EXHIBIT JC-3 (Amended)

BEFORE THE

NEW JERSEY BOARD OF PUBLIC UTILITIES

In The Matter Of The Verified Petition Of Jersey Central Power & Light Company For Approval Of An Infrastructure Investment Program (“EnergizeNJ”)

BPU Docket No. EO23110793

Direct Testimony
of
Carol A. Pittavino
(Amended)

On Behalf of
Jersey Central Power & Light Company

February 27, 2023

TABLE OF CONTENTS

I. INTRODUCTION

Q. Are you the same Carol A. Pittavino who submitted direct testimony in the initial EnergizeNJ Petition and has your business address remained the same?

A. Yes, my name is Carol A. Pittavino and my business address is 800 Cabin Hill Drive, Greensburg, PA 15601.

Q. By whom are you employed and in what capacity?

A. I am employed by FirstEnergy Service Company ("FESC") in the Rates & Regulatory Affairs Department for Jersey Central Power & Light Company ("JCP&L" or the "Company").

Q. Please describe your professional experience.

A. I am employed by FESC, and my title is Manager in the New Jersey Rates & Regulatory Affairs Department for JCP&L. I report to Mark A. Mader, New Jersey Director of Rates & Regulatory Affairs. My principal responsibilities are to provide financial and analytical support for JCP&L.

Q. Please briefly describe your educational and professional background.

A. I graduated from Seton Hill University (then College) in May 2000 with a Bachelor of Science degree with a major in Accounting. I earned my Pennsylvania Certified Public Accountant license in September 2003.

In August 2012, I was employed by JCP&L as a Rates Analyst. From November 2017 to January 2019, I held an Analyst position in the FirstEnergy Transmission Business

Services area, while continuing to support Rates and Regulatory Affairs. In January 2019, I returned to JCP&L Rates and Regulatory Affairs.

I was employed at United Health Group from October 2010 to July 2012 as a Senior Accountant. From October 2003 to September 2010, I was employed by Allegheny Energy, Inc. as a Senior Accountant in the Regulatory Accounting Department. From May 2001 through September 2003, I was employed at S.R. Snodgrass as a Senior Accountant. S.R. Snodgrass is a regional public accounting firm which performs external and internal audit services for their clients. I functioned as an External Auditor assisting in the drafting and inspection of the financial records of clients, which ultimately resulted in issuing an opinion on their financial records.

From June 1985 through April 2001, I was employed at the First National Bank of Herminie. I held various positions when I was employed by the bank. I progressed through all aspects of branch operations which resulted in Branch Manager. I accepted a position in the finance department as an Accountant and functioned in this capacity until the bank was acquired by The First National Bank of Pennsylvania in April 2001.

Q. Have you previously testified in BPU proceedings?

A. Yes. I submitted testimony (direct, supplemental and rebuttal) on behalf of JCP&L in the Company's 2012 base rate case in BPU Docket No. ER12111052, direct testimony in its 2016 base rate case in BPU Docket No. ER16040383, direct testimony in its 2020 base rate case in BPU Docket No. ER20020146 and direct testimony in its 2023 base rate case in BPU Docket No. ER23030144. I have also submitted direct testimony in support of the Company's Verified Petitions for approval of its Advanced Metering Infrastructure Program in BPU Docket No. EO20080545; its Energy Efficiency and Conservation Plan including Energy Efficiency and Peak Demand Reduction Programs in BPU Docket No. EO20090620; and rate adjustments pursuant to its Reliability Plus Infrastructure Investment Program in BPU Docket No. ER19091238.

Q. Please describe the purpose of your amended direct testimony.

A. JCP&L is amending the Petition for approval of its Infrastructure Investment Program ("EnergizeNJ" or "Program"), which was filed on November 9, 2023 with the New Jersey Board of Public Utilities ("Board" or "BPU") in this matter. This amendment resulted from an agreement by the Parties in the Company's 2023 base rate case Stipulation of Settlement ("Stipulation") in NJBPU Docket No. ER23030144. The necessity of filing an amended Petition is outlined in paragraph(s) 30 and 34 of the Stipulation, which was approved by the Board in an Order dated February 14, 2024. Per paragraph 34, "The Company shall amend its current EnergizeNJ filing no later than February 29, 2024, to: (a) remove $95 million identified in this case as HPC Phase I to meet the Company's three-year goals as set forth in Paragraph 29 above; and (b) to add the additional HPC Phase II work needed to remove the remaining 9 circuits from HPC list as discussed herein above in Paragraph 30. In my amended testimony, I will address the revenue requirements calculation for the amended EnergizeNJ, the associated cost recovery methodology, and the requirements of the Board's rules regarding the Program's base rate adjustment filings, bill impacts, and tariffs. In addition, I will discuss JCP&L's forecasted depreciation expense and a proposed adjustment to Pension and Other Post-Employment Benefits ("OPEB") expense for purposes of the earnings test. My testimony provides detailed schedules setting forth the proposed project revenue requirements, estimated rates and projected bill impacts over the Program's proposed five-year life.

Q. Please briefly describe JCP&L's proposed cost recovery methodology for EnergizeNJ.

A. The Company is proposing to recover the revenue requirements through its base rates via annual and semi-annual base rate adjustment filings. While this proposal is generally consistent with the Board's Infrastructure Investment and Recovery ("II&R") rules, codified at N.J.A.C. 14:3-2A.1 *et seq*., JCP&L is seeking a waiver of the provision of the II&R rules that states that "[r]ates approved by the Board for recovery of expenditures under an Infrastructure Investment Program shall be . . . recovered through a separate clause of the utility's Board-approved tariff." *See* N.J.A.C. 14:3-2A.6(d). The details of the costs to be recovered, as well as the rate mechanism to recover such costs, are set forth below in this testimony.

II. REVENUE REQUIREMENTS

Q. How does JCP&L propose to calculate the revenue requirements?

A. For each base rate adjustment filing, JCP&L proposes to calculate the revenue requirements associated with the Program costs using the following formula:

*Revenue Requirements = [(Pre-Tax Cost of Capital * Rate Base)*
+ Depreciation and/or Amortization]

The Company will also apply the appropriate factor to collect applicable sales and use tax.

Q. Please describe the components of JCP&L's proposed revenue requirement calculation.

A. The "Pre-Tax Cost of Capital * Rate Base" component provides recovery of the return on the Program investment. The term "Pre-Tax Cost of Capital" means JCP&L's pre-tax overall weighted average cost of capital ("WACC") for the Program. JCP&L proposes to earn a return on its net investment in EnergizeNJ based upon an authorized return on equity ("ROE") and capital structure including income tax effects. The Company's initial WACC for the Program will be based on the ROE, long-term debt and capital structure approved by the Board on February 14, 2024 in the 2023 JCP&L base rate case, BPU Docket No. ER23030144. JCP&L proposes the initial pre-tax WACC to be 9.13 percent. *See* Schedule CAP-1 for the calculation of the current Pre-Tax and After-Tax WACC. Any change resulting after the effective date of the Board's order in the WACC authorized by the Board following this filing, will be reflected in the subsequent revenue requirement calculations and subsequent base rate adjustment filings for EnergizeNJ. Any changes to current tax rates will be reflected in an adjustment to the WACC.

