.15%             | 1.15%             | 1.15%              | 1.15%              | 1.15%                | 1.15%                   | 1.15%        |
| Est. Under/(Over)/Recovery position             | \$6,803,650         | \$9,094,837          | \$4,804,026          | \$8,762,170         | \$8,678,886          | \$8,603,545       | \$8,525,120       | \$8,744,539       | \$9,155,798        | \$9,227,207        | \$8,816,365          | \$8,243,507             | \$8,243,507  |
| <b>RECO</b>                                     |                     |                      |                      |                     |                      |                   |                   |                   |                    |                    |                      |                         |              |
| Am't. received from Treasury                    | \$45,057            | \$0                  | \$51,024             | \$40,235            | \$43,369             | \$45,714          | \$41,432          | \$37,807          | \$34,321           | \$40,505           | \$49,276             | \$52,219                | \$484,036    |
| USF benefit expenditures                        | \$41,428            | \$31,341             | \$36,985             | \$40,192            | \$39,444             | \$41,024          | \$41,271          | \$41,271          | \$41,271           | \$41,271           | \$41,271             | \$41,271                | \$480,036    |
| Fresh Start expenditures                        | \$582               | \$1,496              | \$430                | \$722               | \$2,185              | \$148             | \$438             | \$438             | \$438              | \$438              | \$438                | \$438                   | \$8,192      |
| Administrative costs                            | \$24                | \$82                 | \$0                  | \$203               | \$0                  | \$36              | \$75              | \$75              | \$75               | \$75               | \$75                 | \$75                    | \$794        |
| Total program costs-direct utilities            | \$42,034            | \$32,919             | \$39,415             | \$41,117            | \$41,629             | \$41,208          | \$41,785          | \$41,784          | \$41,784           | \$41,784           | \$41,784             | \$41,784                | \$489,023    |
| Monthly Under/(Over)/recovery                   | (\$5,027)           | \$32,919             | (\$11,609)           | \$881               | (\$1,759)            | (\$4,508)         | \$263             | \$3,977           | \$7,464            | (\$1,279)          | (\$7,492)            | (\$10,432)              | \$4,986      |
| Cumulative Under/(Over)/recovery excl. interest | (\$153,703)         | (\$159,730)          | (\$126,811)          | (\$137,539)         | (\$139,299)          | (\$143,806)       | (\$143,514)       | (\$139,537)       | (\$132,079)        | (\$130,793)        | (\$136,285)          | (\$146,717)             | (\$148,717)  |
| SBC carrying costs                              | (\$851)             | (\$79)               | (\$71)               | (\$69)              | (\$74)               | (\$69)            | (\$50)            | (\$77)            | (\$77)             | (\$75)             | (\$76)               | (\$81)                  | (\$95)       |
|   | 1.19%               | 1.12%                | 1.08%                | 1.25%               | 1.09%                | 1.26%             | 1.15%             | 1.15%             | 1.15%              | 1.15%              | 1.15%                | 1.15%                   | 1.15%        |
| Est. Under/(Over)/Recovery position             | (\$160,668)         | (\$126,977)          | (\$138,656)          | (\$137,863)         | (\$139,696)          | (\$144,292)       | (\$144,061)       | (\$140,184)       | (\$132,797)        | (\$131,592)        | (\$138,160)          | (\$149,673)             | (\$149,673)  |

Included in the Administrative Costs line for October are disbursements from Treasury related to distribution of utility administrative costs per the 2030/14 Order in BPU Docket No. ER14060613.

**Projected Sales Volumes  
Estimates of Normalized Jurisdictional Sales  
Units in (000s)**

|                     | 2015<br>October | 2015<br>November | 2015<br>December | 2016<br>January | 2016<br>February | 2016<br>March | 2016<br>April | 2016<br>May | 2016<br>June | 2016<br>July | 2016<br>August | 2016<br>September | Total      |
|---------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|-------------|--------------|--------------|----------------|-------------------|------------|
| <b>Gas Therms*</b>  |                 |                  |                  |                 |                  |               |               |             |              |              |                |                   |            |
| NJNG                | 33,543          | 66,161           | 107,991          | 130,571         | 112,721          | 89,118        | 48,293        | 26,122      | 19,204       | 19,567       | 19,322         | 18,998            | 691,612    |
| SJG                 | 25,428          | 36,959           | 66,830           | 89,759          | 86,804           | 80,952        | 51,028        | 31,611      | 24,129       | 21,851       | 21,237         | 21,751            | 558,339    |
| PSE&G               | 102,367         | 207,045          | 359,657          | 451,824         | 459,264          | 436,529       | 292,812       | 158,886     | 116,261      | 100,161      | 77,364         | 98,968            | 2,861,138  |
| ETG                 | 20,251          | 35,973           | 55,964           | 74,672          | 79,193           | 65,485        | 46,312        | 28,615      | 19,633       | 17,016       | 16,014         | 16,332            | 475,460    |
| Total               | 181,589         | 346,138          | 590,441          | 748,826         | 737,982          | 672,085       | 438,445       | 245,236     | 179,227      | 158,595      | 133,937        | 156,047           | 4,586,549  |
| <b>Electric MWH</b> |                 |                  |                  |                 |                  |               |               |             |              |              |                |                   |            |
| PSE&G               | 3,168,426       | 3,005,467        | 3,334,251        | 3,589,947       | 3,453,070        | 3,330,785     | 3,153,297     | 2,864,562   | 3,408,302    | 4,137,408    | 4,362,756      | 3,878,709         | 41,686,981 |
| JCP&L               | 1,620,818       | 1,490,332        | 1,656,362        | 1,834,561       | 1,746,515        | 1,707,599     | 1,543,720     | 1,468,915   | 1,721,738    | 2,085,199    | 2,245,236      | 1,979,652         | 21,100,647 |
| ACE                 | 705,490         | 612,054          | 691,400          | 777,522         | 722,387          | 724,392       | 642,724       | 615,616     | 717,371      | 922,026      | 990,556        | 901,436           | 9,022,974  |
| RECO                | 126,745         | 113,764          | 132,181          | 144,444         | 127,495          | 119,197       | 112,081       | 111,411     | 144,449      | 172,494      | 175,402        | 159,520           | 1,639,183  |
| Total               | 5,621,479       | 5,221,617        | 5,814,194        | 6,346,474       | 6,049,467        | 5,881,973     | 5,451,822     | 5,060,504   | 5,991,860    | 7,317,127    | 7,773,950      | 6,919,317         | 73,449,785 |

