

Danielle Lopez
Assistant Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T5, Newark, New Jersey 07102-4194
tel : 973-430-6479 fax: 973-430-5983
email: danielle.lopez@pseg.com

CASE RECEIVED
CASE MANAGEMENT
2020 JAN 10 A 11:15
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

FORWARDED
CASE MANAGEMENT

2020 JAN 10 P 1:55
BOARD OF PUBLIC UTILITIES
TRENTON, NJ



January 9, 2020

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its Electric Tax Adjustment
Credit and Gas Tax Adjustment Credit
“2019 TAC Filing”

RECEIVED
MAIL ROOM
JAN 10 2020
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

BPU Docket No.: ER19091302 and GR19091303

VIA E-MAIL & OVERNIGHT DELIVERY

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Attached please find the fully executed Stipulation (of which 10 copies are enclosed) in the above-referenced matter resolving all aspects of this matter. All the parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration in this matter.

Very truly yours,

Case mgmt

c: Attached Service List (E-Mail) ✓

AARP

Janine G. Bauer
Szaferman, Lakind, Blumstein, & Blader, P.C.
101 Grovers Mill Road, Suite 200
Lawrenceville NJ 08648
(609) 275-0400 x249
jbauer@szaferman.com

BPU

Paul Flanagan
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-2836
paul.flanagan@bpu.nj.gov

BPU

Andrea Hart
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
andrea.hart@bpu.nj.gov

BPU

Son Lin Lai
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2098
son-lin.lai@bpu.nj.gov

BPU

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4517
stacy.peterson@bpu.nj.gov

BPU

John Zarzycki
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 341-5738
john.zarzycki@bpu.nj.gov

BPU

Christopher Oprysk
Board of Public Utilities
44 South Clinton Avenue
3rd Floor., Suite 314
P.O. Box 350
Trenton NJ 08625-0350
christopher.oprysk@bpu.nj.gov

BPU

Noreen M. Giblin Esq.
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
noreen.giblin@bpu.nj.gov

BPU

Cynthia Holland
Board of Public Utilities
44 South Clinton Avenue
Trenton NJ 08635-0350
cynthia.holland@bpu.nj.gov

BPU

Megan Lupo
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
megan.lupo@bpu.nj.gov

BPU

Andrea Reid
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4518
andrea.reid@bpu.nj.gov

DAG

Geoffrey Gersten
NJ Dept. of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street P.O. Box 112
Trenton NJ 08625
(973) 648-3510
Geoffrey.Gersten@law.njoag.gov

BPU

David Brown
Board of Public Utilities
44 South Clinton Avenue
Suite 314
P.O. Box 350
Trenton NJ 08625-0350
david.brown@bpu.nj.gov

BPU

Oneil Hamilton
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
Oneil.Hamilton@bpu.nj.gov

BPU

Bart Kilar
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
bart.kilar@bpu.nj.gov

BPU

Jacqueline O'Grady
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2947
jackie.ogrady@bpu.nj.gov

BPU

Scott Sumliner
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4519
scott.sumliner@bpu.nj.gov

DAG

Jenique Jones
NJ Dept. of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street P.O. Box 112
Trenton NJ 08625
jenique.jones@dol.lps.state.nj.us

DAG

Pamela Owen
NJ Dept of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton NJ 08625
Pamela.Owen@law.njoag.gov

Eastern Environmental Law Center

Daniel Greenhouse
50 Park Pl
Suite 1025
Newark NJ 07102
dgreenhouse@easternenvironmental.org

PSE&G

Danielle Lopez Esq.
Public Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
973-430-6479
danielle.lopez@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-5
P.O. Box 570
Newark NJ 07102
(973)-430-5659
caitlyn.white@pseg.com

Rate Counsel

James Glassen
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
jglassen@rpa.state.nj.us

Rate Counsel

Brian O. Lipman
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
b lipman@rpa.nj.gov

DAG

Emma Xiao DAG
NJ Dept of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street P.O. Box 112
Trenton NJ 08625
emma.xiao@law.njoag.gov

NJLEUC

Steven S. Goldenberg Esq.
Giordano Halleran & Ciesla, P.A.
125 Half Mile Road, Suite 300
Red Bank NJ 07701
732-741-3900
sgoldenberg@ghclaw.com

PSE&G

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T5
Newark NJ 07102-4194
(973) 430-5930
bernard.smalls@pseg.com

Rate Counsel

Stefanie A. Brand
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
sbrand@rpa.state.nj.us

Rate Counsel

Christine M. Juarez
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
cjuarez@rpa.state.nj.us

Rate Counsel

Shelly Massey
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
smassey@rpa.nj.gov

Direct Energy Services

Christopher E. Torkelson Esq.
Eckert Seamans Cherin & Mellott, LLC
2000 Lenox Drive, Suite 203
Lawrenceville NJ 08648
609-392-2100
ctorkelson@eckertseamans.com

PSE&G

Michele Falcao
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6119
michele.falcao@pseg.com

PSE&G

Matthew M. Weissman Esq.
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-7052
matthew.weissman@pseg.com

Rate Counsel

Maura Caroselli Esq.
Division of Rate Counsel
140 East Front Street
4th Floor
Trenton NJ 08625
mcaroselli@rpa.nj.gov

Rate Counsel

Kurt Lewandowski Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
klewando@rpa.state.nj.us

Rate Counsel

Ami Morita
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
amorita@rpa.state.nj.us

Rate Counsel

Maria Novas-Ruiz Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
mnovas.ruiz@rpa.state.nj.us

Rate Counsel

Sarah Steindel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
ssteinde@rpa.state.nj.us

Sunrun

Murray E. Bevan
Bevan, Mosca & Giuditta, P.C.
22 Mount Airy Road
Suite 200
Basking Ridge NJ 07920
mbevan@bmgzlaw.com

Rate Counsel

Henry M. Ogden Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
hogden@rpa.nj.gov

Rate Counsel

Felicia Thomas-Friel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
fthomas@rpa.nj.gov

Wal-Mart Stores East, LP

Donald R. Wagner Esq.
Stevens & Lee
111 North 6th Street
Reading PA 19601
drw@stevenslee.com

Rate Counsel

Diane Schulze Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
dschulze@rpa.state.nj.us

Rate Counsel

Brian Weeks Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
bweeks@rpa.state.nj.us

RECEIVED
MAIL ROOM

JAN 10 2020

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

| | | |
|---|---|-------------------------|
| IN THE MATTER OF THE PETITION OF PUBLIC |) | STIPULATION FOR |
| SERVICE ELECTRIC AND GAS COMPANY FOR |) | PROVISIONAL RATES |
| APPROVAL OF CHANGES IN ITS ELECTRIC TAX |) | |
| ADJUSTMENT CREDIT AND GAS TAX |) | BPU DOCKET NOS. |
| ADJUSTMENT CREDIT (“2019 TAC FILING”) |) | ER19091302 & GR19091303 |

STIPULATION AND AGREEMENT

APPEARANCES:

Matthew M. Weissman, Esq., Managing Counsel-State, and **Danielle Lopez, Esq.**, Associate Counsel-Regulatory, for the Petitioner, Public Service Electric and Gas Company

Brian O. Lipman, Esq., Litigation Manager, **Ami Morita, Esq.**, Managing Attorney—Electric, **Felicia Thomas-Friel, Esq.**, Managing Attorney – Gas, **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director).

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey).

BACKGROUND

On September 26, 2019, Public Service Electric and Gas Company (“Public Service,” “PSE&G” or the “Company”) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (“Board”) requesting a resetting of the Company’s Gas Tax Adjustment Credit (“GTAC”) and Electric Tax Adjustment Credit (“ETAC”) (collectively, “TACs”). (“September 2019 Petition”) Upon review of the September 2019 Petition, the Staff of the New Jersey Board of Public Utilities (“Board Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and PSE&G, the only parties to this proceeding (collectively, “Parties”), stipulate and agree as follows:

1. On December 22, 2017, the Tax Cuts and Jobs Act (“2017 Act”) was signed into law, with an effective date of January 1, 2018.

2. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code (“Tax Code”), including a reduction in the maximum corporate tax rate from thirty-five percent (35%) to twenty-one percent (21%).
3. The 2017 Act was reviewed by the Board in January 2018, and based upon this review, the Board found that the reduction in the corporate tax rate resulted in savings to New Jersey public utilities, and thus, in an over-collection of tax revenue that would not be paid in federal income taxes.¹
4. The Consideration Order directed several New Jersey public utilities, including PSE&G, to make filings detailing certain impacts of the 2017 Act with the intent of ensuring that tax savings are passed onto PSE&G’s customers.
5. On March 2, 2018, PSE&G filed a petition pursuant to the Consideration Order that included a proposed plan as well as final issued tariff sheets, effective April 1, 2018, reducing its electric and gas distribution rates by approximately \$114 million annually to reflect the impact of the 2017 Act.
6. By Order dated March 26, 2018,² the Board directed that PSE&G’s proposed plan be reviewed in the Company’s 2018 base rate case.³
7. The March 26, 2018 Order also directed the Company to file tariffs reflecting its proposed rate reduction to be effective April 1, 2018 on an interim basis subject to the outcome of its 2018 base rate case proceeding.