The term "Rate Base" refers to all plant constructed and in-service ("Plant In-Service") less the associated accumulated depreciation and/or amortization and less accumulated deferred income taxes ("ADIT"). The book recovery of each asset class and its associated tax depreciation will be based on current depreciation rates.

ADIT is calculated as book depreciation less tax depreciation, multiplied by the statutory composite federal and state income tax rate, which is currently 28.11%. Any future changes to the book or tax depreciation rates during the Program construction period and at the time of each rate adjustment, will be reflected in the accumulated depreciation and/or ADIT calculation described above.

The "Depreciation and/or Amortization" component provides for recovery of the Company's investment in the Program assets over the useful book life of each asset class.

The book recovery of each asset class will be based on current depreciation rates, which, as shown here, include net salvage. *See* the chart below.

JERSEY CENTRAL POWER & LIGHT COMPANY Calculated Annual Depreciation Accruals Related to Distribution (as of December 31, 2012)		
Plant Account	Distribution Plant	Total Annual Accrual (%)
360.12	Distribution Substation Easements	1.31
360.22	Distribution Line Easements	0.73
361.00	Structures and Improvements	0.83
361.20	Structures and Improvements - Clearing	1.50
362.00	Substation Equipment	1.39
364.00	Poles, Towers and Fixtures	2.90
365.00	Overhead Conductors and Devices	2.72
365.10	Overhead Conductors and Devices - Clearing	1.56
366.00	Underground Conduit	1.29
367.00	Underground Conductors and Devices	1.89
368.00	Line Transformers	2.54
369.00	Services	1.21
370.00	Meters	7.47
371.00	Installations on Customer premises	4.18
373.00	Street Lighting and Signal Systems	3.33
	Total Distribution Plant Average	**2.39**

For Plant In-Service, the depreciation expense is calculated as the book depreciation expense. Any future changes to the book depreciation or tax rates during the construction period of the Program and at the time of each base rate adjustment filing, will be reflected in the depreciation expense calculation described above.

Uncollectible expense associated with EnergizeNJ is not included in the revenue requirement because it will be recovered along with other uncollectible expenses in JCP&L's existing Rider Uncollectible Accounts Charge or "UNC".

Q. Please describe the type of expenditures to be included in rate base.

A. Rate base includes all capital expenditures associated with the EnergizeNJ projects, including actual costs of engineering, design, construction, and property acquisition, including actual labor, materials, overhead, and capitalized allowance for funds used during construction ("AFUDC") associated with the projects (the "Capital Investment Costs"). Capital Investment Costs will be recorded in an associated Construction Work In-Progress ("CWIP") account during construction and then in a Plant In-Service account upon the respective project being deemed used and useful.

Q. Does rate base include net of salvage?

A. Yes. Under Federal Energy Regulatory Commission ("FERC") accounting rules, net salvage is recorded as part of accumulated depreciation. Net salvage rates are included as part of the depreciation accrual rates.

Q. Will any of the Program expenditures be eligible for AFUDC?

A. Yes, they will. The Board's II&R rules at N.J.A.C. 14:3-2A.4(e) recognize AFUDC as a component of construction costs representing the net cost of borrowed funds and an equity return rate used during the period of construction. AFUDC will be applied to capitalized costs for any and all projects that have been started, but not placed in service within the same calendar month.

Q. How will AFUDC be calculated on eligible projects?

A. The Company accrues AFUDC on eligible projects utilizing the "full FERC method" as set forth in FERC Order 561. AFUDC is accrued monthly and capitalized to CWIP until the project is placed in service.

Q. Will the Company utilize AFUDC once the projects are placed in service?

A. No. The Company will not accrue any AFUDC on projects that have already been placed in service. This is consistent with the Board's II&R rules at N.J.A.C. 14:3-2A.4(e).

Q. Will any CWIP balances be included in the revenue requirement calculation?

A. No. Consistent with N.J.A.C. 14:3-2A.6(a), and as discussed above, only Plant In-Service is included in rate base in the revenue requirement calculation, meaning plant that is functioning for its intended purpose, is in use (*i.e.*, not under construction), and useful (*i.e.*, actively helping the Company provide service). Thus, the Company's annual and semi-annual base rate adjustment filings will seek recovery only for projects identified in EnergizeNJ that have been placed in Plant In-Service.

Q. Is there a witness sponsoring the expenditures that you use to calculate revenue requirements?

A. Yes. The projected expenditures for the Program projects are $930.5 million, which are provided by Company witness Dana I. Gibellino in Schedule DIG-3 to her amended direct testimony (Exhibit JC-2).

Q. Does the revenue requirements calculation reflect the pertinent provisions of the Tax Cut and Jobs Act?

A. Yes. The revenue requirement reflects the new federal corporate tax rate of 21%. Tax depreciation uses Modified Accelerated Recovery Systems depreciation rules without bonus depreciation.

Q. Have you provided a schedule showing the calculation of revenue requirements?

A. Yes. Schedule CAP-2 to this direct testimony sets forth an illustrative calculation of the EnergizeNJ revenue requirements for annual and semi-annual periods, which I have calculated based on the forecasted capital costs and in-service dates provided by Ms. Gibellino in Schedule DIG-3 to her amended direct testimony (Exhibit JC-2).

Q. Does the Company propose annual baseline capital spending levels over the duration of EnergizeNJ (*see* N.J.A.C. 14:3-2A.3(a) and (b) and 14:3-2A.5(b)(6))?

A. Yes. The Company proposes annual baseline capital spending levels for its Program over its duration, as set forth in Schedule DIG-1 to Ms. Gibellino's amended testimony. While the Company plans to meet the baseline capital spending level on a program-year basis, the Company nonetheless will meet the requirements in the regulations regarding baseline capital spending levels, provided its baseline capital spending meets or exceeds the established baseline capital spending level, on average, over the five-year duration of EnergizeNJ.

Q. What is the basis for the Company's proposed annual baseline capital spending levels?

A. The establishment of annual baseline spending levels is a regulatory condition for the approval of an infrastructure investment program such as EnergizeNJ. As set forth in the II&R Rules, the annual baseline spending levels are the level of capital investment that must be achieved during the term of the Program that can only be recovered via base rates (i.e., N.J.A.C. 14:3-2A.3(a)). During the term of EnergizeNJ, the Company proposes base capital expenditures of $147 million as its annual baseline. The baseline was established using a 5-year historical average of base capital expenditures, as set forth in Schedule DIG-2 to the amended testimony of Ms. Gibellino. The base capital excludes certain capital expenditures, such as customer requested work, storm costs and damage claims, which are uncontrollable costs for services provided on demand and/or request and consequently are not appropriate to include in the baseline.

The Company's approach is consistent with N.J.A.C. 14:3-2A.3(b), which requires the utility to provide appropriate data to justify its proposed annual baseline spending levels, which may include historical capital expenditure budgets, projected capital expenditure budgets, depreciation expense, and/or any other data relevant to the utility's proposed baseline spending level. N.J.A.C. 14:3-2A.3(c) provides that the Board may consider such data, including depreciation expenses, in establishing annual baseline spending levels.