\*Gas sales exclude wholesale therms

Recoveries Paid to State - Gas

In summary

|                               | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual | May<br>2015<br>estimate | June<br>2015<br>estimate | July<br>2015<br>estimate | August<br>2015<br>estimate | September<br>2015<br>estimate | Total         |
|-------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|----------------------------|-------------------------------|---------------|
| <b>Amnt. paid to Treasury</b> | \$2,008,628               | \$3,967,134                | \$6,555,886                | \$8,277,457               | \$8,954,742                | \$8,184,331             | \$4,954,195             | \$2,537,362             | \$1,864,410              | \$1,935,651              | \$1,375,620                | \$1,603,658                   | \$51,410,087  |
| <b>By Company</b>             |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| <b>MINS</b>                   |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| jurisdictional volumes        | 28,392,384                | 74,089,180                 | 98,397,944                 | 138,203,512               | 143,256,246                | 106,743,039             | 47,874,508              | 25,769,373              | 18,945,781               | 19,389,076               | 19,141,187                 | 18,631,728                    | 736,016,068   |
| pre-tax USF rate only         | 0.01030                   | 0.01030                    | 0.01030                    | 0.01030                   | 0.01030                    | 0.01030                 | 0.01030                 | 0.01030                 | 0.01030                  | 0.01030                  | 0.01030                    | 0.01030                       | 0.01030       |
| USF recoveries                | \$292,442                 | \$763,119                  | \$1,013,357                | \$1,423,486               | \$1,473,539                | \$1,099,453             | \$493,107               | \$265,814               | \$193,142                | \$199,646                | \$197,164                  | \$193,967                     | \$7,611,865   |
| <b>SJS</b>                    |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| jurisdictional volumes        | 34,746,433                | 37,182,650                 | 55,780,340                 | 65,253,680                | 92,209,940                 | 103,689,820             | 64,088,540              | 31,415,940              | 23,285,715               | 22,028,686               | 20,614,721                 | 21,989,544                    | 589,384,319   |
| pre-tax USF rate only         | 0.01030                   | 0.01030                    | 0.01030                    | 0.01030                   | 0.01030                    | 0.01030                 | 0.01030                 | 0.01030                 | 0.01030                  | 0.01030                  | 0.01030                    | 0.01030                       | 0.01030       |
| USF recoveries                | \$311,918                 | \$367,432                  | \$556,236                  | \$668,173                 | \$930,304                  | \$1,066,307             | \$609,781               | \$323,575               | \$239,843                | \$226,885                | \$212,332                  | \$217,222                     | \$5,920,017   |
| <b>PSEG-GAZ</b>               |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| jurisdictional volumes        | 118,752,702               | 200,293,147                | 421,485,279                | 506,549,534               | 544,844,728                | 489,202,559             | 310,261,587             | 169,484,436             | 119,076,945              | 100,524,650              | 77,673,269                 | 59,390,785                    | 3,156,526,362 |
| pre-tax USF rate only         | 0.01030                   | 0.01030                    | 0.01030                    | 0.01030                   | 0.01030                    | 0.01030                 | 0.01030                 | 0.01030                 | 0.01030                  | 0.01030                  | 0.01030                    | 0.01030                       | 0.01030       |
| USF recoveries                | \$1,223,153               | \$2,063,019                | \$4,341,401                | \$5,217,450               | \$5,611,931                | \$5,131,486             | \$3,195,854             | \$1,642,484             | \$1,228,489              | \$1,035,404              | \$600,036                  | \$1,023,725                   | \$32,512,252  |
| <b>ETG</b>                    |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |               |
| jurisdictional volumes        | 19,766,984                | 36,276,216                 | 60,749,178                 | 75,550,677                | 91,124,766                 | 86,244,823              | 54,833,981              | 29,697,990              | 19,702,516               | 18,864,686               | 19,126,173                 | 16,384,004                    | 523,327,874   |
| pre-tax USF rate only         | 0.01030                   | 0.01030                    | 0.01030                    | 0.01030                   | 0.01030                    | 0.01030                 | 0.01030                 | 0.01030                 | 0.01030                  | 0.01030                  | 0.01030                    | 0.01030                       | 0.01030       |
| USF recoveries                | \$182,117                 | \$373,564                  | \$624,862                  | \$776,328                 | \$936,998                  | \$887,085               | \$565,612               | \$305,889               | \$202,806                | \$173,706                | \$166,100                  | \$168,755                     | \$5,385,562   |

ETG's USF recoveries paid to Clearinghouses are based on actual account by account billing of USF charges and may vary from the pre-tax USF rate due to rebilling cumulative rounding effect, late bills, rebilling and rate changes

Recoveries Paid to State - Electric

In summary

|                               | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual | May<br>2015<br>estimate | June<br>2015<br>estimate | July<br>2015<br>estimate | August<br>2015<br>estimate | September<br>2015<br>estimate | Total          |
|-------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|----------------------------|-------------------------------|----------------|
| <b>Amt. paid to Treasury</b>  | \$10,466,730              | \$9,191,036                | \$11,373,598               | \$11,688,099              | \$11,872,182               | \$11,302,816            | \$10,374,492            | \$9,417,821             | \$11,114,813             | \$13,821,715             | \$14,328,411               | \$12,757,065                  | \$137,428,865  |
| <b>By Company</b>             |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |                |
| <b>PSE&amp;G - electric</b>   |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |                |
| Jurisdictional volumes        | 3,015,877,292             | 2,743,296,233              | 3,594,655,835              | 3,603,745,817             | 3,494,060,652              | 3,325,469,840           | 3,148,293,065           | 2,893,470,000           | 3,378,010,000            | 4,073,732,000            | 4,283,430,000              | 3,812,842,000                 | 41,326,792,634 |
| pre-tax/USF rate only         | 0.001863                  | 0.001863                   | 0.001863                   | 0.001863                  | 0.001863                   | 0.001863                | 0.001863                | 0.001863                | 0.001863                 | 0.001863                 | 0.001863                   | 0.001863                      |                |
| USF recoveries                | \$5,618,766               | \$5,110,761                | \$6,698,862                | \$6,713,778               | \$6,509,435                | \$6,195,350             | \$5,865,270             | \$5,316,015             | \$6,283,233              | \$7,568,363              | \$7,980,930                | \$7,102,352                   | \$78,931,815   |
| <b>JCP&amp;L</b>              |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |                |
| Jurisdictional volumes        | 1,583,346,548             | 1,457,040,871              | 1,896,199,450              | 1,777,008,252             | 1,898,278,275              | 1,856,275,290           | 1,578,357,957           | 1,469,095,107           | 1,722,785,589            | 2,067,405,492            | 2,247,055,870              | 1,980,534,910                 | 21,313,383,821 |
| pre-tax/USF rate only         | 0.001863                  | 0.001863                   | 0.001863                   | 0.001863                  | 0.001863                   | 0.001863                | 0.001863                | 0.001863                | 0.001863                 | 0.001863                 | 0.001863                   | 0.001863                      |                |
| USF recoveries*               | \$3,223,639               | \$2,718,523                | \$3,160,991                | \$3,310,075               | \$3,461,522                | \$3,457,076             | \$2,940,080             | \$2,736,924             | \$3,209,590              | \$3,698,836              | \$4,186,265                | \$3,689,737                   | \$39,984,018   |
| <b>Atlantic City Electric</b> |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |                |
| Jurisdictional volumes        | 706,937,893               | 615,388,541                | 879,716,937                | 755,727,014               | 889,010,499                | 785,186,409             | 730,183,512             | 618,685,966             | 720,489,419              | 924,218,103              | 992,609,721                | 905,060,469                   | 9,293,242,277  |
| pre-tax/USF rate only         | 0.001863                  | 0.001863                   | 0.001863                   | 0.001863                  | 0.001863                   | 0.001863                | 0.001863                | 0.001863                | 0.001863                 | 0.001863                 | 0.001863                   | 0.001863                      |                |
| USF recoveries                | \$1,413,763               | 1,137,504                  | \$1,266,256                | \$1,399,844               | \$1,650,027                | \$1,408,348             | \$1,358,114             | \$1,152,608             | \$1,342,272              | \$1,721,818              | \$1,849,239                | \$1,696,144                   | \$17,384,931   |
| <b>RECO</b>                   |                           |                            |                            |                           |                            |                         |                         |                         |                          |                          |                            |                               |                |
| Jurisdictional volumes        | 114,654,452               | 120,401,147                | 133,917,856                | 142,443,455               | 134,835,077                | 128,490,111             | 113,272,915             | 113,942,000             | 144,798,000              | 172,877,000              | 167,846,000                | 149,348,000                   | 1,637,724,013  |
| pre-tax/USF rate only         | 0.001863                  | 0.001863                   | 0.001863                   | 0.001863                  | 0.001863                   | 0.001863                | 0.001863                | 0.001863                | 0.001863                 | 0.001863                 | 0.001863                   | 0.001863                      |                |
| USF recoveries                | \$230,562                 | \$224,307                  | \$249,489                  | \$265,372                 | \$251,199                  | \$241,240               | \$211,027               | \$212,274               | \$269,759                | \$327,897                | \$312,893                  | \$278,232                     | \$3,068,041    |