¹ *I/M/O The New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017*, Docket No. AX18010001, Order dated Jan. 31, 2018 (“Consideration Order”).

² *I/M/O The New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017, et. al.* Docket Nos. AX18010001 and ER1803023, Order dated Mar. 26, 2018.

³ *I/M/O The Petition of Public Service Electric and Gas Company for the Approval of an Increase in Electric and Gas Rates and for Changes in Tariffs for Electric and Gas Service, B.P.U.N.J. NO. 16 Electric and B.P.U.N.J. NO. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A 48:2-21, and N.J.S. 48:2-21.1, and for Other Appropriate Relief*, Docket Nos. ER18010029 and GR18010030, Order dated Oct. 29, 2018.

8. Pursuant to the March 26, 2018 Order the Company reduced its base rates effective April 1, 2018, three (3) months after the effective date of the 2017 Act, to eliminate any further over-collection.
9. PSE&G deferred the over-collection for the period January 1, 2018 through March 31, 2018 on the books for return to customers (\$5.6 million for electric and \$21.8 million for gas, excluding interest).
10. On August 8, 2018, in the 2018 Base Rate Case, PSE&G updated its base rate request based upon twelve (12) months of actual data and no estimated data for its test year (“12+0 update”). The Company’s 12+0 update reflected a \$39 million refund as a result of excess tax recovery which was provided in the first three months of 2018 assuming rates effective October 1, 2018.⁴
11. After engaging in extensive discovery, testimony and participating in numerous settlement discussions, the parties came to a resolution of the 2018 Base Rate Case in early October, 2018.
12. The stipulation of settlement in the 2018 Base Rate Case was approved by the Board on October 29, 2018, and among other things, included the terms and operation of the tax adjustment credits applicable to electric and gas rates pursuant to the 2017 Act.
13. The TAC amounts were allocated to each rate class and then refunded to customers through a dollar per kWh or therm basis for each rate schedule.
14. Pursuant to the Board’s Order in the 2018 Base Rate Case, the Company was directed to flow back the unprotected excess deferred tax savings over the course of five (5) years by

⁴ On October 10, 2018, PSE&G filed an Errata to the stipulation and settlement to correct a mathematical error in this number. The actual refund of excess income tax recovery was \$27.8 million, which includes \$5.7 million for electric and \$22.1 million for gas.

way of the TACs. In addition, the Board's Order in the Base Rate Case directed the Company to refund the historic Safe Harbor Adjusted Repair Expense ("SHARE") balance as of October 31, 2018 over a 10-year period.

15. The initial TACs were implemented along with the revenue requirement increase upon approval of the stipulation in the 2018 Base Rate Case, and the excess income tax recovery for the first quarter of 2018 was refunded to customers over the two-month period of November and December 2018, with interest. The TACs were then reset in January 2019.
16. PSE&G's September 2019 Petition in this matter seeks authority to reset the TACs for January 1, 2020. A recalculation of the TACs to be effective February 1, 2020 is supported by Attachment 2, Schedules SS-TAC-6E and SS-TAC-6G attached to the September 2019 Petition.
17. Notice of the Company's September 2019 Petition, including the date, time and place of public hearings was placed in newspapers having a circulation within the Company's gas service territory, and was served upon the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's gas service territory. In accordance with that notice, public hearings were held in the afternoon and evening on the following dates and locations in PSE&G's gas service territory: November 14, 2019 in Mt. Holly, New Jersey; November 19, 2019 in New Brunswick, New Jersey; and November 21, 2019 in Hackensack, New Jersey. No members of the public provided comments at any of the hearings or filed written comments with the Board.
18. Tariff sheets consistent with the electric and gas TAC rate changes are set forth in Attachment 1. For the electric portion of the TAC ("ETAC"), the Company proposes a refund from January 1, 2020 through December 31, 2020 of approximately \$87.7 million,

which when added to the Company's estimated over-collected ETAC balance with interest at December 31, 2019 of \$8.2 million, results in a total proposed refund to customers of approximately \$95.9 million. The proposed refund represents a decrease to electric customers of approximately \$15.5 million compared to the current ETAC.

19. For the gas portion of the TAC ("GTAC"), the Company proposes a refund from January 1, 2020 through December 31, 2020 of approximately \$145.6 million, which when added to the Company's estimated over-collected GTAC balance with interest at December 31, 2019 of approximately \$10.4 million, results in a total proposed refund to customers of approximately \$156.0 million. The proposed refund represents a decrease to gas customers of approximately \$10.1 million compared to the current GTAC.

20. As a result of the proposed rates set forth in Attachment 1, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see a decrease in the annual bill from \$1,229.48 to \$1,223.20, or \$6.28 or approximately 0.51%.

21. As a result of the proposed rates set forth in Attachment 1, 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 \$567.94 to \$565.12, or \$2.82 or approximately 0.50%. Moreover, under the Company's proposal, a typical residential heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see a decrease in the annual bill from \$895.22 to \$890.40, or \$4.82 or approximately 0.54%.

22. The Parties agree that pursuant to the terms of the Board's Order in the 2018 Base Rate Case, PSE&G may implement the rates in Attachment 2, effective February 1, 2020. The


rate adjustments established herein shall be provisional and subject to refund contingent upon the Parties' review and the Board's approval of final rates.


23. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
24. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.
25. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

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

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

GURBIR S. GREWAL
ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

BY: 
Danielle Lopez, Esq.
Associate Counsel - Regulatory

BY: 
Matko Ilic
Deputy Attorney General

DATED: January 9, 2020

DATED: January 9, 2020

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

BY: 
Maura Caroselli, Esq.,
Assistant Deputy Rate Counsel

DATED: January 9, 2020

BPU DKTS NOS ER 19091302 and GR 19091303

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 69

B.P.U.N.J. No. 16 ELECTRIC

Superseding

XXX Revised Sheet No. 69

TAX ADJUSTMENT CREDIT

| <u>Rate Schedule</u> | <u>Charge per kilowatt-hour</u> | <u>Charge per kilowatt-hour Including SUT</u> |
|--|--|---|
| RS..... | (\$0.005275) (\$0.004423) | (\$0.005624) (\$0.004716) |
| RHS..... | (\$0.004739) (\$0.003974) | (\$0.005053) (\$0.004237) |
| RLM..... | (\$0.004076) (\$0.003418) | (\$0.004346) (\$0.003644) |
| WH..... | (\$0.000000) (\$0.002762) | (\$0.000000) (\$0.002945) |
| WHS..... | (\$0.000000) (\$0.003168) | (\$0.000000) (\$0.003340) |
| HS..... | (\$0.002068) (\$0.001734) | (\$0.002205) (\$0.001849) |
| GLP..... | (\$0.001514) (\$0.001269) | (\$0.001614) (\$0.001353) |
| LPL - Secondary..... | (\$0.000888) (\$0.000744) | (\$0.000947) (\$0.000793) |
| LPL - Primary..... | (\$0.000539) (\$0.000452) | (\$0.000575) (\$0.000482) |
| HTS - Subtransmission..... | (\$0.000554) (\$0.000465) | (\$0.000591) (\$0.000496) |
| HTS - High Voltage & HTS - Transmission..... | (\$0.000251) (\$0.000211) | (\$0.000268) (\$0.000225) |
| BPL..... | (\$0.000000) | (\$0.000000) |
| BPL-POF..... | (\$0.001320) (\$0.001107) | (\$0.001407) (\$0.001180) |
| PSAL..... | (\$0.000000) | (\$0.000000) |

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 69

B.P.U.N.J. No. 16 ELECTRIC

Superseding

XXX Revised Sheet No. 69

TAX ADJUSTMENT CREDIT

| <u>Rate Schedule</u> | <u>Charge per kilowatt-hour</u> | <u>Charge per kilowatt-hour including SUT</u> |
|--|-------------------------------------|---|
| RS..... | (\$0.005275) | (\$0.005624) |
| RHS..... | (\$0.004739) | (\$0.005053) |
| RLM..... | (\$0.004076) | (\$0.004346) |
| WH..... | (\$0.000000) | (\$0.000000) |
| WHS..... | (\$0.000000) | (\$0.000000) |
| HS..... | (\$0.002068) | (\$0.002205) |
| GLP..... | (\$0.001514) | (\$0.001614) |
| LPL - Secondary..... | (\$0.000888) | (\$0.000947) |
| LPL - Primary..... | (\$0.000539) | (\$0.000575) |
| HTS - Subtransmission..... | (\$0.000554) | (\$0.000591) |
| HTS – High Voltage & HTS - Transmission..... | (\$0.000251) | (\$0.000268) |
| BPL..... | (\$0.000000) | (\$0.000000) |
| BPL-POF..... | (\$0.001320) | (\$0.001407) |
| PSAL..... | (\$0.000000) | (\$0.000000) |