Q. Does the Company plan to make capital expenditures, within its baseline capital expenditures, on projects similar to those included in EnergizeNJ that will not be recovered via the accelerated rate recovery mechanism?

A. Yes, the Company plans to maintain capital expenditures of at least 10% of the approved Program expenditures on projects similar to those proposed in JCP&L Reliability Plus. These capital expenditures will be made in the normal course of business and recovered in future base rate proceedings. Such capital expenditures will not be recovered via the accelerated rate recovery mechanism described in this amended direct testimony, which is consistent with the II&R rules, N.J.A.C. 14:3-2A.2(c). This is demonstrated in Schedule DIG-1 to Ms. Gibellino's amended direct testimony (Exhibit JC-2).

III. BASE RATE ADJUSTMENT FILINGS

Q. How does the Company propose to recover the revenue requirements as described above?

A. The Company proposes to recover the revenue requirements associated with the Program through base rate adjustment filings (*i.e.*, base rate roll-ins) no more frequently than a semi-annual basis, consistent with the II&R Rules, N.J.A.C. 14:3-2A.6(a). As stated in Ms. Gibellino's amended direct testimony, the Company plans to begin construction work on or about June 1, 2024. The Company anticipates that its first semi-annual base rate adjustment filing will provide for recovery of revenue requirements for plant placed into service through December 31, 2024, with rates taking effect on April 1, 2025.

Based on the forecasted capital expenditures and in-service dates, the target schedule for annual and semi-annual base rate adjustment filings is listed below. The Company reserves the right to deviate from this schedule based on unforeseen circumstances such as material and/or construction delays and major storms provided, however, it meets the filing requirements of the regulations.

JCP&L EnergizeNJ Target Rate Filing Schedule

Filing	Initial Filing	Investment as of	Update for Actuals	Rates Effective
1	October 15, 2024	December 31, 2024	January 15, 2025	April 1, 2025
2	April 15, 2025	June 30, 2025	July 15, 2025	October 1, 2025
3	April 15, 2026	June 30, 2026	July 15, 2026	October 1, 2026
4	April 15, 2027	June 30, 2027	July 15, 2027	October 1, 2027
5	October 15, 2027	December 31, 2027	January 15, 2028	April 1, 2028
6	October 15, 2028	December 31, 2028	January 15, 2029	April 1, 2029
7	April 15, 2029	June 30, 2029	July 15, 2029	October 1, 2029

Under the proposed schedule, base rate adjustment filings would occur no more frequently than each October 15 and April 15, following the above-identified filings with the Board.

Q. Is JCP&L's cost recovery proposal consistent with the Board's II&R regulations?

A. Yes, with one exception. The Company's cost recovery proposal is for semi-annual and annual rate recovery filings and JCP&L will seek recovery, at a minimum, of at least ten percent (10%) of the overall Program expenditures, in accord with N.J.A.C. 14:3-2A.6 (a) and (b). In addition, JCP&L's proposal is consistent with the requirements of N.J.A.C. 14:3-2A.6 (c) and (e through i), as I discuss below.

However, rather than recovering Program costs through a "separate clause of the utility's Board-approved tariff" as specified in N.J.A.C. 14:3-2A.6(d), JCP&L is proposing to recover the costs via semi-annual and annual base rate adjustments. In its Petition, the Company is requesting a waiver of this subpart of N.J.A.C. 14:3-2A.6(d) to accommodate this aspect of the cost recovery mechanism.

Q Why is JCP&L proposing to recover the Program costs through base rate adjustments rather than via a separate clause of its tariff?

A. There are several reasons. First, the majority of the costs under the Program will be capital expenditures. Capital investments of this nature are commonly recovered via inclusion in a utility's rate base rather than through a rate clause.

Second, by including Program costs directly in base rates, the Board-approved rate design for the Company's base rates will apply. Rate design in a rate clause or rider does not always match the design of base rates.

Third is administrative ease. It obviates the need for an additional rate clause. This would reduce administrative burdens on both JCP&L and the Board.

Q. Is each EnergizeNJ rate filing conditioned on a minimum level of investment?

A. Yes. Each rate filing will include a minimum investment level of ten percent (10%) of the total Program capital investment less matching amounts in base capital, consistent with the II&R rules, N.J.A.C. 14:3-2A.6(b). The Program investment is defined as all capital expenditures, excluding AFUDC. Based on the proposed expenditure forecast for EnergizeNJ, JCP&L's initial filing is planned for October 15, 2024 for rates effective April 1, 2025.

Q. Will the rate requests to recover additional Program investments be subject to an earnings test?

A. Yes, the Company will include an appropriate earnings test in each rate filing to adjust base rates. The earnings test will be calculated in accordance with the description in Attachment D, item number 14, as attached to the Company's Stipulation of Settlement as provided in the JCP&L Reliability Plus Program Final Decision and Order approving the Stipulation of Settlement in BPU Docket No. EO18070728. If the Company exceeds the allowed ROE from the utility's last base rate case by fifty basis points or more for the most recent twelve-month period, the pending full rate adjustment shall not be allowed for the applicable filing period.

Q. Should JCP&L's ROE exceed the earnings test threshold (i.e., its most recent authorized ROE plus 50 basis points), when would JCP&L be permitted to recover on the incremental capital investment?

A. Should JCP&L's ROE exceed the earnings test threshold, JCP&L would continue to recover on its capital investments associated with EnergizeNJ that have already been included in base rates; however, it would only be permitted to recover additional capital investments through a base rate adjustment once its ROE was equal to or below the earnings test threshold or at the conclusion of its next base rate case, whichever comes first.

Q. How does the Company propose to calculate this earnings test?

A. The earnings test shall be determined based on the actual net income of the utility for the most recent twelve-month period divided by the average of the beginning and ending common equity balances for the corresponding period, subject to certain adjustments. *See* N.J.A.C. 14:3-2A.6(h). The Company will utilize FERC accounting data from the twelve-month period. In a manner similar to capital expenditures, the Company will provide nine months of actual data and three months of forecast data at the time of its initial filing. The three months of forecasted data will be updated with actual information at the same time the Company updates investment for actual periods as set forth in the schedule above. An adjustment to the earnings calculation to pension and OPEB expense will be made using the following steps: (1) remove the pension and OPEB mark-to-market gains/losses recorded by JCP&L; and (2) include, for EnergizeNJ earnings test purposes, the recalculated amount of the most recent 12-month test-year pension and OPEB expense by amortizing the net accumulated actuarial loss over future periods using the delayed recognition method.

Q. Why is it necessary to include an adjustment to the pension and OPEB expense in the earnings test?

A. JCP&L's book pension and OPEB expense is now determined using an entirely different accounting method than is used to determine the pension and OPEB expense for ratemaking purposes. In 2011, FirstEnergy and its subsidiaries (including JCP&L), under Accounting Standards Codification 715 "Compensation-Retirement Benefits," elected to change the method by which they accounted for pension and OPEB expense whereby actuarial gains and losses – representing the change in value of plan assets or obligations - are recognized immediately in earnings (referred to as "mark-to-market accounting", or "immediate recognition") as opposed to its previous method, which amortized those costs into earnings over a future period (referred to as "delayed recognition"). For ratemaking purposes, JCP&L uses the delayed recognition methodology, *i.e.,* the accounting methodology by which it accounted for pension and OPEB expense prior to the accounting change and which is consistent with the recommendations of the Administrative Law Judge in the Company's 2012 base rate case and the BPU's determinations in the Company's 2016 and 2020 base rate cases.