\* ACE RECO and JCP&L's USF recoveries paid to Clearinghouse are based on actual account by account billing of USF charges and may vary from the pre-tax USF rate due to rebilling cumulative rounding effect late bills, rebilling and rate changes

**\$ TRANSFER FROM THE TREASURY**

|                  | May 2015 estimate | June 2015 estimate | July 2015 estimate | August 2015 estimate | September 2015 estimate |
|------------------|-------------------|--------------------|--------------------|----------------------|-------------------------|
| <b>Gas</b>       |                   |                    |                    |                      |                         |
| NJNG             | \$546,849         | \$285,259          | \$209,603          | \$163,695            | \$154,652               |
| SJG              | \$820,593         | \$429,065          | \$314,527          | \$275,935            | \$232,068               |
| PSEG             | \$3,089,952       | \$1,600,943        | \$1,176,345        | \$1,032,010          | \$867,944               |
| ETG              | \$427,701         | \$223,106          | \$163,935          | \$143,920            | \$120,956               |
|                  | \$4,884,195       | \$2,537,362        | \$1,864,410        | \$1,635,651          | \$1,375,620             |
| <b>Electric</b>  |                   |                    |                    |                      |                         |
| PSEG             | \$6,765,803       | \$6,141,722        | \$7,248,395        | \$8,818,028          | \$9,344,106             |
| JCP&L            | \$1,492,806       | \$1,354,967        | \$1,599,113        | \$1,945,405          | \$2,061,467             |
| ACE              | \$2,078,475       | \$1,866,611        | \$2,226,795        | \$2,703,005          | \$2,870,622             |
| RECO             | \$37,807          | \$34,321           | \$40,505           | \$46,276             | \$52,216                |
|                  | \$10,374,891      | \$9,417,821        | \$11,114,813       | \$13,521,715         | \$14,328,411            |
| <b>Total All</b> | \$15,238,687      | \$11,955,183       | \$12,979,222       | \$15,157,366         | \$15,704,031            |

**Calculation of \$ transfer from Treasury to the utilities \***

|                                | April 2015 actual | May 2015 estimate | June 2015 estimate | July 2015 estimate | August 2015 estimate |
|--------------------------------|-------------------|-------------------|--------------------|--------------------|----------------------|
| <b>\$ Paid to the Treasury</b> |                   |                   |                    |                    |                      |
| <b>Gas</b>                     |                   |                   |                    |                    |                      |
| NJNG                           | \$493,107         | \$265,414         | \$195,142          | \$199,646          | \$197,154            |
| SJG                            | \$609,781         | \$323,575         | \$239,843          | \$226,895          | \$212,332            |
| PSEG                           | \$3,195,894       | \$1,642,484       | \$1,228,469        | \$1,035,494        | \$800,035            |
| ETG                            | \$565,612         | \$305,889         | \$202,936          | \$173,706          | \$166,100            |
|                                | \$4,864,195       | \$2,537,362       | \$1,864,410        | \$1,835,651        | \$1,375,620          |
| <b>Electric</b>                |                   |                   |                    |                    |                      |
| PSEG                           | \$5,865,270       | \$5,316,015       | \$6,293,233        | \$7,589,393        | \$7,980,030          |
| JCP&L                          | \$2,940,080       | \$2,736,824       | \$3,209,550        | \$3,888,836        | \$4,166,265          |
| ACE                            | \$1,368,114       | \$1,162,808       | \$1,342,272        | \$1,721,818        | \$1,846,232          |
| RECO                           | \$211,027         | \$212,274         | \$265,759          | \$321,697          | \$312,893            |
|                                | \$10,374,492      | \$9,417,821       | \$11,114,813       | \$13,521,715       | \$14,328,411         |
| <b>Total All</b>               | \$15,238,687      | \$11,955,183      | \$12,979,222       | \$15,157,366       | \$15,704,031         |

\* Based on utilities' monthly payments to the clearinghouse and corresponding USF and FSP credits.