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 16 GAS

XXX Revised Sheet No. 51
Superseding
XXX Revised Sheet No. 51

TAX ADJUSTMENT CREDIT

| <u>Rate Schedule</u> | <u>Charge per Therm</u> | <u>Charge per Therm Including SUT</u> |
|----------------------|--|--|
| RSG..... | (\$0.073907) (\$0.069574) | (\$0.078803) (\$0.074183) |
| GSG..... | (\$0.061330) (\$0.056346) | (\$0.065393) (\$0.060079) |
| LVG..... | (\$0.030730) (\$0.027547) | (\$0.032766) (\$0.029372) |
| SLG..... | (\$0.115242) (\$0.104035) | (\$0.122877) (\$0.110927) |
| TSG-F..... | (\$0.024296) (\$0.020566) | (\$0.025906) (\$0.021928) |
| TSG-NF..... | (\$0.009203) (\$0.009043) | (\$0.009813) (\$0.009642) |
| CIG..... | (\$0.013220) (\$0.010966) | (\$0.014096) (\$0.011692) |
| CSG..... | (\$0.000956) (\$0.001285) | (\$0.001019) (\$0.001370) |

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue: Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility 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. 16 GAS

XXX Revised Sheet No. 51
Superseding
XXX Revised Sheet No. 51

TAX ADJUSTMENT CREDIT

| <u>Rate Schedule</u> | <u>Charge per Therm</u> | <u>Charge per Therm Including SUT</u> |
|----------------------|-------------------------|---------------------------------------|
| RSG..... | (\$0.073907) | (\$0.078803) |
| GSG..... | (\$0.061330) | (\$0.065393) |
| LVG..... | (\$0.030730) | (\$0.032766) |
| SLG..... | (\$0.115242) | (\$0.122877) |
| TSG-F..... | (\$0.024296) | (\$0.025906) |
| TSG-NF..... | (\$0.009203) | (\$0.009813) |
| CIG..... | (\$0.013220) | (\$0.014096) |
| CSG..... | (\$0.000956) | (\$0.001019) |

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017 and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PSE&G 2020 Tax Adjustment Credit (TACs) Proposed Rate Calculations

Schedule SS-TAC-1

Actual results through 12/31/2019

(\$'s Unless Specified)

SUT Rate 6.625%

| <u>Line</u> | <u>Date(s)</u> | | <u>Electric</u> | <u>Gas</u> | <u>Total</u> | <u>Source/Description</u> |
|-------------|------------------|------------------------------------|---------------------|----------------------|----------------------|---------------------------|
| 1 | Jan20 - Dec20 | Net Revenue Requirements | (87,685,152) | (145,572,859) | (233,258,011) | SS-2E/G, Col 30 |
| 2 | Dec-19 | (Over) / Under Recovered Balance | (8,098,722) | (10,511,443) | (18,610,164) | - SS-3E/G, Col 5 |
| 3 | Dec-19 | Cumulative Interest Exp / (Credit) | <u>(101,383)</u> | <u>80,718</u> | <u>(20,664)</u> | - SS-3E/G, Col 10 |
| 4 | Jan20 - Dec20 | Total Target Rate Revenue | (95,885,256) | (156,003,584) | (251,888,840) | ln 1 + ln 2 + ln 3 |
| 5 | 2020 | Revenues at Current TAC rates | <u>(80,400,177)</u> | <u>(145,861,531)</u> | <u>(226,261,708)</u> | SS-6E/G, ln 7 |
| 6 | | Proposed TAC Increase / (Decrease) | (15,485,079) | (10,142,053) | (25,627,132) | Ln 4 - ln 5 |

PSE&G 2020 TAX ADJUSTMENT CREDIT
 ETAC Net Revenue Requirement
 \$000

| | |
|--|---------|
| Current Excess Unprotected ADIT Balance | 231,413 |
| Deduction Storm/Other Regulatory Asset Offset | - |
| Net Historic Unprotected ADIT to Return to Customers | 231,413 |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|-------------|-------------------------------------|-------------------|-------------------|----------------------------------|--------------------------|---------------------------------------|---|---------------------------|-----------------|--|---------------------------|-------------------|--|---------------------------|-------------------|
| | 1. Return Excess Income Tax Expense | | | | | | 2. Return Historic ADIT | | | | | | | | |
| | | | | | | | Unprotected Excess | | | Protected Excess | | | SHARE | | |
| | Beginning Excess Income Tax Balance | Excess Income Tax | Excess Income Tax | Ending Excess Income Tax Balance | Short-Term Interest Rate | Interest On Excess Income Tax Balance | Beginning Balance | Amortization to Customers | Ending Balance | Beginning Balance | Amortization to Customers | Ending Balance | Beginning Balance | Amortization to Customers | Ending Balance |
| Nov-18 | 5,641 | - | (2,821) | 2,821 | 2.36% | (8) | 235,031 | (2,917) | 232,114 | 438,903 | (573) | 438,330 | 130,493 | (702) | 129,791 |
| Dec-18 | 2,821 | - | (2,821) | - | 2.48% | (3) | 236,353 | (2,917) | 233,436 | 434,092 | (1,254) | 432,838 | 129,791 | (702) | 129,090 |
| Jan-19 | - | - | - | - | 2.92% | - | 233,436 | (3,129) | 230,307 | 432,838 | (573) | 432,265 | 129,090 | (702) | 128,388 |
| Feb-19 | - | - | - | - | 2.92% | - | 230,307 | (3,129) | 227,178 | 432,265 | (573) | 431,693 | 128,388 | (702) | 127,687 |
| Mar-19 | - | - | - | - | 2.78% | - | 227,178 | (3,129) | 224,049 | 431,693 | (1,397) | 430,296 | 127,687 | (702) | 126,985 |
| Apr-19 | - | - | - | - | 2.88% | - | 224,049 | (3,129) | 220,920 | 430,296 | (848) | 429,449 | 126,985 | (702) | 126,284 |
| May-19 | - | - | - | - | 2.64% | - | 220,920 | (3,129) | 217,791 | 429,449 | (848) | 428,601 | 126,284 | (702) | 125,582 |
| Jun-19 | - | - | - | - | 2.64% | - | 217,791 | (3,129) | 214,662 | 428,601 | (846) | 427,755 | 125,582 | (702) | 124,880 |
| Jul-19 | - | - | - | - | 2.64% | - | 214,662 | (3,129) | 211,533 | 427,755 | (847) | 426,908 | 124,880 | (702) | 124,179 |
| Aug-19 | - | - | - | - | 2.64% | - | 211,533 | (3,129) | 208,404 | 426,908 | (847) | 426,061 | 124,179 | (702) | 123,477 |
| Sep-19 | - | - | - | - | 2.64% | - | 208,404 | (3,129) | 205,275 | 426,061 | (847) | 425,214 | 123,477 | (702) | 122,776 |
| Oct-19 | - | - | - | - | 2.64% | - | 205,275 | (3,129) | 202,146 | 425,214 | (847) | 424,366 | 122,776 | (702) | 122,074 |
| Nov-19 | - | - | - | - | 2.64% | - | 202,146 | (3,129) | 199,017 | 424,366 | (847) | 423,519 | 122,074 | (702) | 121,373 |
| Dec-19 | - | - | - | - | 2.64% | - | 199,017 | (3,129) | 195,888 | 423,519 | (847) | 422,672 | 121,373 | (702) | 120,671 |
| Jan-20 | - | - | - | - | 2.64% | - | 195,888 | (3,588) | 192,300 | 422,672 | (847) | 421,825 | 120,671 | (702) | 119,969 |
| Feb-20 | - | - | - | - | 2.64% | - | 192,300 | (3,588) | 188,713 | 421,825 | (847) | 420,978 | 119,969 | (702) | 119,268 |
| Mar-20 | - | - | - | - | 2.64% | - | 188,713 | (3,588) | 185,125 | 420,978 | (847) | 420,130 | 119,268 | (702) | 118,566 |
| Apr-20 | - | - | - | - | 2.64% | - | 185,125 | (3,588) | 181,538 | 420,130 | (847) | 419,283 | 118,566 | (702) | 117,865 |
| May-20 | - | - | - | - | 2.64% | - | 181,538 | (3,588) | 177,950 | 419,283 | (847) | 418,436 | 117,865 | (702) | 117,163 |
| Jun-20 | - | - | - | - | 2.64% | - | 177,950 | (3,588) | 174,363 | 418,436 | (847) | 417,589 | 117,163 | (702) | 116,461 |
| Jul-20 | - | - | - | - | 2.64% | - | 174,363 | (3,588) | 170,775 | 417,589 | (847) | 416,742 | 116,461 | (702) | 115,760 |
| Aug-20 | - | - | - | - | 2.64% | - | 170,775 | (3,588) | 167,187 | 416,742 | (847) | 415,894 | 115,760 | (702) | 115,058 |
| Sep-20 | - | - | - | - | 2.64% | - | 167,187 | (3,588) | 163,600 | 415,894 | (847) | 415,047 | 115,058 | (702) | 114,357 |
| Oct-20 | - | - | - | - | 2.64% | - | 163,600 | (3,588) | 160,012 | 415,047 | (847) | 414,200 | 114,357 | (702) | 113,655 |
| Nov-20 | - | - | - | - | 2.64% | - | 160,012 | (3,588) | 156,425 | 414,200 | (847) | 413,353 | 113,655 | (702) | 112,954 |
| Dec-20 | - | - | - | - | 2.64% | - | 156,425 | (3,588) | 152,837 | 413,353 | (847) | 412,505 | 112,954 | (702) | 112,252 |
| | = Prev Col 4 | Input | Input | = Col 1 + Col 2 + Col 3 | Input | = (Prev Col 4 + Col 4)/2 * Col 5 / 12 | = Prev Col 9 + Col 1 & 2 of "Balances" Wkst | Input | = Col 7 + Col 8 | = Prev Col 12 + Col 3 of "Balances" Wkst | Input | = Col 10 + Col 11 | = Prev Col 15 + Col 4 of "Balances" Wkst | Input | = Col 13 + Col 14 |
| Annual 2018 | | | (5,641) | | | (93) | | (5,834) | | | (1,826) | | | (1,403) | |
| 2019 | | | - | | | - | | (37,548) | | | (10,166) | | | (8,419) | |
| 2020 | | | - | | | - | | (43,051) | | | (10,167) | | | (8,419) | |