Using the immediate recognition methodology would be problematic with regards to the earnings test because, unlike the ratemaking method endorsed by the BPU, it results in the full amount of actuarial gains and losses being recognized in earnings immediately, in the year incurred. These gains or losses can be tens of millions of dollars in a single year. However, using delayed recognition, actuarial gains and losses would be amortized over a future period, which levelizes the annual impact to operating expense. Delayed recognition results in less volatile pension/OPEB expense and, therefore earnings, producing a more representative, steady-state view of the annual earnings from the Company's operations for the earnings test.

Q. Why should this adjustment be incorporated in the earnings test for EnergizeNJ?

A. JCP&L considers the proposed adjustment to be an accounting adjustment, replacing one accepted method of Generally Accepted Accounting Principles "GAAP" accounting with another, based on the same costs for pension/OPEB expense. This accounting adjustment is proper in the context of the Program earnings test to correlate the accounting treatment for pension/OPEB expense with the accounting treatment used by the Board for ratemaking.

Q. Will the BPU, Board Staff and/or Rate Counsel have an opportunity to review the actual expenditures of the Program?

A. Yes. As addressed above, following BPU approval of the Program, JCP&L will make annual and semi-annual filings in a process providing actual expenditures as they exist at the time of the initial filing and in the update filing. BPU Staff and Rate Counsel may review each rate filing to ensure that the revenue requirements and proposed rates are being calculated in accordance with the BPU Order approving the Program. Further, in accordance with N.J.A.C. 14:3-2A.6(e), the rate adjustments established in the annual and semi-annual EnergizeNJ base rate adjustment filings are provisional. The prudence of the Company's Program expenditures will be reviewed by Staff and Rate Counsel as part of JCP&L's subsequent base rate cases following the filings. The base rate changes via the annual and semi-annual adjustment filings are subject to refund until final determination in a base rate case by the Board that JCP&L prudently incurred these capital expenditures.

Q. Does the Company plan to file a future base rate case in connection with EnergizeNJ?

A. Yes. The Company proposes that it will file its next rate case not later than five years after the start date of EnergizeNJ (*e.g.*, if implemented June 1, 2024, the next base rate filing would be made not later than June 1, 2029). Should the Company elect to file a base rate case before the conclusion of EnergizeNJ, that would also satisfy the base rate case filing requirement of the II&R regulations.

Q. What is the projected revenue requirement for the initial rate recovery period?

A. The revenue requirement for the forecasted initial base rate adjustment will be for Plant In-Service from Board approval of EnergizeNJ through December 31, 2024, and is currently forecasted to be $828,172 for the period June 1, 2024 through December 31, 2024. *See* Schedule CAP-2.

Q. What rate design is the Company proposing to use for the base rate adjustments?

A. The Company proposes to allocate the revenue requirement associated with each base rate adjustment proportionately with the total non-customer related revenue allocations by service classification approved in the Company's most recent 2023 base rate case. The revenue requirement allocated to each service classification will be recovered through kilowatt hour ("kWh") charge for residential and small commercial customers on Service Classifications RS, RT, RGT and GS, kW charge for large C/I customers on Service Classifications GST, GP and GT, and Fixture charge for lighting customers on Service Classifications OL, SVL, ISL, MVL and LED The detailed calculations supporting the rate for the first forecasted filing is shown in Schedule CAP-3. In addition, Schedule CAP-3 provides a summary of the proposed rates for all forecasted rate filings. Any rate design changes, which would occur from subsequent base rate cases will be incorporated into future filings.

IV. BILL IMPACTS

Q. Please address the current level of JCP&L's rates.

A. JCP&L's rates (delivery and total including basic generation service ("BGS")) are generally the lowest for residential customers among the State's four electric distribution companies. "Delivery" refers to the distribution rate plus the non-bypassable rate charges and taxes; "total" refers to the delivery rate plus BGS charges.

Q. What are the annual EnergizeNJ rate impacts to the typical residential customer?

A. Based upon the forecasted rates shown in Schedule CAP-3, the bill impacts for a typical residential customer, as well as rate class average customers for each rate period over the duration of EnergizeNJ, are set forth in Schedule CAP-4. Based on the estimated revenue requirements provided in Schedule CAP-2, the initial bill impact of the proposed rates effective on April 1, 2025, for the initial rate filing period to the typical residential customer who uses 777 kWh per month is an increase of 0.3% or approximately $0.42 per month from current bill based on approved distribution rates effective June 1, 2024 and all other rates in effect as of February 1, 2024.

A summary of the bill impact on a typical residential customer for each year of EnergizeNJ compared to the current average monthly bill is shown in the following chart.

	Current Monthly Bill (1)	Typical Residential Customer on RS Rate						
		Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
		4/1/2025	10/1/2025	10/1/2026	10/1/2027	4/1/2028	4/1/2029	10/1/2029
Residential (RS) using 777 kW per Month	$121.80	$122.22	$122.82	$123.70	$124.58	$124.82	$124.99	$125.87
Incremental Increase		$0.42	$0.60	$0.88	$0.88	$0.24	$0.17	$0.89
% of Incremental Increase		0.3%	0.5%	0.7%	0.7%	0.2%	0.1%	0.7%
Cumulative Increase from Current		$0.42	$1.02	$1.90	$2.78	$3.01	$3.18	$4.07
% of Cumulative Increase from Current		0.3%	0.8%	1.6%	2.3%	2.5%	2.6%	3.3%

{1} Rates effective 2/1/2024, except for Customer Charge and Distribution Charge effective 6/1/2024
(2) IIP rates rolled into Base Rates effective as proposed, all other rates unchanged from February 1, 2024.

The maximum cumulative bill impact from EnergizeNJ on a typical residential customer over the entire duration of the Program is a modest increase of approximately $4.07, or about 3.3% of the current average monthly bill. However, the average incremental bill impact from any individual base rate adjustment over the course of the Program will be a fraction of that cumulative impact.

Q. Does the Company propose to hold public comment hearings on EnergizeNJ?

A. Yes. The Company proposes to hold public comment hearings in accordance with the BPU II&R rules, N.J.A.C. 14:3-2A.5(d). A proposed form of public notice of filing and public hearing, including the proposed rates and bill impacts attributable to the proposed implementation of the Program, will be provided to Board Staff and Rate Counsel shortly following the EnergizeNJ filing.