|                                  | April 2015 actual | May 2015 estimate | June 2015 estimate | July 2015 estimate | August 2015 estimate |
|----------------------------------|-------------------|-------------------|--------------------|--------------------|----------------------|
| <b>Utilities and FSP credits</b> |                   |                   |                    |                    |                      |
| <b>Gas</b>                       |                   |                   |                    |                    |                      |
| NJNG                             | \$295,859         | \$265,858         | \$295,858          | \$265,858          | \$295,858            |
| SJG                              | \$443,960         | \$443,960         | \$443,960          | \$443,960          | \$443,960            |
| PSEG                             | \$1,660,430       | \$1,660,430       | \$1,660,430        | \$1,660,430        | \$1,660,430          |
| ETG                              | \$231,397         | \$231,397         | \$231,397          | \$231,397          | \$231,397            |
|                                  | \$2,831,645       | \$2,831,645       | \$2,831,645        | \$2,831,645        | \$2,831,645          |
| <b>Electric</b>                  |                   |                   |                    |                    |                      |
| PSEG                             | \$7,463,962       | \$7,463,962       | \$7,463,962        | \$7,463,962        | \$7,463,962          |
| JCP&L                            | \$1,646,675       | \$1,646,675       | \$1,646,675        | \$1,646,675        | \$1,646,675          |
| ACE                              | \$2,293,020       | \$2,293,020       | \$2,293,020        | \$2,293,020        | \$2,293,020          |
| RECO                             | \$41,709          | \$41,709          | \$41,709           | \$41,709           | \$41,709             |
|                                  | \$11,445,367      | \$11,445,367      | \$11,445,367       | \$11,445,367       | \$11,445,367         |
| <b>Total All</b>                 | \$14,077,013      | \$14,077,012      | \$14,077,012       | \$14,077,012       | \$14,077,012         |

**ADMINISTRATIVE COSTS**

|           | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual | May<br>2015<br>estimate | June<br>2015<br>estimate | July<br>2015<br>estimate | August<br>2015<br>estimate | September<br>2015<br>estimate | Total      |
|-----------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|----------------------------|-------------------------------|------------|
| ACE       | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | \$0        |
| JCP&L     | (\$1,261)                 | (\$1,589)                  | (\$1,912)                  | (\$699)                   | (\$2,906)                  | (\$2,442)               | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | (\$10,809) |
| PSE&G-E   | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | \$0        |
| RECO      | \$24                      | \$82                       | \$0                        | \$203                     | \$0                        | \$36                    | \$75                    | \$75                    | \$75                     | \$75                     | \$75                       | \$75                          | \$794      |
| subtotal  | (\$1,237)                 | (\$1,507)                  | (\$1,912)                  | (\$496)                   | (\$2,906)                  | (\$2,406)               | \$75                    | \$75                    | \$75                     | \$75                     | \$75                       | \$75                          | (\$10,015) |
| ETG       | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | \$0        |
| NJNG      | \$1,350                   | \$1,896                    | \$387                      | \$761                     | \$432                      | \$406                   | \$425                   | \$425                   | \$425                    | \$0                      | \$0                        | \$0                           | \$6,505    |
| PSE&G-G   | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$0                     | \$0                     | \$0                      | \$0                      | \$0                        | \$0                           | \$0        |
| SJG       | \$0                       | \$0                        | \$0                        | \$0                       | \$0                        | \$0                     | \$5,241                 | \$0                     | \$2,951                  | \$0                      | \$0                        | \$2,951                       | \$11,142   |
| subtotal  | \$1,350                   | \$1,896                    | \$387                      | \$761                     | \$432                      | \$406                   | \$5,666                 | \$425                   | \$3,375                  | \$0                      | \$0                        | \$2,951                       | \$17,647   |
| TOTAL E&G | \$113                     | \$389                      | (\$1,525)                  | \$264                     | (\$2,474)                  | (\$2,001)               | \$5,741                 | \$500                   | \$3,450                  | \$75                     | \$75                       | \$3,026                       | \$7,632    |

**ADMINISTRATIVE COSTS-August through September 2014 (Prior USF Year)**

|           | July<br>2014<br>actual | August<br>2014<br>actual | September<br>2014<br>actual | Total    |
|-----------|------------------------|--------------------------|-----------------------------|----------|
| ACE       | \$2,028                | \$508                    | \$0                         | \$2,536  |
| JCP&L     | \$735                  | \$2,653                  | \$2,517                     | \$5,905  |
| PSE&G-E   | \$0                    | \$0                      | \$0                         | \$0      |
| RECO      | \$17                   | \$0                      | \$106                       | \$122    |
| subtotal  | \$2,780                | \$3,161                  | \$2,623                     | \$8,563  |
| ETG       | \$0                    | \$0                      | \$0                         | \$0      |
| NJNG      | \$314                  | \$289                    | \$117                       | \$720    |
| PSE&G-G   | \$0                    | \$0                      | \$0                         | \$0      |
| SJG       | \$0                    | \$0                      | \$2,150                     | \$2,150  |
| subtotal  | \$314                  | \$289                    | \$2,267                     | \$2,870  |
| TOTAL E&G | \$3,094                | \$3,450                  | \$4,889                     | \$11,433 |



**NJ Utility Jurisdictional Operating Revenue and Volume**  
Source: 2014 BPU Annual Report

| Gas Operating Jurisdictional Revenues* |                  | Electric Operating Jurisdictional Revenues |                  |
|--|------------------|--|------------------|
|  | \$000            |  | \$000            |
| Public Service Gas                     | 1,881,700        | Public Service Electric                    | 3,889,714        |
| NJNG                                   | 661,548          | JCP&L                                      | 1,663,747        |
| Elizabethtown                          | 366,142          | Atlantic Electric                          | 939,577          |
| South Jersey                           | 443,232          | Rockland Electric                          | 173,718          |
| <b>Total</b>                           | <b>3,352,622</b> | <b>Total</b>                               | <b>6,666,756</b> |
|  | 56.1%            |  | 100.00%          |
|  | 19.7%            |  | 58.3%            |
|  | 10.9%            |  | 25.0%            |
|  | 13.2%            |  | 14.1%            |
|  |                  |  | 2.6%             |

\*Excludes therms related to LCAPP legislation

**Calculation of Allocation between Gas and Electric**

|                      |                   |     |
|----------------------|-------------------|-----|
| Gas Revenue          | 3,352,622         | 33% |
| Electric Revenue     | 6,666,756         | 67% |
| <b>Total Revenue</b> | <b>10,019,378</b> |     |