PSE&G 2020 TAX ADJUSTMENT CREDIT
 ETAC Net Revenue Requirement
 \$000

| Monthly After Tax WACC = 0.540% | | | | Monthly After Tax WACC = 0.540% | | | | Federal Tax Rate = 21.00% | | Revenue Factor = 1.395 | | | | |
|---|--|--------------------------------|--|---|--|--|--|-----------------------------|---|--------------------------------------|--|-----------------------------|--|------------------------------------|
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 2. Return Historic ADIT (cont.) | | | | 2a. Return Historic ADIT (cont.) | | | | 3. Current ESHARE Deduction | | | 4. Other | | | |
| Return on Rate Base | | | | Return on Non Rate Base | | | | | | | | | | |
| Unprotected Excess ADIT Rate Base Related % | Rate Base Related Portion of Unprotected Excess ADIT Amortization to Customers | Cumulative Change in Rate Base | After-Tax Return on Cumulative Change in Rate Base | Beginning Non-Rate Base Related Portion of Unprotected Excess | Non-Rate Base Related Portion of Unprotected Excess ADIT Amortization to Customers | Ending Non-Rate Base Related Portion of Unprotected Excess | After-Tax Interest to Customers | Federal Tax SHARE Deduction | Book Depreciation Associated with SHARE Deduction | Actual SHARE Deduction Flow-Through | IRS ESHARE Deduction Audit Adjustments | Other Major Tax Adjustments | Net Tax Adjustment | Net Revenue Requirement |
| Nov-18 | 76% | (2,207) | 3,209 | 59,735 | (710) | 59,026 | (312) | 3,783 | 2,420 | (286) | - | - | (4,780) | (9,495) |
| Dec-18 | 76% | (2,207) | 6,139 | 59,026 | (710) | 58,316 | (317) | 4,615 | 88 | (951) | - | - | (6,115) | (11,350) |
| Jan-19 | 76% | (2,368) | 11,239 | 58,316 | (761) | 57,554 | (313) | 3,783 | 2,420 | (286) | - | - | (4,955) | (6,913) |
| Feb-19 | 76% | (2,368) | 14,790 | 57,554 | (761) | 56,793 | (309) | 3,783 | 2,420 | (286) | - | - | (4,928) | (6,875) |
| Mar-19 | 76% | (2,368) | 18,915 | 56,793 | (761) | 56,032 | (305) | 1,586 | (1,185) | (584) | - | - | (6,025) | (8,405) |
| Apr-19 | 76% | (2,368) | 22,555 | 56,032 | (761) | 55,270 | (301) | 3,054 | 1,218 | (386) | - | - | (5,252) | (7,327) |
| May-19 | 76% | (2,368) | 26,124 | 55,270 | (761) | 54,509 | (297) | 3,054 | 1,218 | (386) | - | - | (5,229) | (7,294) |
| Jun-19 | 76% | (2,368) | 29,622 | 54,509 | (761) | 53,748 | (292) | 3,054 | 1,218 | (386) | - | - | (5,204) | (7,259) |
| Jul-19 | 76% | (2,368) | 33,048 | 53,748 | (761) | 52,986 | (288) | 3,054 | 1,218 | (386) | - | - | (5,182) | (7,229) |
| Aug-19 | 76% | (2,368) | 36,403 | 52,986 | (761) | 52,225 | (284) | 3,054 | 1,218 | (386) | - | - | (5,160) | (7,198) |
| Sep-19 | 76% | (2,368) | 39,688 | 52,225 | (761) | 51,464 | (280) | 3,054 | 1,218 | (386) | - | - | (5,138) | (7,167) |
| Oct-19 | 76% | (2,368) | 42,901 | 51,464 | (761) | 50,702 | (276) | 3,054 | 1,218 | (386) | - | - | (5,116) | (7,137) |
| Nov-19 | 76% | (2,368) | 46,045 | 50,702 | (761) | 49,941 | (272) | 3,054 | 1,218 | (386) | - | - | (5,095) | (7,107) |
| Dec-19 | 76% | (2,368) | 49,116 | 49,941 | (761) | 49,180 | (268) | 3,054 | 1,218 | (386) | - | - | (5,074) | (7,078) |
| Jan-20 | 75% | (2,683) | 58,803 | 49,180 | (905) | 48,275 | (263) | 3,783 | 2,420 | (286) | - | - | (5,394) | (7,525) |
| Feb-20 | 75% | (2,683) | 62,898 | 48,275 | (905) | 47,371 | (258) | 3,783 | 2,420 | (286) | - | - | (5,352) | (7,466) |
| Mar-20 | 75% | (2,683) | 66,922 | 47,371 | (905) | 46,466 | (253) | 3,783 | 2,420 | (286) | - | - | (5,325) | (7,429) |
| Apr-20 | 75% | (2,683) | 70,876 | 46,466 | (905) | 45,561 | (249) | 3,783 | 2,420 | (286) | - | - | (5,299) | (7,392) |
| May-20 | 75% | (2,683) | 74,758 | 45,561 | (905) | 44,657 | (244) | 3,783 | 2,420 | (286) | - | - | (5,273) | (7,356) |
| Jun-20 | 75% | (2,683) | 78,571 | 44,657 | (905) | 43,752 | (239) | 3,783 | 2,420 | (286) | - | - | (5,247) | (7,320) |
| Jul-20 | 75% | (2,683) | 82,312 | 43,752 | (905) | 42,848 | (234) | 3,783 | 2,420 | (286) | - | - | (5,222) | (7,285) |
| Aug-20 | 75% | (2,683) | 85,981 | 42,848 | (905) | 41,943 | (229) | 3,783 | 2,420 | (286) | - | - | (5,197) | (7,250) |
| Sep-20 | 75% | (2,683) | 89,581 | 41,943 | (905) | 41,039 | (224) | 3,783 | 2,420 | (286) | - | - | (5,173) | (7,216) |
| Oct-20 | 75% | (2,683) | 93,109 | 41,039 | (905) | 40,134 | (219) | 3,783 | 2,420 | (286) | - | - | (5,148) | (7,182) |
| Nov-20 | 75% | (2,683) | 96,568 | 40,134 | (905) | 39,230 | (214) | 3,783 | 2,420 | (286) | - | - | (5,125) | (7,149) |
| Dec-20 | 75% | (2,683) | 99,955 | 39,230 | (905) | 38,325 | (209) | 3,783 | 2,420 | (286) | - | - | (5,101) | (7,116) |
| = Col 17 / Col 8 | Input | See "Rate Base-E", Col 8 | = (Prev Col 18 + Col 18) / 2 * Monthly AT WACC | Previous Col 22 | = (Prev Col 8 - Col 17) | = (Prev Col 20 - Col 21) | = (Prev Col 22 + Col 22) / 2 * Monthly AT WACC | Input | Input | = - (Col 24 - Col 25) * Fed Tax Rate | Input | Input | = Col 8 + Col 11 + Col 14 + Col 19 + Col 23 + Col 26 + Col 27 + Col 28 | = Col 29 * Rev Fct + Col 3 + Col 6 |
| Annual 2018 | | | 34 | | (1,420) | | (629) | 8,398 | 2,507 | (1,237) | | | (10,895) | (20,927) |
| 2019 | | | 1,885 | | (9,136) | | (3,484) | 36,646 | 14,615 | (4,626) | | | (62,358) | (86,990) |
| 2020 | | | 5,051 | | (10,854) | | (2,836) | 45,391 | 29,034 | (3,435) | | | (62,857) | (87,685) |