Q. Please list the schedules attached to this amended direct testimony.

A. The amended schedules are as follows:

Schedule CAP-1 (Amended) – Weighted Average Cost of Capital

Schedule CAP-2 (Amended) – Revenue Requirements For EnergizeNJ Rate Filings

Schedule CAP-3 (Amended) – Rate Derivation and Proof of Revenues

Schedule CAP-4 (Amended) – Bill Impact Summary

V. <u>CONCLUSION</u>

Q. Does this conclude your pre-filed amended direct testimony at this time?

A. Yes.

Weighted Average Cost of Capital (WACC)

	Ratio	Rate	Pre-Tax	Post-Tax
Debt	48.10%	4.57%	2.20%	2.20%
Equity	51.90%	9.60%	6.93%	4.98%
			9.13%	7.18%
Tax Rate	28.11%			
Tax Factor	1.39			

		Rate Base Calculation					Monthly Revenue Requirement		
		Cumulative PIS	Cumulative Reserve	NBV	ADIT	Rate Base	Depreciation	Return	Total
January	2024	$0	$0	$0	$0	$0	$0	$0	$0
February	2024	$0	$0	$0	$0	$0	$0	$0	$0
March	2024	$0	$0	$0	$0	$0	$0	$0	$0
April	2024	$0	$0	$0	$0	$0	$0	$0	$0
May	2024	$0	$0	$0	$0	$0	$0	$0	$0
June	2024	$6,877,165	$707,717	$7,584,882	($2,191)	$7,582,691	$13,697	$57,690	$71,387
July	2024	$13,754,330	$1,401,737	$15,156,068	($6,573)	$15,149,495	$27,394	$115,259	$142,653
August	2024	$33,764,252	$2,055,904	$35,820,157	($17,329)	$35,802,827	$67,247	$272,392	$339,639
September	2024	$40,641,418	$2,696,374	$43,337,792	($30,277)	$43,307,515	$80,944	$329,488	$410,432
October	2024	$47,518,583	$3,323,148	$50,841,730	($45,416)	$50,796,315	$94,641	$386,463	$481,104
November	2024	$54,395,748	$3,936,224	$58,331,972	($62,745)	$58,269,227	$108,338	$443,318	$551,656
December	2024	$82,717,497	$4,571,643	$87,289,140	($89,098)	$87,200,042	$164,745	$663,427	$828,172
January	2025	$84,890,266	$4,524,139	$89,414,404	($116,142)	$89,298,262	$169,072	$679,390	$848,462
February	2025	$87,063,034	$4,472,307	$91,535,341	($143,879)	$91,391,462	$173,399	$695,315	$868,714
March	2025	$98,954,558	$4,838,767	$103,793,325	($175,405)	$103,617,920	$197,083	$788,336	$985,419
April	2025	$101,127,326	$4,758,924	$105,886,251	($207,622)	$105,678,628	$201,410	$804,014	$1,005,424
May	2025	$103,300,095	$4,674,755	$107,974,850	($240,532)	$107,734,318	$205,737	$819,653	$1,025,390
June	2025	$182,867,980	$10,234,703	$193,102,682	($304,380)	$192,798,303	$364,210	$1,466,829	$1,831,039
July	2025	$184,538,699	$9,952,721	$194,491,420	($374,347)	$194,117,072	$367,538	$1,476,862	$1,844,400
August	2025	$186,209,418	$9,667,411	$195,876,829	($461,108)	$195,415,722	$370,866	$1,486,742	$1,857,608
September	2025	$198,672,390	$9,886,001	$208,558,391	($557,427)	$208,000,965	$395,688	$1,582,492	$1,978,180
October	2025	$200,343,110	$9,572,541	$209,915,651	($659,867)	$209,255,784	$399,016	$1,592,039	$1,991,055
November	2025	$202,013,829	$9,255,753	$211,269,582	($768,427)	$210,501,155	$402,344	$1,601,514	$2,003,858
December	2025	$265,413,721	$13,283,970	$278,697,692	($920,200)	$277,777,491	$528,615	$2,113,359	$2,641,974
January	2026	$265,977,235	$12,790,028	$278,767,263	($1,073,918)	$277,693,344	$529,737	$2,112,719	$2,642,456
February	2026	$266,548,321	$12,294,948	$278,843,269	($1,229,584)	$277,613,685	$530,874	$2,112,113	$2,642,987
March	2026	$271,941,604	$12,054,943	$283,996,547	($1,396,632)	$282,599,916	$541,616	$2,150,049	$2,691,665
April	2026	$272,512,691	$11,547,984	$284,060,675	($1,565,627)	$282,495,048	$542,753	$2,149,251	$2,692,004
May	2026	$273,083,777	$11,039,889	$284,123,666	($1,736,569)	$282,387,096	$543,890	$2,148,429	$2,692,319
June	2026	$343,211,329	$16,057,322	$359,268,651	($1,993,638)	$357,275,013	$683,561	$2,718,184	$3,401,745
July	2026	$343,845,161	$15,412,930	$359,258,090	($2,251,393)	$357,006,697	$684,823	$2,716,143	$3,400,966
August	2026	$344,478,992	$14,767,275	$359,246,268	($2,508,167)	$356,738,101	$686,085	$2,714,099	$3,400,184
September	2026	$349,935,021	$14,376,570	$364,311,591	($2,775,934)	$361,535,658	$696,952	$2,750,600	$3,447,552
October	2026	$350,576,425	$13,718,772	$364,295,197	($3,044,389)	$361,250,808	$698,229	$2,748,432	$3,446,661
November	2026	$351,217,830	$13,059,697	$364,277,527	($3,313,534)	$360,963,993	$699,506	$2,746,250	$3,445,756