Remittances and Amounts Received-Gas

|                                | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual |
|--------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|
| <b>In summary</b>              |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                 | \$1,498,255               | \$2,727,267                | \$4,257,504                | \$7,401,399               | \$8,560,301                | \$8,664,746             | \$6,799,987             |
| Lifeline Remittance            | \$1,058,844               | \$1,457,276                | \$2,274,990                | \$3,954,019               | \$4,573,055                | \$4,629,112             | \$3,632,438             |
| <b>Total Remittance</b>        | <b>\$2,497,099</b>        | <b>\$4,184,543</b>         | <b>\$6,532,494</b>         | <b>\$11,355,417</b>       | <b>\$13,133,356</b>        | <b>\$13,293,857</b>     | <b>\$10,432,425</b>     |
| Amounts Received from Treasury | \$1,036,199               | \$519,334                  | \$3,413,258                | \$6,535,866               | \$8,277,457                | \$8,954,667             | \$8,184,405             |
| <b>By Company</b>              |                           |                            |                            |                           |                            |                         |                         |
| <b><u>NJNG</u></b>             |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                 | \$292,442                 | \$763,119                  | \$1,013,387                | \$1,423,486               | \$1,475,539                | \$1,099,453             | \$493,107               |
| Lifeline Remittance            | \$156,159                 | \$407,490                  | \$541,129                  | \$760,119                 | \$787,909                  | \$587,087               | \$263,310               |
| <b>Total Remittance</b>        | <b>\$448,600</b>          | <b>\$1,170,609</b>         | <b>\$1,554,515</b>         | <b>\$2,183,616</b>        | <b>\$2,263,449</b>         | <b>\$1,686,540</b>      | <b>\$756,417</b>        |
| Amounts Received from Treasury | \$112,589                 | \$0                        | \$361,049                  | \$789,767                 | \$852,080                  | \$963,154               | \$933,223               |
| <b><u>SJG</u></b>              |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                 | \$311,918                 | \$367,432                  | \$656,236                  | \$958,173                 | \$930,304                  | \$1,066,307             | \$609,781               |
| Lifeline Remittance            | \$183,428                 | \$196,323                  | \$297,247                  | \$458,500                 | \$496,852                  | \$569,638               | \$325,737               |
| <b>Total Remittance</b>        | <b>\$495,346</b>          | <b>\$563,754</b>           | <b>\$953,483</b>           | <b>\$1,316,673</b>        | <b>\$1,427,156</b>         | <b>\$1,635,945</b>      | <b>\$935,518</b>        |
| Amounts Received from Treasury | \$125,173                 | \$336,277                  | \$239,713                  | \$830,778                 | \$1,027,333                | \$1,613,703             | \$1,536,349             |

Remittances and Amounts Received-Gas

PSEG

|                     | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual |
|---------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|
| USF Remittance      | \$651,778                 | \$1,223,153                | \$2,063,019                | \$4,341,401               | \$5,217,460                | \$5,611,901             | \$5,131,486             |
| Lifeline Remittance | \$609,038                 | \$653,140                  | \$1,101,612                | \$2,318,224               | \$2,786,022                | \$2,996,646             | \$2,740,114             |
| Total Remittance    | \$1,260,816               | \$1,876,293                | \$3,164,632                | \$6,659,625               | \$8,003,483                | \$8,608,547             | \$7,871,601             |

Amounts Received from Treasury

ETG

|                     | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual |
|---------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|
| USF Remittance      | \$182,117                 | \$373,564                  | \$624,862                  | \$778,328                 | \$936,998                  | \$887,085               | \$665,612               |
| Lifeline Remittance | \$110,220                 | \$200,323                  | \$335,002                  | \$417,176                 | \$502,271                  | \$475,741               | \$303,277               |
| Total Remittance    | \$292,337                 | \$573,887                  | \$959,864                  | \$1,195,504               | \$1,439,269                | \$1,362,826             | \$968,889               |

Amounts Received from Treasury

\$701,005

\$0

\$2,629,271

\$4,294,862

\$5,022,436

\$6,308,805

\$5,008,731

\$183,056

\$183,056

\$183,225

\$620,479

\$1,375,609

\$59,005

\$706,103

Remittances and Amounts Received-Electric

|                                  | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual |
|----------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|
| <b>In summary</b>                |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                   | \$13,171,034              | \$9,975,358                | \$9,656,746                | \$11,538,565              | \$11,825,342               | \$11,856,579            | \$10,754,806            |
| Lifeline Remittance              | \$5,082,243               | \$3,707,819                | \$3,576,808                | \$4,272,992               | \$4,379,343                | \$4,391,693             | \$3,982,911             |
| <b>Total Remittance</b>          | <b>\$18,253,277</b>       | <b>\$13,683,177</b>        | <b>\$13,233,554</b>        | <b>\$15,811,557</b>       | <b>\$16,204,685</b>        | <b>\$16,250,272</b>     | <b>\$14,737,717</b>     |
| Amounts Received from Treasury   | \$13,947,997              | \$0                        | \$14,471,279               | \$11,373,599              | \$11,688,069               | \$11,872,182            | \$11,302,816            |
| <b>By Company</b>                |                           |                            |                            |                           |                            |                         |                         |
| <b><u>PSE&amp;G-electric</u></b> |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                   | \$7,781,749               | \$5,618,766                | \$5,110,761                | \$6,696,862               | \$6,713,776                | \$6,509,435             | \$6,195,350             |
| Lifeline Remittance              | \$3,020,763               | \$2,081,024                | \$1,892,874                | \$2,480,319               | \$2,486,585                | \$2,410,902             | \$2,294,574             |
| <b>Total Remittance</b>          | <b>\$10,802,513</b>       | <b>\$7,699,790</b>         | <b>\$7,003,635</b>         | <b>\$9,177,182</b>        | <b>\$9,200,363</b>         | <b>\$8,920,337</b>      | <b>\$8,489,925</b>      |
| Amounts Received from Treasury   | \$8,778,425               | \$0                        | \$9,690,286                | \$7,327,231               | \$7,625,892                | \$7,805,162             | \$7,214,993             |
| <b><u>JCP&amp;L</u></b>          |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                   | \$3,223,639               | \$2,718,523                | \$3,160,991                | \$3,310,075               | \$3,461,522                | \$3,457,876             | \$2,940,080             |
| Lifeline Remittance              | \$1,232,457               | \$1,007,259                | \$1,170,516                | \$1,225,682               | \$1,281,761                | \$1,280,459             | \$1,088,678             |
| <b>Total Remittance</b>          | <b>\$4,456,096</b>        | <b>\$3,725,782</b>         | <b>\$4,331,507</b>         | <b>\$4,535,757</b>        | <b>\$4,743,283</b>         | <b>\$4,738,335</b>      | <b>\$4,028,758</b>      |
| Amounts Received from Treasury   | \$2,582,471               | \$0                        | \$2,055,435                | \$1,781,940               | \$1,710,231                | \$1,581,752             | \$1,670,079             |

Remittances and Amounts Received-Electric

|                                | October<br>2014<br>actual | November<br>2014<br>actual | December<br>2014<br>actual | January<br>2015<br>actual | February<br>2015<br>actual | March<br>2015<br>actual | April<br>2015<br>actual |
|--------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|
| <u>Atlantic City Electric</u>  |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                 | \$1,935,083               | \$1,413,763                | \$1,137,504                | \$1,265,256               | \$1,398,844                | \$1,650,027             | \$1,408,349             |
| Lifeline Remittance            | \$751,241                 | \$536,458                  | \$421,014                  | \$468,704                 | \$517,951                  | \$610,985               | \$521,500               |
| Total Remittance               | \$2,686,325               | \$1,950,221                | \$1,558,519                | \$1,734,960               | \$1,916,805                | \$2,261,012             | \$1,929,849             |
| Amounts Received from Treasury | \$2,539,045               | \$0                        | \$2,474,533                | \$2,224,193               | \$2,308,557                | \$2,439,555             | \$2,376,251             |
| <u>RECO</u>                    |                           |                            |                            |                           |                            |                         |                         |
| USF Remittance                 | \$230,562                 | \$224,307                  | \$249,489                  | \$265,372                 | \$251,198                  | \$241,240               | \$211,027               |
| Lifeline Remittance            | \$87,781                  | \$63,077                   | \$92,403                   | \$98,286                  | \$93,036                   | \$89,348                | \$78,158                |
| Total Remittance               | \$318,343                 | \$307,384                  | \$341,892                  | \$363,658                 | \$344,234                  | \$330,588               | \$289,185               |
| Amounts Received from Treasury | \$48,057                  | \$0                        | \$51,024                   | \$40,236                  | \$43,389                   | \$45,714                | \$41,492                |