PSE&G 2020 TAX ADJUSTMENT CREDIT
 GTAC Net Revenue Requirement
 \$000

| | |
|--|---------|
| Current Excess Unprotected ADIT Balance | 273,900 |
| Deduction Storm/Other Regulatory Asset Offset | - |
| Net Historic Unprotected ADIT to Return to Customers | 273,900 |

| | 1. Return Excess Income Tax Expense | | | | | | 2. Return Historic ADIT | | | | | | | | |
|-------------|-------------------------------------|-------------------|-------------------|----------------------------------|--------------------------|---------------------------------------|-------------------------|---------------------------|-----------------|-----------------------|---------------------------|-------------------|-------------------|---------------------------|-------------------|
| | | | | | | | Unprotected Excess ADIT | | | Protected Excess ADIT | | | SHARE | | |
| | Beginning Excess Income Tax Balance | Excess Income Tax | Excess Income Tax | Ending Excess Income Tax Balance | Short-Term Interest Rate | Interest On Excess Income Tax Balance | Beginning Balance | Amortization to Customers | Ending Balance | Beginning Balance | Amortization to Customers | Ending Balance | Beginning Balance | Amortization to Customers | Ending Balance |
| Nov-18 | 21,789 | - | (10,895) | 10,895 | 2.36% | (32) | 272,801 | (3,233) | 269,568 | 336,524 | (575) | 335,949 | 287,201 | (1,544) | 285,657 |
| Dec-18 | 10,895 | - | (10,895) | - | 2.48% | (11) | 270,061 | (3,233) | 266,827 | 335,457 | (471) | 334,986 | 285,657 | (1,544) | 284,113 |
| Jan-19 | - | - | - | - | 2.92% | - | 266,827 | (3,630) | 263,197 | 334,986 | (575) | 334,411 | 284,113 | (1,544) | 282,569 |
| Feb-19 | - | - | - | - | 2.92% | - | 263,197 | (3,630) | 259,567 | 334,411 | (575) | 333,836 | 282,569 | (1,544) | 281,025 |
| Mar-19 | - | - | - | - | 2.78% | - | 259,567 | (3,630) | 255,937 | 333,836 | (705) | 333,131 | 281,025 | (1,544) | 279,481 |
| Apr-19 | - | - | - | - | 2.88% | - | 255,937 | (3,630) | 252,307 | 333,131 | (618) | 332,513 | 279,481 | (1,544) | 277,936 |
| May-19 | - | - | - | - | 2.64% | - | 252,307 | (3,630) | 248,676 | 332,513 | (618) | 331,895 | 277,936 | (1,544) | 276,392 |
| Jun-19 | - | - | - | - | 2.64% | - | 248,676 | (3,630) | 245,046 | 331,895 | (618) | 331,277 | 276,392 | (1,544) | 274,848 |
| Jul-19 | - | - | - | - | 2.64% | - | 245,046 | (3,630) | 241,416 | 331,277 | (618) | 330,659 | 274,848 | (1,544) | 273,304 |
| Aug-19 | - | - | - | - | 2.64% | - | 241,416 | (3,630) | 237,786 | 330,659 | (618) | 330,041 | 273,304 | (1,544) | 271,760 |
| Sep-19 | - | - | - | - | 2.64% | - | 237,786 | (3,630) | 234,156 | 330,041 | (618) | 329,422 | 271,760 | (1,544) | 270,216 |
| Oct-19 | - | - | - | - | 2.64% | - | 234,156 | (3,630) | 230,525 | 329,422 | (618) | 328,804 | 270,216 | (1,544) | 268,672 |
| Nov-19 | - | - | - | - | 2.64% | - | 230,525 | (3,630) | 226,895 | 328,804 | (618) | 328,186 | 268,672 | (1,544) | 267,128 |
| Dec-19 | - | - | - | - | 2.64% | - | 226,895 | (3,630) | 223,265 | 328,186 | (618) | 327,568 | 267,128 | (1,544) | 265,584 |
| Jan-20 | - | - | - | - | 2.64% | - | 223,265 | (4,004) | 219,261 | 327,568 | (618) | 326,949 | 265,584 | (1,544) | 264,040 |
| Feb-20 | - | - | - | - | 2.64% | - | 219,261 | (4,004) | 215,256 | 326,949 | (618) | 326,331 | 264,040 | (1,544) | 262,496 |
| Mar-20 | - | - | - | - | 2.64% | - | 215,256 | (4,004) | 211,252 | 326,331 | (618) | 325,713 | 262,496 | (1,544) | 260,951 |
| Apr-20 | - | - | - | - | 2.64% | - | 211,252 | (4,004) | 207,248 | 325,713 | (618) | 325,095 | 260,951 | (1,544) | 259,407 |
| May-20 | - | - | - | - | 2.64% | - | 207,248 | (4,004) | 203,244 | 325,095 | (618) | 324,477 | 259,407 | (1,544) | 257,863 |
| Jun-20 | - | - | - | - | 2.64% | - | 203,244 | (4,004) | 199,240 | 324,477 | (618) | 323,858 | 257,863 | (1,544) | 256,319 |
| Jul-20 | - | - | - | - | 2.64% | - | 199,240 | (4,004) | 195,235 | 323,858 | (618) | 323,240 | 256,319 | (1,544) | 254,775 |
| Aug-20 | - | - | - | - | 2.64% | - | 195,235 | (4,004) | 191,231 | 323,240 | (618) | 322,622 | 254,775 | (1,544) | 253,231 |
| Sep-20 | - | - | - | - | 2.64% | - | 191,231 | (4,004) | 187,227 | 322,622 | (618) | 322,004 | 253,231 | (1,544) | 251,687 |
| Oct-20 | - | - | - | - | 2.64% | - | 187,227 | (4,004) | 183,223 | 322,004 | (618) | 321,386 | 251,687 | (1,544) | 250,143 |
| Nov-20 | - | - | - | - | 2.64% | - | 183,223 | (4,004) | 179,219 | 321,386 | (618) | 320,767 | 250,143 | (1,544) | 248,599 |
| Dec-20 | - | - | - | - | 2.64% | - | 179,219 | (4,004) | 175,214 | 320,767 | (618) | 320,149 | 248,599 | (1,544) | 247,055 |
| | = Prev Col 4 | Input | Input | = Col 1 + Col 2 + Col 3 | Input | = (Prev Col 4 + Col 4)/2 * Col 5 / 12 | = Prev Col 9 | Input | = Col 7 + Col 8 | = Prev Col 12 | Input | = Col 10 + Col 11 | = Prev Col 15 | Input | = Col 13 + Col 14 |
| Annual 2018 | | | (21,789) | | | (363) | | (6,467) | | | (1,046) | | | (3,088) | |
| 2019 | | | - | | | - | | (43,562) | | | (7,418) | | | (18,529) | |
| 2020 | | | - | | | - | | (48,051) | | | (7,419) | | | (18,529) | |