		Rate Base Calculation					Monthly Revenue Requirement		
December	2026	$359,881,946	$12,868,495	$372,750,440	($3,633,363)	$369,117,078	$716,762	$2,808,280	$3,525,042
January	2027	$363,745,566	$12,592,668	$376,338,234	($3,954,604)	$372,383,630	$724,457	$2,833,132	$3,557,589
February	2027	$367,609,186	$12,309,147	$379,918,333	($4,277,265)	$375,641,069	$732,152	$2,857,915	$3,590,067
March	2027	$378,552,592	$12,422,166	$390,974,758	($4,606,284)	$386,368,473	$753,948	$2,939,530	$3,693,478
April	2027	$382,416,212	$12,109,153	$394,525,366	($4,936,723)	$389,588,643	$761,643	$2,964,029	$3,725,672
May	2027	$386,279,833	$11,788,446	$398,068,279	($5,268,581)	$392,799,698	$769,338	$2,988,460	$3,757,798
June	2027	$459,250,826	$17,135,487	$476,386,313	($5,669,765)	$470,716,548	$914,672	$3,581,259	$4,495,931
July	2027	$464,354,171	$16,759,538	$481,113,708	($6,072,072)	$475,041,636	$924,836	$3,614,164	$4,539,000
August	2027	$469,457,515	$16,373,424	$485,830,940	($6,473,965)	$479,356,975	$935,000	$3,646,996	$4,581,996
September	2027	$481,710,964	$16,385,878	$498,096,842	($6,881,806)	$491,215,036	$959,405	$3,737,213	$4,696,618
October	2027	$486,884,627	$15,969,692	$502,854,319	($7,290,800)	$495,563,519	$969,709	$3,770,297	$4,740,006
November	2027	$492,058,290	$15,543,201	$507,601,492	($7,700,946)	$499,900,546	$980,013	$3,803,294	$4,783,307
December	2027	$553,720,980	$19,434,558	$573,155,538	($8,126,409)	$565,029,129	$1,102,825	$4,298,798	$5,401,623
January	2028	$555,933,589	$18,490,621	$574,424,210	($8,555,392)	$565,868,819	$1,107,232	$4,305,187	$5,412,419
February	2028	$558,075,880	$17,537,781	$575,613,661	($8,987,869)	$566,625,792	$1,111,499	$4,310,946	$5,422,445
March	2028	$565,362,844	$16,801,210	$582,164,055	($9,429,483)	$572,734,572	$1,126,012	$4,357,422	$5,483,434
April	2028	$567,505,135	$15,829,590	$583,334,725	($9,874,592)	$573,460,133	$1,130,279	$4,362,942	$5,493,221
May	2028	$569,717,744	$14,858,200	$584,575,943	($10,323,219)	$574,252,725	$1,134,686	$4,368,972	$5,503,658
June	2028	$624,996,284	$17,987,320	$642,983,603	($10,829,783)	$632,153,821	$1,244,782	$4,809,490	$6,054,272
July	2028	$627,118,380	$16,896,970	$644,015,350	($11,340,146)	$632,675,204	$1,249,009	$4,813,456	$6,062,465
August	2028	$629,240,477	$15,802,393	$645,042,870	($11,852,881)	$633,189,989	$1,253,236	$4,817,373	$6,070,609
September	2028	$636,207,898	$14,985,404	$651,193,302	($12,374,893)	$638,818,409	$1,267,113	$4,860,195	$6,127,308
October	2028	$638,400,313	$13,877,220	$652,277,533	($12,900,783)	$639,376,749	$1,271,480	$4,864,442	$6,135,922
November	2028	$640,592,728	$12,764,668	$653,357,396	($13,430,551)	$639,926,845	$1,275,847	$4,868,628	$6,144,475
December	2028	$653,636,372	$12,317,809	$665,954,180	($14,002,979)	$651,951,202	$1,301,826	$4,960,110	$6,261,936
January	2029	$655,658,852	$11,158,125	$666,816,976	($14,577,055)	$652,239,921	$1,305,854	$4,962,307	$6,268,161
February	2029	$657,681,332	$9,994,412	$667,675,744	($15,152,724)	$652,523,020	$1,309,882	$4,964,461	$6,274,343
March	2029	$665,891,898	$9,259,158	$675,151,056	($15,733,616)	$659,417,440	$1,326,235	$5,016,914	$6,343,149
April	2029	$667,844,060	$8,070,568	$675,914,628	($16,316,077)	$659,598,551	$1,330,123	$5,018,292	$6,348,415
May	2029	$669,796,222	$6,878,091	$676,674,312	($16,900,164)	$659,774,148	$1,334,011	$5,019,628	$6,353,639
June	2029	$765,245,733	$13,290,649	$778,536,382	($17,532,764)	$761,003,618	$1,524,115	$5,789,792	$7,313,907
July	2029	$765,245,733	$11,766,534	$777,012,267	($18,165,495)	$758,846,772	$1,524,115	$5,773,382	$7,297,497
August	2029	$765,245,733	$10,242,419	$775,488,152	($18,797,040)	$756,691,112	$1,524,115	$5,756,982	$7,281,097
September	2029	$765,245,733	$8,718,304	$773,964,037	($19,430,008)	$754,534,029	$1,524,115	$5,740,571	$7,264,686
October	2029	$765,245,733	$7,194,189	$772,439,922	($20,063,155)	$752,376,767	$1,524,115	$5,724,158	$7,248,273
November	2029	$765,245,733	$5,670,074	$770,915,807	($20,696,480)	$750,219,327	$1,524,115	$5,707,744	$7,231,859
December	2029	$765,245,733	$4,145,959	$769,391,692	($21,321,830)	$748,069,862	$1,524,115	$5,691,391	$7,215,506

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period April 1, 2025 to September 30, 2025

IIP Revenue Requirement - Monthly	**$828,172**
IIP Revenue Requirement for 6 Months	**$4,969,030**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$4,969,030**	$2,670,031	$46,395	$1,751,454	$87,808	$208,212	$159,495	$45,634
Projected 6 Months Units for Recovery (2)								
Total kWh		5,279,055,976	88,119,784	3,229,725,913				
Total kW					631,324	1,857,433	2,637,601	
Total # of Fixture								1,453,103
IIP Rate ($/kWh)		$0.000506	$0.000527	$0.000542				
IIP Rate ($/kWh with SUT)		$0.000540	$0.000562	$0.000578				
IIP Rate ($/kW)					$0.14	$0.11	$0.06	
IIP Rate ($/kW with SUT)					$0.15	$0.12	$0.06	
IIP Rate ($/Fixture)								$0.03
IIP Rate ($/Fixture with SUT)								$0.03

Proof of Revenues	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Proposed IIP Revenue Recovered through Rates	$4,962,705	$2,671,202	$46,439	$1,750,511	$88,385	$204,318	$158,256	$43,593
Difference from IIP Revenue Requirements	-$6,325	$1,171	$44	-$943	$578	-$3,895	-$1,239	-$2,041
$/kWh, $/kW or $/Fixture		$0.0000002	$0.0000005	-$0.0000003	$0.001	-$0.002	$0.000	-$0.001

Note:
(1) BPU Order Docket No. ER23030144, dated 2/14/2024, "2023 Base Rate Filing"
(2) Forecast from April 1, 2025 to September 30, 2025

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period October 1, 2025 to September 30, 2026

IIP Revenue Requirement - Monthly	**$1,831,039**
IIP Revenue Requirement for 12 Months	**$21,972,466**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$21,972,466**	$11,806,562	$205,155	$7,744,725	$388,275	$920,691	$705,268	$201,790
Projected 12 Months Units for Recovery (2)								
Total kWh		9,597,387,304	187,212,333	6,051,088,965				
Total kW					1,180,872	3,522,895	5,042,947	
Total # of Fixture								2,911,952
IIP Rate ($/kWh)		$0.001230	$0.001096	$0.001280				
IIP Rate ($/kWh with SUT)		$0.001311	$0.001169	$0.001365				
IIP Rate ($/kW)					$0.33	$0.26	$0.14	
IIP Rate ($/kW with SUT)					$0.35	$0.28	$0.15	
IIP Rate ($/Fixture)								$0.07
IIP Rate ($/Fixture with SUT)								$0.07

Proof of Revenues	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Proposed IIP Revenue Recovered through Rates	$21,970,854	$11,804,786	$205,185	$7,745,394	$389,688	$915,953	$706,013	$203,837
Difference from IIP Revenue Requirements	-$1,612	-$1,776	$29	$669	$1,413	-$4,738	$745	$2,047
$/kWh, $/kW or $/Fixture		-$0.0000002	$0.0000002	$0.0000001	$0.001	-$0.001	$0.000	$0.001

Note:
(1) BPU Order Docket No. ER20020146, dated 10/28/2020, "2020 Base Rate Filing"
(2) Forecast from October 1, 2025 to September 30, 2026