**NOTICE TO PUBLIC SERVICE ELECTRIC  
AND GAS COMPANY  
ELECTRIC AND GAS CUSTOMERS**

**In the Matter of the 2014/2015 Annual Compliance Filings  
For a Change in the Statewide Electric and Gas  
Permanent Universal Service Fund Program Factors  
within the Electric and Gas Societal Benefits Charges Rates  
Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1**

**Notice of a Filing  
And  
Notice of Public Hearings**

**Docket No. XXXXXXXXXX**

**TAKE NOTICE** that, on June 19, 2015, Public Service Electric and Gas Company (Public Service, the Company) made an Annual Compliance Filing and provided supporting documentation for changes in the Universal Service Fund (USF) and Lifeline components of the electric and gas Societal Benefits Charges (SBC). The requested changes result in decreases to the electric Lifeline and gas USF and gas Lifeline components and an increase to the electric USF component. The requested change in the USF and Lifeline components is made pursuant to New Jersey Board of Public Utilities' (Board, BPU) Orders and includes the recovery of funding for the USF Program through uniform statewide rates. The USF Program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, to provide funds to assist qualifying low-income individuals in paying their energy bills. The State of New Jersey's Department of Community Affairs (DCA) is the administrator of the USF Program and the New Jersey Department of Health and Senior Services (DHSS) is the administrator of the Lifeline programs. DCA and DHSS authorize the disbursement of benefits to eligible customers in the respective programs.

Based upon the results and available estimates known to date for the 2014/2015 USF program year and the available estimates for the 2015/2016 USF Program year, it is anticipated that the USF rates should be set to collect \$ 176.0 million, on a statewide basis and that the Lifeline rates should be set to collect \$ 74.2 million on a statewide basis. Of the total estimated statewide USF cost of \$ 176.0 million, \$154.1 million would be recovered through electric rates with the remaining \$21.9 million recovered through gas rates. Of an anticipated \$74.2 million of the statewide Lifeline program, \$49.7 million would be recovered through electric rates with the remaining \$24.5 million recovered through gas rates.

In its June 22, 2005 Universal Service Fund Order, the Board directed that filing requirements for rate setting, including notice, public hearings and tariffs

should be made by July 1, 2006, and each year thereafter. In accordance with that Order, the Company made a filing with the Board in June 2015 requesting to change its current USF and Lifeline program charges, as described, to become effective on October 1, 2015.

The proposed statewide electric and gas charges for customers, if approved by the Board, are shown in Table #1. The requests will not result in any profit to Public Service. The revenues received under the proposed USF and Lifeline program factors are designed to permit Public Service to recover its costs associated with these programs. Actual program costs will be reconciled with the revenues received through the USF and Lifeline program charges in the next scheduled annual USF and Lifeline filing to be made on or before July 1, 2016.

The effect of the proposed changes in the electric and gas USF and Lifeline program charges on typical electric and gas residential monthly bills, if approved by the Board, is illustrated in Tables #2 and #3.

Based on the filing, a typical residential electric customer using 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,365.28 to \$1,366.92 or \$1.64 or approximately 0.12%. The Statewide average residential electric customers using 7,800 kilowatt-hours on an annual basis would see an increase in the annual bill from \$1,478.74 to \$1,480.57 or \$1.83 or approximately 0.12%. The percentage change applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage.

Under the Company's proposal, a residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in the annual bill from \$583.63 to \$579.87, or \$3.76 or approximately 0.67%. Moreover, under the Company's proposal, a typical



residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see a decrease in the annual bill from \$920.37 to \$914.19 or \$6.18 or approximately 0.67%. The Statewide average residential gas customer using 1,000 therms on an annual basis would see a decrease in the annual bill from \$911.60 to \$905.50 or \$6.10 or approximately 0.67%.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the

USF and Lifeline charges at levels other than those proposed by Public Service. Therefore, the described

|                                 |                                    |                         |
|---------------------------------|------------------------------------|-------------------------|
| August 18, 2015                 | August 19, 2015                    | August 20, 2015         |
| 4:30 and 5:50 PM                | 4:30 and 5:30 PM                   | 4:30 and 5:30 PM        |
| Bergen County                   | Middlesex County                   | Burlington County       |
| Administration Building         | Administration Building            | Human Services Facility |
| Freeholders' Room               | Freeholder Meeting Room            | Lecture Hall B          |
| 5 <sup>th</sup> Floor, Room 101 | 1 <sup>st</sup> Floor Meeting Room | 795 Woodlane Road       |
| 1 Bergen County Plaza           | 75 Bayard Street                   | Westampton, NJ 08060    |
| Hackensack, NJ 07601            | New Brunswick, NJ 08901            |                         |

charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers, online at the PSEG Web site at <http://www.pseg.com/pseandgfilings> and at the Board of Public Utilities at 44 South Clinton Avenue, Seventh Floor, Trenton, New Jersey 08625-0350.

The following dates, times and locations for public hearings have been scheduled on the Company's filing so that members of the public may present their views. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreters, listening devices or mobility assistance, no less than 48 hours prior to the above hearings to the Board's Secretary at the following address.

Customers may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, Ninth Floor, P.O. Box 350, Trenton, New Jersey, 08625-0350 ATTN: Secretary Irene Kim Asbury whether or not they attend the public hearings or they may send comments by e-mail to the BPU at [usf\\_rates@bpu.state.nj.us](mailto:usf_rates@bpu.state.nj.us). To review PSE&G's rate filing, visit <http://www.pseg.com/pseandgfilings>.