ATTACHMENT 2

PSE&G 2020 TAX ADJUSTMENT CREDIT

GTAC Net Revenue Requirement

\$000

Schedule SS-TAC-2G
Page 2 of 2

16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
Monthly After Tax WACC = 0.540% Monthly After Tax WACC = 0.540% Federal Tax Rate = 21.00% Revenue Factor = 1.4178

| Unprotected Excess ADIT Rate Base Related % | 2. Return Historic ADIT (cont.) Return on Rate Base | | | | 3. Current GSHARE Deduction | | | | 4. Other | | | Net Tax Adjustment | Revenue Requirement | |
|---|---|--|--|---|--|--|--|-----------------------------|---|--------------------------------------|---------------------------------------|--------------------|--|------------------------------------|
| | Rate Base Related Unprotected Excess ADIT Amortization to Customers | Cumulative Change in Rate Base | After-Tax Return on Cumulative Change in Rate Base | Beginning Non-Rate Base Related Portion of Unprotected Excess | Non-Rate Base Related Portion of Unprotected Excess ADIT Amortization to Customers | Ending Non-Rate Base Related Portion of Unprotected Excess | After-Tax Interest to Customers | Federal Tax SHARE Deduction | Book Depreciation Associated with SHARE Deduction | Actual SHARE Deduction Flow-Through | IRSESHARE Deduction Audit Adjustments | | | Other Major Tax Adjustments |
| 78% | (2,525) | 4,371 | 12 | 60,144 | (708) | 59,436 | (323) | 15,195 | 2,390 | (2,689) | - | - | (8,352) | (22,764) |
| 78% | (2,525) | 8,448 | 35 | 59,436 | (708) | 58,728 | (319) | 34,838 | 9,047 | (6,676) | - | - | (12,709) | (28,209) |
| 78% | (2,835) | 14,092 | 61 | 58,728 | (795) | 57,933 | (315) | 15,195 | 2,390 | (2,689) | - | - | (8,693) | (12,324) |
| 78% | (2,835) | 18,955 | 89 | 57,933 | (795) | 57,138 | (311) | 15,195 | 2,390 | (2,689) | - | - | (8,660) | (12,278) |
| 78% | (2,835) | 23,868 | 116 | 57,138 | (795) | 56,343 | (307) | 19,071 | 1,629 | (3,663) | - | - | (9,733) | (13,799) |
| 78% | (2,835) | 28,664 | 142 | 56,343 | (795) | 55,548 | (302) | 16,487 | 2,136 | (3,014) | - | - | (8,966) | (12,712) |
| 78% | (2,835) | 33,407 | 168 | 55,548 | (795) | 54,754 | (298) | 16,487 | 2,136 | (3,014) | - | - | (8,936) | (12,670) |
| 78% | (2,835) | 38,100 | 193 | 54,754 | (795) | 53,959 | (294) | 16,487 | 2,136 | (3,014) | - | - | (8,906) | (12,628) |
| 78% | (2,835) | 42,740 | 218 | 53,959 | (795) | 53,164 | (289) | 16,487 | 2,136 | (3,014) | - | - | (8,877) | (12,586) |
| 78% | (2,835) | 47,328 | 243 | 53,164 | (795) | 52,369 | (285) | 16,487 | 2,136 | (3,014) | - | - | (8,848) | (12,545) |
| 78% | (2,835) | 51,865 | 268 | 52,369 | (795) | 51,574 | (281) | 16,487 | 2,136 | (3,014) | - | - | (8,819) | (12,504) |
| 78% | (2,835) | 56,349 | 292 | 51,574 | (795) | 50,779 | (276) | 16,487 | 2,136 | (3,014) | - | - | (8,790) | (12,463) |
| 78% | (2,835) | 60,783 | 316 | 50,779 | (795) | 49,985 | (272) | 16,487 | 2,136 | (3,014) | - | - | (8,762) | (12,423) |
| 78% | (3,121) | 65,164 | 340 | 49,985 | (795) | 49,190 | (268) | 16,487 | 2,136 | (3,014) | - | - | (8,734) | (12,383) |
| 78% | (3,121) | 74,389 | 377 | 49,190 | (883) | 48,307 | (263) | 15,195 | 2,390 | (2,689) | - | - | (8,742) | (12,394) |
| 78% | (3,121) | 79,573 | 416 | 48,307 | (883) | 47,423 | (259) | 15,195 | 2,390 | (2,689) | - | - | (8,698) | (12,333) |
| 78% | (3,121) | 84,704 | 444 | 47,423 | (883) | 46,540 | (254) | 15,195 | 2,390 | (2,689) | - | - | (8,666) | (12,286) |
| 78% | (3,121) | 89,785 | 471 | 46,540 | (883) | 45,657 | (249) | 15,195 | 2,390 | (2,689) | - | - | (8,633) | (12,240) |
| 78% | (3,121) | 94,813 | 499 | 45,657 | (883) | 44,774 | (244) | 15,195 | 2,390 | (2,689) | - | - | (8,601) | (12,195) |
| 78% | (3,121) | 99,791 | 526 | 44,774 | (883) | 43,891 | (240) | 15,195 | 2,390 | (2,689) | - | - | (8,569) | (12,150) |
| 78% | (3,121) | 104,716 | 552 | 43,891 | (883) | 43,008 | (235) | 15,195 | 2,390 | (2,689) | - | - | (8,538) | (12,105) |
| 78% | (3,121) | 109,589 | 579 | 43,008 | (883) | 42,125 | (230) | 15,195 | 2,390 | (2,689) | - | - | (8,507) | (12,061) |
| 78% | (3,121) | 114,412 | 605 | 42,125 | (883) | 41,242 | (225) | 15,195 | 2,390 | (2,689) | - | - | (8,476) | (12,017) |
| 78% | (3,121) | 119,182 | 631 | 41,242 | (883) | 40,359 | (220) | 15,195 | 2,390 | (2,689) | - | - | (8,445) | (11,973) |
| 78% | (3,121) | 123,901 | 657 | 40,359 | (883) | 39,476 | (216) | 15,195 | 2,390 | (2,689) | - | - | (8,415) | (11,930) |
| 78% | (3,121) | 128,568 | 682 | 39,476 | (883) | 38,593 | (211) | 15,195 | 2,390 | (2,689) | - | - | (8,385) | (11,888) |
| Input | = Col 8 * Col 16 | = Prev Col 18 - Col 11 - Col 14 - Col 17 | = (Prev Col 18 + Col 18) / 2 * Monthly AT WACC | Previous Col 22 | = (Prev Col 8 - Col 17) | = (Prev Col 20 - Col 21) | = (Prev Col 22 + Col 22) / 2 * Monthly AT WACC | Input | Input | = - (Col 24 - Col 25) * Fed Tax Rate | Input | Input | = Col 8 + Col 11 + Col 14 + Col 19 + Col 23 + Col 26 + Col 27 + Col 28 | = Col 29 * Rev Fct + Col 3 + Col 6 |
| | | | 46 | | (1,416) | 5,437 | (642) | 50,033 | 5,437 | (9,365) | | | (20,561) | (51,292) |
| | | | 2,447 | | (9,538) | 25,635 | (3,498) | 197,847 | 25,635 | (36,165) | | | (106,725) | (151,315) |
| | | | 6,438 | | (10,597) | 28,676 | (2,845) | 182,342 | 28,676 | (32,270) | | | (102,675) | (145,573) |