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period October 1, 2026 to September 30, 2027

IIP Revenue Requirement - Monthly	**$3,401,745**
IIP Revenue Requirement for 12 Months	**$40,820,942**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$40,820,942**	$21,934,497	$381,142	$14,388,325	$721,345	$1,710,480	$1,310,263	$374,890
Projected 12 Months Units for Recovery (2)								
Total kWh		9,572,293,822	186,795,406	5,834,432,397				
Total kW					1,139,480	3,412,078	4,870,803	
Total # of Fixture								2,919,658
IIP Rate ($/kWh)		$0.002291	$0.002040	$0.002466				
IIP Rate ($/kWh with SUT)		$0.002443	$0.002175	$0.002629				
IIP Rate ($/kW)					$0.63	$0.50	$0.27	
IIP Rate ($/kW with SUT)					$0.67	$0.53	$0.29	
IIP Rate ($/Fixture)								$0.13
IIP Rate ($/Fixture with SUT)								$0.14

Proof of Revenues								
Proposed IIP Revenue Recovered through Rates	$40,817,482	$21,930,125	$381,063	$14,387,710	$717,872	$1,706,039	$1,315,117	$379,556
Difference from IIP Revenue Requirements	-$3,460	-$4,372	-$80	-$614	-$3,473	-$4,440	$4,854	$4,666
$/kWh, $/kW or $/Fixture		-$0.0000005	-$0.0000004	-$0.0000001	-$0.003	-$0.001	$0.001	$0.002

Note:
(1) BPU Order Docket No. ER20020146, dated 10/28/2020, "2020 Base Rate Filing"
(2) Forecast from October 1, 2026 to September 30, 2027

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period October 1, 2027 to March 30, 2028

IIP Revenue Requirement - Monthly	**$4,495,931**
IIP Revenue Requirement for 6 Months	**$26,975,584**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$26,975,584**	$14,494,910	$251,869	$9,508,195	$476,684	$1,130,331	$865,857	$247,737
Projected 6 Months Units for Recovery (2)								
Total kWh		4,326,184,034	98,977,637	2,755,431,129				
Total kW					526,061	1,608,197	2,316,879	
Total # of Fixture								1,462,769
IIP Rate ($/kWh)		$0.003351	$0.002545	$0.003451				
IIP Rate ($/kWh with SUT)		$0.003573	$0.002714	$0.003680				
IIP Rate ($/kW)					$0.91	$0.70	$0.37	
IIP Rate ($/kW with SUT)					$0.97	$0.75	$0.39	
IIP Rate ($/Fixture)								$0.17
IIP Rate ($/Fixture with SUT)								$0.18

Proof of Revenues								
Proposed IIP Revenue Recovered through Rates	$26,968,302	$14,497,043	$251,898	$9,508,993	$478,715	$1,125,738	$857,245	$248,671
Difference from IIP Revenue Requirements	-$7,282	$2,132	$29	$798	$2,031	-$4,593	-$8,612	$933
$/kWh, $/kW or $/Fixture		$0.0000005	$0.0000003	$0.0000003	$0.004	-$0.003	-$0.004	$0.001

Note:
(1) BPU Order Docket No. ER20020146, dated 10/28/2020, "2020 Base Rate Filing"
(2) Forecast from October 1, 2027 to March 30, 2028

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period April 1, 2028 to March 31, 2029

IIP Revenue Requirement - Monthly	**$5,401,623**
IIP Revenue Requirement for 12 Months	**$64,819,480**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$64,819,480**	$34,829,738	$605,215	$22,847,188	$1,145,422	$2,716,067	$2,080,563	$595,287
Projected 12 Months Units for Recovery (2)								
Total kWh		9,576,603,305	186,578,008	5,520,351,924				
Total kW					1,073,083	3,227,753	4,629,771	
Total # of Fixture								2,931,360
IIP Rate ($/kWh)		$0.003637	$0.003244	$0.004139				
IIP Rate ($/kWh with SUT)		$0.003878	$0.003459	$0.004413				
IIP Rate ($/kW)					$1.07	$0.84	$0.45	
IIP Rate ($/kW with SUT)					$1.14	$0.90	$0.48	
IIP Rate ($/Fixture)								$0.20
IIP Rate ($/Fixture with SUT)								$0.21

Proof of Revenues								
Proposed IIP Revenue Recovered through Rates	$64,813,282	$34,830,106	$605,259	$22,848,737	$1,148,198	$2,711,313	$2,083,397	$586,272
Difference from IIP Revenue Requirements	-$6,197	$368	$44	$1,549	$2,776	-$4,754	$2,834	-$9,015
$/kWh, $/kW or $/Fixture		$0.0000000	$0.0000002	$0.0000003	$0.003	-$0.001	$0.001	-$0.003

Note:
(1) BPU Order Docket No. ER20020146, dated 10/28/2020, "2020 Base Rate Filing"
(2) Forecast from April 1, 2028 to March 31, 2029

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period April 1, 2029 to September 30, 2029

IIP Revenue Requirement - Monthly	**$6,261,936**
IIP Revenue Requirement for 6 Months	**$37,571,617**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$37,571,617**	$20,188,523	$350,804	$13,243,022	$663,927	$1,574,326	$1,205,967	$345,049
Projected 6 Months Units for Recovery (2)								
Total kWh		5,258,939,165	87,832,244	2,747,697,911				
Total kW					544,518	1,616,799	2,306,898	
Total # of Fixture								1,468,608
IIP Rate ($/kWh)		$0.003839	$0.003994	$0.004820				
IIP Rate ($/kWh with SUT)		$0.004093	$0.004259	$0.005139				
IIP Rate ($/kW)					$1.22	$0.97	$0.52	
IIP Rate ($/kW with SUT)					$1.30	$1.03	$0.55	
IIP Rate ($/Fixture)								$0.23
IIP Rate ($/Fixture with SUT)								$0.25

Proof of Revenues	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Proposed IIP Revenue Recovered through Rates	$37,553,747	$20,189,067	$350,802	$13,243,904	$664,312	$1,568,295	$1,199,587	$337,780
Difference from IIP Revenue Requirements	-$17,870	$544	-$2	$882	$386	-$6,032	-$6,380	-$7,269
$/kWh, $/kW or $/Fixture		$0.0000001	$0.0000000	$0.0000003	$0.001	-$0.004	-$0.003	-$0.005

Note:
(1) BPU Order Docket No. ER20020146, dated 10/28/2020, "2020 Base Rate Filing"
(2) Forecast from April 1, 2029 to September 30, 2029

IIP Base Rate Derivation and Proof of Revenues

Proposed IIP Base Rate for Recovery Period October 1, 2029 to September 30, 2030

IIP Revenue Requirement - Monthly	**$7,313,907**
IIP Revenue Requirement for 12 Months	**$87,766,883**