**Table # 1**  
**Universal Service and Lifeline Fund Components of Societal Benefits Charge**

|                            | Present    | Present<br>(Incl. SUT) | Proposed   | Proposed<br>(Incl. SUT) |
|----------------------------|------------|------------------------|------------|-------------------------|
| USF-Electric per kWhr      | \$0.001863 | \$0.001993             | \$0.002098 | \$0.002245              |
| USF-Gas per therm          | 0.0103     | 0.0110                 | 0.0048     | 0.0051                  |
| Lifeline-Electric per kWhr | 0.000690   | 0.000738               | 0.000677   | 0.000724                |
| Lifeline-Gas per therm     | 0.0055     | 0.0059                 | 0.0053     | 0.0057                  |

**Table #2  
Residential Electric Service**

| If Your Annual kWhr Use Is: | And Your Monthly Summer kWhr Use Is: | Then Your Present Monthly Summer Bill (1) Would Be: | And Your Proposed Monthly Summer Bill (2) Would Be: | Your Monthly Summer Bill Increase Would Be: | And Your Monthly Percent Increase Would Be: |
|-----------------------------|--------------------------------------|---|---|---|---|
| 1,920                       | 200                                  | \$39.78   | \$39.83   | \$0.05                                      | 0.13%                                       |
| 4,320                       | 450                                  | 86.49   | 86.60   | 0.11  | 0.13  |
| 7,200                       | 750                                  | 144.58  | 144.75  | 0.17  | 0.12  |
| 7,800                       | 803                                  | 155.20  | 155.39  | 0.19  | 0.12  |
| 13,160                      | 1,360                                | 266.88  | 267.20  | 0.32  | 0.12  |

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2015 and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes the changes in USF and Lifeline components of the SBC.

**Table #3  
Residential Gas Service**

| If Your Annual Therm Use Is: | And Your Monthly Winter Therm Use Is: | Then Your Present Monthly Winter Bill (1) Would Be: | And Your Proposed Monthly Winter Bill (2) Would Be: | Your Monthly Winter Bill Decrease Would Be: | And Your Monthly Percent Decrease Would Be: |
|------------------------------|---------------------------------------|---|---|---|---|
| 180                          | 25                                    | \$27.00   | \$26.85   | \$(0.15)                                    | (0.56%)                                     |
| 360                          | 50                                    | 48.16   | 47.86   | (0.30)                                      | (0.62)                                      |
| 610                          | 100                                   | 91.42   | 90.81   | (0.61)                                      | (0.67)                                      |
| 1,010                        | 165                                   | 147.07  | 146.06  | (1.01)                                      | (0.69)                                      |
| 1,224                        | 200                                   | 177.01  | 175.79  | (1.22)                                      | (0.69)                                      |
| 1,836                        | 300                                   | 262.58  | 260.75  | (1.83)                                      | (0.70)                                      |

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2015 and assumes that the customer receives BGSS-RSG service from Public Service.
- (2) Same as (1) except includes the changes in USF and Lifeline components of the SBC.

**Matthew Weissman, Esq.  
General Regulatory Counsel**

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**XXX Revised Sheet No. 57**  
**Superseding**  
**XXX Revised Sheet No. 57**

**SOCIETAL BENEFITS CHARGE**

**Cost Recovery**  
**(per kilowatthour)**

**Component:**

|   |             |
|---|-------------|
| Social Programs .....                                 | \$ 0.001347 |
| Energy Efficiency and Renewable Energy Programs ..... | 0.003047    |
| Manufactured Gas Plant Remediation .....              | 0.000349    |
| Sub-total per kilowatthour .....                      | \$ 0.004743 |

**Charge including losses, USF and Lifeline:**

|                     | <u>Loss</u><br><u>Factor</u> | <u>Sub-total</u><br><u>Including</u><br><u>Losses</u> | <u>USF</u>         | <u>Lifeline</u>    | <u>Total</u><br><u>Charge</u> |
|---------------------|------------------------------|---|--------------------|--------------------|-------------------------------|
| Secondary Service   | 7.5377%                      | \$ 0.005130   | \$ <u>0.001863</u> | \$ <u>0.000690</u> | \$ <u>0.007683</u>            |
|                     |                              |   | <u>0.002098</u>    | <u>0.000677</u>    | <u>0.007905</u>               |
| LPL Primary         | 5.1232%                      | 0.004999  | <u>0.001863</u>    | <u>0.000690</u>    | <u>0.007552</u>               |
|                     |                              |   | <u>0.002098</u>    | <u>0.000677</u>    | <u>0.007774</u>               |
| HTS Subtransmission | 2.9402%                      | 0.004887  | <u>0.001863</u>    | <u>0.000690</u>    | <u>-0.007440</u>              |
|                     |                              |   | <u>0.002098</u>    | <u>0.000677</u>    | <u>0.007662</u>               |
| HTS High Voltage    | 1.4590%                      | 0.004813  | <u>0.001863</u>    | <u>0.000690</u>    | <u>-0.007366</u>              |
|                     |                              |   | <u>0.002098</u>    | <u>0.000677</u>    | <u>0.007588</u>               |

**Charges including New Jersey Sales and Use Tax (SUT)**

|                           |                 |
|---------------------------|-----------------|
| Secondary Service .....   | \$0.008224      |
|                           | <u>0.008458</u> |
| LPL Primary .....         | <u>0.008081</u> |
|                           | <u>0.008318</u> |
| HTS Subtransmission ..... | <u>0.007961</u> |
|                           | <u>0.008198</u> |
| HTS High Voltage .....    | <u>0.007882</u> |
|                           | <u>0.008119</u> |

**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.

Date of Issue:

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

Effective:

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

**XXX Revised Sheet No. 57**  
**Superseding**  
**XXX Revised Sheet No. 57**

**SOCIETAL BENEFITS CHARGE**

**Cost Recovery**  
**(per kilowatthour)**

**Component:**

|  |             |
|--|-------------|
| Social Programs.....                                 | \$ 0.001347 |
| Energy Efficiency and Renewable Energy Programs..... | 0.003047    |
| Manufactured Gas Plant Remediation.....              | 0.000349    |
| Sub-total per kilowatthour.....                      | \$ 0.004743 |

**Charge including losses, USF and Lifeline:**

|                     | <u>Loss</u><br><u>Factor</u> | <u>Sub-total</u><br><u>Including</u><br><u>Losses</u> | <u>USF</u>  | <u>Lifeline</u> | <u>Total</u><br><u>Charge</u> |
|---------------------|------------------------------|---|-------------|-----------------|-------------------------------|
| Secondary Service   | 7.5377%                      | \$ 0.005130   | \$ 0.002098 | \$ 0.000677     | \$ 0.007905                   |
| LPL Primary         | 5.1232%                      | 0.004999  | 0.002098    | 0.000677        | 0.007774                      |
| HTS Subtransmission | 2.9402%                      | 0.004887  | 0.002098    | 0.000677        | 0.007662                      |
| HTS High Voltage    | 1.4590%                      | 0.004813  | 0.002098    | 0.000677        | 0.007588                      |

**Charges including New Jersey Sales and Use Tax (SUT)**

|                          |            |
|--------------------------|------------|
| Secondary Service.....   | \$0.008458 |
| LPL Primary.....         | 0.008318   |
| HTS Subtransmission..... | 0.008198   |
| HTS High Voltage.....    | 0.008119   |

**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.

Date of Issue:

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80 Park Plaza, Newark, New Jersey 07102  
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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41  
Superseding  
XXX Revised Sheet No. 41