**PSE&G 2020 TAX ADJUSTMENT CREDIT
Electric Over/(Under) Calculation**

Schedule SS-TAC-3E

Reflects a tax rate of 28.11%

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---------------------------------|--|--------------------------------|--|------------------------------------|---|---|---------------------------------------|---|-------------------------|--------------------------------|
| | <u>Over / (Under) Recovery Beginning Balance</u> | <u>Electric Revenues</u> | <u>Revenue Requirement Excluding WACC Cost</u> | <u>Over / (Under) Recovery</u> | <u>Over / (Under) Recovery Ending Balance</u> | <u>Over / (Under) Average Monthly Balance</u> | <u>Interest Rate (Annualized)</u> | <u>Interest On Over / (Under) Average Monthly Balance</u> | <u>Interest Roll-In</u> | <u>Cumulative Interest</u> |
| Monthly Calculations | | | | | | | | | | |
| Nov-18 | - | (9,317,330) | (9,577,046) | 259,716 | 259,716 | 129,858 | 2.36% | 184 | - | 184 |
| Dec-18 | 259,716 | (10,128,447) | (11,349,892) | 1,221,445 | 1,481,161 | 870,438 | 2.48% | 1,293 | - | 1,477 |
| Jan-19 | 1,481,161 | (7,107,816) | (6,912,847) | (194,969) | 1,286,192 | 1,383,676 | 2.92% | 2,420 | - | 3,897 |
| Feb-19 | 1,286,192 | (5,931,065) | (6,874,511) | 943,446 | 2,229,638 | 1,757,915 | 2.92% | 3,075 | - | 6,972 |
| Mar-19 | 2,229,638 | (6,581,784) | (8,404,908) | 1,823,124 | 4,052,762 | 3,141,200 | 2.78% | 5,232 | - | 12,204 |
| Apr-19 | 4,052,762 | (4,907,610) | (7,326,999) | 2,419,389 | 6,472,151 | 5,262,457 | 2.88% | 9,080 | - | 21,284 |
| May-19 | 6,472,151 | (5,459,041) | (7,294,097) | 1,835,056 | 8,307,208 | 7,389,680 | 2.64% | 11,687 | - | 32,971 |
| Jun-19 | 8,307,208 | (7,437,056) | (7,258,942) | (178,114) | 8,129,094 | 8,218,151 | 2.64% | 12,998 | - | 45,969 |
| Jul-19 | 8,129,094 | (9,693,618) | (7,229,338) | (2,464,280) | 5,664,814 | 6,896,954 | 2.64% | 10,908 | - | 56,877 |
| Aug-19 | 5,664,814 | (9,196,438) | (7,198,046) | (1,998,392) | 3,666,422 | 4,665,618 | 2.64% | 7,379 | - | 64,256 |
| Sep-19 | 3,666,422 | (6,669,001) | (7,167,289) | 498,288 | 4,164,710 | 3,915,566 | 2.64% | 6,193 | - | 70,449 |
| Oct-19 | 4,164,710 | (5,392,402) | (7,137,065) | 1,744,663 | 5,909,372 | 5,037,041 | 2.64% | 7,966 | - | 78,415 |
| Nov-19 | 5,909,372 | (5,498,746) | (7,107,374) | 1,608,629 | 7,518,001 | 6,713,687 | 2.64% | 10,618 | - | 89,033 |
| Dec-19 | 7,518,001 | (6,497,496) | (7,078,217) | 580,721 | 8,098,722 | 7,808,361 | 2.64% | 12,350 | - | 101,383 |
| Jan-20 | 8,200,105 | (7,085,034) | (7,525,084) | 440,051 | 8,640,155 | 8,420,130 | 2.64% | 13,317 | 101,383 | 13,317 |
| Feb-20 | 8,640,155 | (6,062,277) | (7,466,335) | 1,404,058 | 10,044,214 | 9,342,184 | 2.64% | 14,775 | - | 28,093 |
| Mar-20 | 10,044,214 | (6,085,987) | (7,428,925) | 1,342,938 | 11,387,151 | 10,715,682 | 2.64% | 16,948 | - | 45,040 |
| Apr-20 | 11,387,151 | (4,978,201) | (7,392,047) | 2,413,846 | 13,800,997 | 12,594,074 | 2.64% | 19,919 | - | 64,959 |
| May-20 | 13,800,997 | (5,591,212) | (7,355,702) | 1,764,490 | 15,565,487 | 14,683,242 | 2.64% | 23,223 | - | 88,181 |
| Jun-20 | 15,565,487 | (7,587,589) | (7,319,888) | (267,701) | 15,297,785 | 15,431,636 | 2.64% | 24,406 | - | 112,588 |
| Jul-20 | 15,297,785 | (9,680,046) | (7,284,607) | (2,395,440) | 12,902,346 | 14,100,066 | 2.64% | 22,300 | - | 134,888 |
| Aug-20 | 12,902,346 | (9,240,826) | (7,249,868) | (1,990,960) | 10,911,385 | 11,906,866 | 2.64% | 18,832 | - | 153,720 |
| Sep-20 | 10,911,385 | (6,675,898) | (7,215,657) | 539,760 | 11,451,145 | 11,181,265 | 2.64% | 17,684 | - | 171,404 |
| Oct-20 | 11,451,145 | (5,290,743) | (7,181,981) | 1,891,238 | 13,342,383 | 12,396,764 | 2.64% | 19,606 | - | 191,010 |
| Nov-20 | 13,342,383 | (5,456,832) | (7,148,836) | 1,692,004 | 15,034,387 | 14,188,385 | 2.64% | 22,440 | - | 213,451 |
| Dec-20 | 15,034,387 | (6,560,705) | (7,116,224) | 555,519 | 15,589,906 | 15,312,146 | 2.64% | 24,217 | - | 237,668 |
| | (Prior Col 5) + (Col 9) | Forecasted kWh * Proposed Rate | See Revenue Requirements Schedule for Details | Col 2 - Col 3 | Col 1 + Col 4 | (Col 1 + Col 5) / 2 | Input | (Col 6 * (Col 7) / 12)*net of tax rate | | Prior Month + Col 8 - Col 9 |

**PSE&G 2020 TAX ADJUSTMENT CREDIT
Gas Over/(Under) Calculation**

Schedule SS-TAC-3G

Reflects a tax rate of 28.11%

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---------------------------------|--|--------------------------------|--|------------------------------------|---|---|---------------------------------------|---|-------------------------|--------------------------------|
| | <u>Over / (Under) Recovery Beginning Balance</u> | <u>Gas Revenues</u> | <u>Revenue Requirement Excluding WACC Cost</u> | <u>Over / (Under) Recovery</u> | <u>Over / (Under) Recovery Ending Balance</u> | <u>Over / (Under) Average Monthly Balance</u> | <u>Interest Rate (Annualized)</u> | <u>Interest On Over / (Under) Average Monthly Balance</u> | <u>Interest Roll-In</u> | <u>Cumulative Interest</u> |
| Monthly Calculations | | | | | | | | | | |
| Nov-18 | - | (19,941,445) | (23,083,516) | 3,142,071 | 3,142,071 | 1,571,035 | 2.36% | 2,221 | - | 2,221 |
| Dec-18 | 3,142,071 | (27,781,180) | (28,208,646) | 427,467 | 3,569,538 | 3,355,804 | 2.48% | 4,986 | - | 7,207 |
| Jan-19 | 3,569,538 | (27,101,607) | (12,324,390) | (14,777,217) | (11,207,679) | (3,819,071) | 2.92% | (6,681) | - | 526 |
| Feb-19 | (11,207,679) | (23,608,645) | (12,278,063) | (11,330,582) | (22,538,261) | (16,872,970) | 2.92% | (29,516) | - | (28,990) |
| Mar-19 | (22,538,261) | (20,816,532) | (13,799,356) | (7,017,176) | (29,555,437) | (26,046,849) | 2.78% | (43,380) | - | (72,370) |
| Apr-19 | (29,555,437) | (9,479,322) | (12,712,402) | 3,233,080 | (26,322,357) | (27,938,897) | 2.88% | (48,205) | - | (120,574) |
| May-19 | (26,322,357) | (5,577,601) | (12,669,780) | 7,092,179 | (19,230,178) | (22,776,267) | 2.64% | (36,022) | - | (156,597) |
| Jun-19 | (19,230,178) | (3,812,619) | (12,627,554) | 8,814,935 | (10,415,243) | (14,822,710) | 2.64% | (23,443) | - | (180,040) |
| Jul-19 | (10,415,243) | (3,835,478) | (12,586,116) | 8,750,638 | (1,664,605) | (6,039,924) | 2.64% | (9,553) | - | (189,593) |
| Aug-19 | (1,664,605) | (3,588,032) | (12,544,687) | 8,956,655 | 7,292,051 | 2,813,723 | 2.64% | 4,450 | - | (185,143) |
| Sep-19 | 7,292,051 | (3,735,450) | (12,503,653) | 8,768,202 | 16,060,253 | 11,676,152 | 2.64% | 18,467 | - | (166,676) |
| Oct-19 | 16,060,253 | (6,873,192) | (12,463,015) | 5,589,822 | 21,650,075 | 18,855,164 | 2.64% | 29,821 | - | (136,855) |
| Nov-19 | 21,650,075 | (14,659,577) | (12,422,772) | (2,236,805) | 19,413,270 | 20,531,673 | 2.64% | 32,472 | - | (104,383) |
| Dec-19 | 19,413,270 | (21,284,753) | (12,382,925) | (8,901,828) | 10,511,443 | 14,962,357 | 2.64% | 23,664 | - | (80,718) |
| Jan-20 | 10,430,724 | (27,253,010) | (12,394,488) | (14,858,523) | (4,427,798) | 3,001,463 | 2.64% | 4,747 | (80,718) | 4,747 |
| Feb-20 | (4,427,798) | (24,205,190) | (12,332,541) | (11,872,649) | (16,300,448) | (10,364,123) | 2.64% | (16,392) | - | (11,645) |
| Mar-20 | (16,300,448) | (19,323,792) | (12,286,272) | (7,037,520) | (23,337,968) | (19,819,208) | 2.64% | (31,346) | - | (42,990) |
| Apr-20 | (23,337,968) | (11,091,482) | (12,240,398) | 1,148,916 | (22,189,052) | (22,763,510) | 2.64% | (36,002) | - | (78,993) |
| May-20 | (22,189,052) | (5,600,942) | (12,194,918) | 6,593,976 | (15,595,075) | (18,892,064) | 2.64% | (29,879) | - | (108,872) |
| Jun-20 | (15,595,075) | (3,608,640) | (12,149,833) | 8,541,193 | (7,053,882) | (11,324,479) | 2.64% | (17,911) | - | (126,782) |
| Jul-20 | (7,053,882) | (3,901,533) | (12,105,143) | 8,203,610 | 1,149,728 | (2,952,077) | 2.64% | (4,669) | - | (131,451) |
| Aug-20 | 1,149,728 | (3,632,430) | (12,060,853) | 8,428,423 | 9,578,151 | 5,363,940 | 2.64% | 8,483 | - | (122,968) |
| Sep-20 | 9,578,151 | (3,785,575) | (12,016,959) | 8,231,384 | 17,809,535 | 13,693,843 | 2.64% | 21,658 | - | (101,310) |
| Oct-20 | 17,809,535 | (6,996,554) | (11,973,459) | 4,976,905 | 22,786,440 | 20,297,988 | 2.64% | 32,103 | - | (69,207) |
| Nov-20 | 22,786,440 | (15,208,384) | (11,930,353) | (3,278,031) | 19,508,410 | 21,147,425 | 2.64% | 33,446 | - | (35,761) |
| Dec-20 | 19,508,410 | (21,274,535) | (11,887,642) | (9,386,893) | 10,121,516 | 14,814,963 | 2.64% | 23,431 | - | (12,330) |
| | (Prior Col 5) + (Col 9) | Forecasted kWh * Proposed Rate | See Revenue Requirements Schedule for Details | Col 2 - Col 3 | Col 1 + Col 4 | (Col 1 + Col 5) / 2 | Input | (Col 6 * (Col 7) / 12)*net of tax rate | | Prior Month + Col 8 - Col 9 |