Base Rate Case Distribution Revenue (1)	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Customer Related (Customer, Fixture)	$ 79,067,579	$ 48,468,306	$ 1,230,459	$ 14,318,200	$ 116,713	$ 307,351	$ 527,641	$ 14,098,909
Non Customer (kW, kWh, kVar, Misc. Lighting)	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
Total Distribution Revenue	$ 729,372,627	$ 397,899,598	$ 7,302,312	$ 243,533,885	$ 11,608,228	$ 27,556,440	$ 21,401,009	$ 20,071,155

Proposed IIP Revenue Allocation	TOTAL	RS	RT/RGT	GS	GST	GP	GT	LTG
Non Customer-related Distribution Revenues	$ 650,305,048	$ 349,431,292	$ 6,071,853	$ 229,215,685	$ 11,491,515	$ 27,249,089	$ 20,873,368	$ 5,972,246
% of Non Customer-related Revenues	**100.0%**	53.7%	0.9%	35.2%	1.8%	4.2%	3.2%	0.9%
Proposed IIP Revenue Requirements Allocation	**$87,766,883**	$47,160,168	$819,473	$30,935,553	$1,550,925	$3,677,609	$2,817,125	$806,030
Projected 12 Months Units for Recovery (2)								
Total kWh		9,600,502,874	187,051,460	5,166,605,025				
Total kW					1,006,658	3,044,336	4,375,516	
Total # of Fixture								2,943,218
IIP Rate ($/kWh)		$0.004912	$0.004381	$0.005988				
IIP Rate ($/kWh with SUT)		$0.005237	$0.004671	$0.006385				
IIP Rate ($/kW)					$1.54	$1.21	$0.64	
IIP Rate ($/kW with SUT)					$1.64	$1.29	$0.68	
IIP Rate ($/Fixture)								$0.27
IIP Rate ($/Fixture with SUT)								$0.29

Proof of Revenues								
Proposed IIP Revenue Recovered through Rates	$87,743,672	$47,157,670	$819,472	$30,937,631	$1,550,253	$3,683,646	$2,800,330	$794,669
Difference from IIP Revenue Requirements	-$23,210	-$2,498	-$1	$2,078	-$672	$6,038	-$16,794	-$11,361
$/kWh, $/kW or $/Fixture		-$0.0000003	$0.0000000	$0.0000004	-$0.001	$0.002	-$0.004	-$0.004

Note:
(1) BPU Order Docket No. ER20020146, dated 10/28/2020, "2020 Base Rate Filing"
(2) Forecast from October 1, 2029 to September 30, 2030

	IIP1	IIP2	IIP3	IIP4	IIP5	IIP6	IIP7
Proposed Effective Date ==>	**4/1/2025**	**10/1/2025**	**10/1/2026**	**10/1/2027**	**4/1/2028**	**4/1/2029**	**10/1/2029**
Proposed Months of Recovery ==>	**6**	**12**	**12**	**6**	**12**	**6**	**12**

Class Average Per Customer/Fixture

Rate Class	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS)	$123.96	$124.38	$124.98	$125.85	$126.73	$126.97	$127.14	$128.03
Residential Time of Day (RT/RGT)	$169.66	$170.27	$170.95	$172.07	$172.70	$173.49	$174.33	$174.83
General Service – Secondary (GS)	$620.87	$623.26	$626.52	$631.74	$636.09	$639.12	$642.12	$647.27
eneral Service - Secondary Time of Day (GST)	$32,147.75	$32,226.34	$32,335.70	$32,506.98	$32,666.96	$32,758.56	$32,844.20	$33,026.19
General Service – Primary (GP)	$44,362.45	$44,448.55	$44,563.36	$44,749.92	$44,900.60	$45,008.24	$45,108.69	$45,288.08
General Service – Transmission (GT)	$112,366.71	$112,575.48	$112,818.22	$113,243.62	$113,588.46	$113,849.77	$114,064.64	$114,462.01
Lighting (Average Per Fixture)	$12.17	$12.20	$12.25	$12.31	$12.35	$12.38	$12.42	$12.46

Incremental Monthly Increase in $

Rate Class	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS)	$123.96	$0.42	$0.60	$0.87	$0.88	$0.24	$0.17	$0.89
Residential Time of Day (RT/RGT)	$169.66	$0.61	$0.68	$1.12	$0.63	$0.79	$0.84	$0.50
General Service – Secondary (GS)	$620.87	$2.39	$3.26	$5.22	$4.35	$3.03	$3.00	$5.15
eneral Service - Secondary Time of Day (GST)	$32,147.75	$78.59	$109.36	$171.28	$159.98	$91.60	$85.64	$181.99
General Service – Primary (GP)	$44,362.45	$86.10	$114.81	$186.56	$150.68	$107.64	$100.45	$179.39
General Service – Transmission (GT)	$112,366.71	$208.77	$242.74	$425.40	$344.84	$261.31	$214.87	$397.37
Lighting (Average Per Fixture)	$12.17	$0.03	$0.04	$0.07	$0.04	$0.03	$0.03	$0.05

Incremental Monthly Increase by %

Rate Class	Current Monthly Bill (1)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)	Proposed Monthly Bill (2)
Residential (RS)	$123.96	0.3%	0.5%	0.7%	0.7%	0.2%	0.1%	0.7%
Residential Time of Day (RT/RGT)	$169.66	0.4%	0.4%	0.7%	0.4%	0.5%	0.5%	0.3%
General Service – Secondary (GS)	$620.87	0.4%	0.5%	0.8%	0.7%	0.5%	0.5%	0.8%
eneral Service - Secondary Time of Day (GST)	$32,147.75	0.2%	0.3%	0.5%	0.5%	0.3%	0.3%	0.6%
General Service – Primary (GP)	$44,362.45	0.2%	0.3%	0.4%	0.3%	0.2%	0.2%	0.4%
General Service – Transmission (GT)	$112,366.71	0.2%	0.2%	0.4%	0.3%	0.2%	0.2%	0.3%
Lighting (Average Per Fixture)	$12.17	0.2%	0.4%	0.6%	0.3%	0.2%	0.3%	0.4%

Typical Residential Customer on RS Rate

	Current Monthly Bill (1)	Proposed Monthly Bill (2) 4/1/2025	Proposed Monthly Bill (2) 10/1/2025	Proposed Monthly Bill (2) 10/1/2026	Proposed Monthly Bill (2) 10/1/2027	Proposed Monthly Bill (2) 4/1/2028	Proposed Monthly Bill (2) 4/1/2029	Proposed Monthly Bill (2) 10/1/2029
Residential (RS) using 777 kW per Month	$121.80	$122.22	$122.82	$123.70	$124.58	$124.82	$124.99	$125.87
Incremental Increase		$0.42	$0.60	$0.88	$0.88	$0.24	$0.17	$0.89
% of Incremental Increase		0.3%	0.5%	0.7%	0.7%	0.2%	0.1%	0.7%
Cumulative Increase from Current		$0.42	$1.02	$1.90	$2.78	$3.01	$3.18	$4.07
% of Cumulative Increase from Current		0.3%	0.8%	1.6%	2.3%	2.5%	2.6%	3.3%

{1} Rates effective 2/1/2024, except for Customer Charge and Distribution Charge effective 6/1/2024

(2) IIP rates rolled into Base Rates effective as proposed, all other rates unchanged from February 1, 2024.