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

**SOCIETAL BENEFITS CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG, CSG  
(Per Therm)**

|  |                    |
|--|--------------------|
| Social Programs.....   | \$ 0.000000        |
| Energy Efficiency and Renewables Programs.....                             | 0.026426           |
| Manufactured Gas Plant Remediation.....                                    | 0.008673           |
| Universal Service Fund - Permanent.....                                    | <u>0.010300</u>    |
|  | <u>0.004800</u>    |
| Universal Service Fund - Lifeline.....                                     | <u>0.005500</u>    |
|  | <u>0.005300</u>    |
|  |                    |
| Societal Benefits Charge .....   | \$ 0.050899        |
|  | <u>0.045199</u>    |
|  |                    |
| Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)..... | <u>\$ 0.054462</u> |
|  | <u>0.048363</u>    |

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-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.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

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

Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 41  
Superseding  
XXX Revised Sheet No. 41**

**B.P.U.N.J. No. 15 GAS**

**SOCIETAL BENEFITS CHARGE**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG, SLG,  
TSG-F, TSG-NF, CIG, CSG  
(Per Therm)**

|  |                    |
|--|--------------------|
| Social Programs.....   | \$ 0.000000        |
| Energy Efficiency and Renewables Programs.....                             | 0.026426           |
| Manufactured Gas Plant Remediation.....                                    | 0.008673           |
| Universal Service Fund - Permanent.....                                    | 0.004800           |
| Universal Service Fund - Lifeline.....                                     | <u>0.005300</u>    |
| <br>   |                    |
| Societal Benefits Charge .....   | \$ 0.045199        |
| <br>   |                    |
| Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)..... | <u>\$ 0.048363</u> |

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-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.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

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

Effective:

### TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric Societal Benefits Charge (SBC), USF and Lifeline components, on typical residential electric bills, if approved by the Board, is illustrated below:

| Residential Electric Service        |                              |   |   |                                   |                                   |
|-------------------------------------|------------------------------|---|---|-----------------------------------|-----------------------------------|
| If Your Monthly Summer kWhr Use Is: | And Your Annual kWhr Use Is: | Then Your Present Annual Bill (1) Would Be: | And Your Proposed Annual Bill (2) Would Be: | Your Annual Bill Change Would Be: | And Your Percent Change Would Be: |
| 200                                 | 1,920                        | \$383.20                                    | \$383.64                                    | \$0.44                            | 0.11%                             |
| 450                                 | 4,320                        | 825.96                                      | 826.96                                      | 1.00                              | 0.12                              |
| 750                                 | 7,200                        | 1,365.28                                    | 1,366.92                                    | 1.64                              | 0.12                              |
| 803                                 | 7,800                        | 1,478.74                                    | 1,480.57                                    | 1.83                              | 0.12                              |
| 1,360                               | 13,160                       | 2,497.92                                    | 2,501.04                                    | 3.12                              | 0.12                              |

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2015 and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes changes in the USF and Lifeline components of the SBC.

| Residential Electric Service |                                      |   |   |   |                                   |
|------------------------------|--------------------------------------|---|---|---|-----------------------------------|
| If Your Annual kWhr Use Is:  | And Your Monthly Summer kWhr Use Is: | Then Your Present Monthly Summer Bill (3) Would Be: | And Your Proposed Monthly Summer Bill (4) Would Be: | Your Monthly Summer Bill Change Would Be: | And Your Percent Change Would Be: |
| 1,920                        | 200                                  | \$39.78   | \$39.83   | \$0.05                                    | 0.13%                             |
| 4,320                        | 450                                  | 86.49   | 86.60   | 0.11                                      | 0.13                              |
| 7,200                        | 750                                  | 144.58  | 144.75  | 0.17                                      | 0.12                              |
| 7,800                        | 803                                  | 155.20  | 155.39  | 0.19                                      | 0.12                              |
| 13,160                       | 1,360                                | 266.88  | 267.20  | 0.32                                      | 0.12                              |

(3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect June 1, 2015 and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes changes in the USF and Lifeline components of the SBC.

### TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the gas Societal Benefits Charge (SBC), USF and Lifeline components, on typical residential gas bills, if approved by the Board, is illustrated below:

| Residential Gas Service              |                               |   |   |                                   |                                   |
|--------------------------------------|-------------------------------|---|---|-----------------------------------|-----------------------------------|
| If Your Monthly Winter Therm Use Is: | And Your Annual Therm Use Is: | Then Your Present Annual Bill (1) Would Be: | And Your Proposed Annual Bill (2) Would Be: | Your Annual Bill Change Would Be: | And Your Percent Change Would Be: |
| 25                                   | 180                           | \$219.60                                    | \$218.50                                    | \$(1.10)                          | (0.50%)                           |
| 50                                   | 360                           | 369.06                                      | 366.88                                      | (2.18)                            | (0.59)                            |
| 100                                  | 610                           | 583.63                                      | 579.87                                      | (3.76)                            | (0.64)                            |
| 159                                  | 1,000                         | 911.60                                      | 905.50                                      | (6.10)                            | (0.67)                            |
| 165                                  | 1,010                         | 920.37                                      | 914.19                                      | (6.18)                            | (0.67)                            |
| 200                                  | 1,224                         | 1,100.49                                    | 1,093.01                                    | (7.48)                            | (0.68)                            |
| 300                                  | 1,836                         | 1,615.75                                    | 1,604.55                                    | (11.20)                           | (0.69)                            |

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2015 and assumes that the customer receives commodity service from Public Service.  
 (2) Same as (1) except includes changes in the USF and Lifeline components of the SBC.

| Residential Gas Service      |                                       |   |   |   |                                   |
|------------------------------|---------------------------------------|---|---|---|-----------------------------------|
| If Your Annual Therm Use Is: | And Your Monthly Winter Therm Use Is: | Then Your Present Monthly Winter Bill (3) Would Be: | And Your Proposed Monthly Winter Bill (4) Would Be: | Your Monthly Winter Bill Change Would Be: | And Your Percent Change Would Be: |
| 180                          | 25                                    | \$27.00   | \$26.85   | \$(0.15)                                  | (0.56%)                           |
| 360                          | 50                                    | 48.16   | 47.86   | (0.30)                                    | (0.62)                            |
| 610                          | 100                                   | 91.42   | 90.81   | (0.61)                                    | (0.67)                            |
| 1,010                        | 165                                   | 147.07  | 146.06  | (1.01)                                    | (0.69)                            |
| 1,224                        | 200                                   | 177.01  | 175.79  | (1.22)                                    | (0.69)                            |
| 1,836                        | 300                                   | 262.58  | 260.75  | (1.83)                                    | (0.70)                            |

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect June 1, 2015 and assumes that the customer receives commodity service from Public Service.  
 (4) Same as (3) except includes changes in the USF and Lifeline components of the SBC.