PSE&G 2020 TAX ADJUSTMENT CREDIT
Weighted Average Cost of Capital

| | <u>Percent</u> | <u>Embedded Cost</u> | <u>Weighted Cost</u> | <u>Pre-Tax Weighted Cost</u> | <u>After-Tax Weighted Cost</u> |
|------------------------------------|----------------|--------------------------|--------------------------|--------------------------------------|--|
| Long-Term Debt | 45.53% | 3.96% | 1.80% | 1.80% | 1.30% |
| Customer Deposits | 0.47% | 0.87% | 0.00% | 0.00% | 0.00% |
| Common Equity | 54.00% | 9.60% | 5.18% | 7.21% | 5.18% |
| Total | <u>100.00%</u> | | <u>6.99%</u> | <u>9.02%</u> | <u>6.48%</u> |
| Federal Tax Rate | | 21.00% | | | 0.5402% |
| State Tax Rate | | 9.00% | | | |
| Fed Benefit of State Tax Deduction | | <u>-1.89%</u> | | | |
| Effective Tax Rate | | 28.11% | | | |

PSE&G 2020 TAX ADJUSTMENT CREDIT
Revenue Factor

| | <u>ELECTRIC</u> | <u>GAS</u> |
|------------------------------------|----------------------|----------------------|
| Revenue Increase | 100.0000 | 100.0000 |
| Uncollectible Rate | | 1.6000 |
| BPU Assessment Rate | 0.2311 | 0.2311 |
| Rate Counsel Assessment Rate | <u>0.0553</u> | <u>0.0553</u> |
| Income before State of NJ Bus. Tax | 99.7136 | 98.1136 |
| State of NJ Bus. Income Tax | <u>8.9742</u> | <u>8.8302</u> |
| Income Before Federal Income Taxes | 90.7394 | 89.2834 |
| Federal Income Taxes | <u>19.0553</u> | <u>18.7495</u> |
| Return | <u>71.6841</u> | <u>70.5339</u> |
| Revenue Factor | <u><u>1.3950</u></u> | <u><u>1.4178</u></u> |

**PSE&G 2020 TAX ADJUSTMENT CREDIT
Proposed ETAC Calculation**

(\$'s Unless Specified)

| Line | Date(s) | Current SUT Rate 6.625% | | Electric | | | | | | | | | | | | | Source/Description |
|------|---------------------------------|-------------------------|------------|------------|------------|------------|------------|--------------|--------------|-------------|-------------|------------|----------|------------|----------|--------------|---|
| | | RS | RHS | RLM | WH | WHS | HS | GLP | LPL-S | LPL-P | HTS-S | HTS-HV | BPL | BPL-POF | PSAL | Total | |
| 1 | 2020 Billing Determinants (MWh) | 12,934,045 | 126,581 | 211,824 | 1,086 | 16 | 16,145 | 7,764,699 | 11,276,802 | 3,235,414 | 4,566,472 | 417,997 | 282,858 | 14,450 | 151,732 | 41,000,121 | Input |
| 2 | 2020 Rate Class Allocation | 71.15% | 0.63% | 0.90% | 0.00% | 0.00% | 0.03% | 12.26% | 10.44% | 1.82% | 2.64% | 0.11% | 0.00% | 0.02% | 0.00% | 100.00% | Line 2 |
| 3 | Revenue Requirements | (68,223,881) | (599,818) | (863,356) | 0 | 0 | (33,389) | (11,758,455) | (10,008,489) | (1,743,407) | (2,530,444) | (104,938) | 0 | (19,080) | 0 | (95,885,256) | (SS-TAC-1, In 4 [Electric]) * Line 2 * 1000 |
| 4 | Proposed Rate w/o SUT (\$/kWh) | (0.005275) | (0.004739) | (0.004076) | 0.000000 | 0.000000 | (0.002068) | (0.001514) | (0.000888) | (0.000539) | (0.000554) | (0.000251) | 0.000000 | (0.001320) | 0.000000 | | (Line 3 / (Line 1 * 1,000)) [Rnd 6] |
| 5 | Proposed Rate w/ SUT (\$/kWh) | (0.005624) | (0.005053) | (0.004346) | 0.000000 | 0.000000 | (0.002205) | (0.001614) | (0.000947) | (0.000575) | (0.000591) | (0.000268) | 0.000000 | (0.001407) | 0.000000 | | (Line 4 * (1 + SUT Rate)) [Rnd 6] |
| 6 | Current Rates w/o SUT (\$/kWh) | (0.004423) | (0.003974) | (0.003418) | (0.002762) | (0.003168) | (0.001734) | (0.001269) | (0.000744) | (0.000452) | (0.000465) | (0.000211) | 0.000000 | (0.001107) | 0.000000 | | Att. C, page 9, In 4 |
| 7 | 2020 Revenues at Current Rates | (57,207,281) | (503,033) | (724,014) | (3,000) | (1,500) | (27,995) | (9,853,403) | (8,389,941) | (1,462,407) | (2,123,409) | (88,197) | 0 | (15,996) | 0 | (80,400,177) | Line 6 * Line 1 * 1000 |
| 8 | Revenue Increase / (Decrease) | (11,016,600) | (96,785) | (139,341) | 3,000 | 1,500 | (5,394) | (1,905,051) | (1,618,549) | (280,999) | (407,034) | (16,741) | 0 | (3,084) | 0 | (15,485,079) | Line 3 - Line 7 |

¹Rate Class Allocation remains the same and stays in effect until the conclusion of the Company's next Base Rate Case

**PSE&G 2020 TAX ADJUSTMENT CREDIT
Proposed GTAC Calculation**

(\$'s Unless Specified)

| Line | Date(s) | Current SUT Rate 6.625% | | | | Gas | | | | | Source/Description |
|------|------------------------------------|-------------------------|--------------|--------------|------------|------------|-------------|------------|-------------|---------------|--|
| | | RSG | GSG | LVG | SLG | TSG-F | TSG-NF | CIG | CSG | Total | |
| 1 | 2020 Billing Determinants (Therms) | 1,515,526 | 294,326 | 714,491 | 660 | 23,656 | 189,665 | 37,805 | 1,143,397 | 3,919,527 | Input |
| 2 | 2020 Rate Class Allocation | 71.80% | 11.57% | 14.07% | 0.05% | 0.37% | 1.12% | 0.32% | 0.70% | 100.00% | Line 2 |
| 3 | Revenue Requirements | (112,007,490) | (18,051,158) | (21,956,002) | (76,048) | (574,749) | (1,745,468) | (499,805) | (1,092,864) | (156,003,584) | (SS-TAC-1, In 4 [Gas]) * Line 2 * 1000 |
| 4 | Proposed Rate w/o SUT (\$/Therms) | (0.073907) | (0.061330) | (0.030730) | (0.115242) | (0.024296) | (0.009203) | (0.013220) | (0.000956) | | (Line 3 / (Line 1 * 1,000)) [Rnd 6] |
| 5 | Proposed Rate w/ SUT (\$/Therms) | (0.078803) | (0.065393) | (0.032766) | (0.122877) | (0.025906) | (0.009813) | (0.014096) | (0.001019) | | (Line 4 * (1 + SUT Rate)) [Rnd 6] |
| 6 | Current Rates w/o SUT (\$/kWh) | (0.069574) | (0.056346) | (0.027547) | (0.104035) | (0.020566) | (0.009043) | (0.010966) | (0.001285) | | Att. C, page 10, In 4 |
| 7 | 2020 Revenues at Current Rates | (105,441,188) | (16,584,119) | (19,682,081) | (68,653) | (486,512) | (1,715,138) | (414,574) | (1,469,266) | (145,861,531) | Line 6 * Line 1 * 1000 |
| 8 | Revenue Increase / (Decrease) | (6,566,302) | (1,467,039) | (2,273,921) | (7,395) | (88,237) | (30,329) | (85,231) | 376,402 | (10,142,053) | Line 3 - Line 7 |

¹Rate Class Allocation remains the same and stays in effect until the conclusion of the Company's next Base Rate Case