



provision of safe, adequate and proper service in PSE&G's service territory through capital investment in PSE&G's distribution system. The Board also directed the Company to make its first annual cost recovery filing no later than November 1, 2009. This proceeding was later designated as CIP I.

Subsequently, on May 29, 2009, PSE&G petitioned the Board for an increase its electric and gas distribution base rates ("Base Rate Case") in Docket No. GR09050422. Among other things, the Company sought an expansion of the CIP, and a review of certain Qualifying Projects for inclusion within the Company's rate base as required by the April 2009 Order.

The Company's first annual CIP I filing requested a \$33.2 million increase in the Company's electric and gas CACs to recover the costs associated with PSE&G's Qualifying Projects. By Order dated December 22, 2009, the Board approved a stipulation among PSE&G, Rate Counsel and Board Staff that provided for the implementation of provisional CAC rates ("Stipulation for Provisional Rates") to be effective January 1, 2010 pending further review of the requested rates. The matter was subsequently transmitted to the Office of Administrative Law on February 4, 2011 and assigned to Administrative Law Judge ("ALJ") Richard McGill.

In accordance with Board Orders dated June 7, 2010 (addressing the Company's electric operations) and July 9, 2010 (addressing the Company's gas operations) in the Company's Base Rate Case, certain Qualifying Projects were rolled into the Company's rate base. Additionally, in the Base Rate Case, the Board permitted the Company to continue the recovery of approximately \$11.5 million of Qualifying Projects (approximately \$10.7 million for electric and approximately \$.7 million for gas) through the CACs, subject to a prudency review of the costs associated with these projects in the forthcoming Phase II portion of the Base Rate Case.

On November 1, 2010, the Company submitted its second annual CIP I filing ("November 1, 2010 Annual Filing"), requesting rate increases to be effective January 1, 2011. The petition sought to reset PSE&G's CACs, and included an update on the status of the CIP. The resultant revenue increase on the Company's electric and gas customers, if approved, would have been \$17.6 million. This matter was transmitted to the Office of Administrative Law on April 1, 2011, was also assigned to ALJ Richard McGill, and was subsequently consolidated with the first annual CIP I filing on consent of the parties.

Based on the continued need to stimulate the economy and further foster job retention or creation in PSE&G's service territory, the Company sought Board approval to continue the acceleration of incremental capital spending for additional capital projects. Accordingly, on November 23, 2010, PSE&G made a filing (Docket No. GO10110862) for approval of an extension of the Gas CIP including eight proposed projects with overall anticipated construction costs of \$78 million to be completed by the later of April 30, 2012 or one year from the date of the Board Order approving the extension ("Gas CIP II"). On February 18, 2011, PSE&G made a filing (Docket No. EO11020088) for approval of an extension of the Electric CIP including twenty-four proposed projects with overall anticipated construction costs of \$229 million over a period of two years and two months after the date of the Board Order approving the extension ("Electric CIP II") ( the extensions of the gas and electric CIP are collectively referred to as " CIP II").

By Order dated July 14, 2011, in response to PSE&G's petition seeking rate recovery for its CIP spending, in Docket Nos. EO09010049, GO09010050, ER090110936, EO10110823 and GO10110824, the Board determined that to evaluate whether spending under the CIP remained incremental capital investment, PSE&G'S total minimum levels of base electric capital spending,

excluding capital expenditures for new business or monies spent under the CIP umbrella, would be \$170.5 million in 2011, \$183.8 million in 2012, and \$188.8 million in 2013; and that PSE&G's total minimum levels of base gas capital spending, excluding capital expenditures for new business or monies spent under the CIP umbrella would be \$116.3 million in 2011 and \$133.9 million in 2012 ("July 2011 Order I"). The Board authorized the CAC rates proposed in the Company's filing of November 1, 2010 to be implemented, and mandated that the Company make a filing ("Final CIP Filing") following completion of the thirty-eight Qualifying Projects. In the Order, \$693.8 million of actual CIP costs through May 31, 2011 were approved to be recovered through the Electric and Gas CACs, and the remaining CIP costs were to be addressed in the Final CIP Filing. Finally, the Board authorized the Company to increase its CAC rates to recover an additional \$17.6 million over an annual period (\$7.9 million for electric and \$9.7 million for gas).

Also on July 14, 2011, in Docket Nos. GO10110862 and EO11020088 ("July CIP Order II"), the Board, among other things, reiterated the minimum spending levels mandated by the July 2011 Order I, and directed PSE&G to make the following filings ("CIP II Recovery Filings"): (a) on November 1, 2011; (b) at the conclusion of the final Gas CIP II Qualifying Project; and (c) at the conclusion of the final Electric CIP II Qualifying Project.

Three public hearings were held on the following dates at the indicated locations: May 8, 2012 in New Brunswick, New Jersey, and May 10, 2012 in Hackensack, New Jersey and Mount Holly, New Jersey. Five members of the public appeared and made statements at the public hearing in New Brunswick, primarily objecting to the higher rates they could be charged if the petition were approved by the Board. No members of the public appeared at the public hearings in Hackensack or Mount Holly.

On November 1, 2011, the Company made a filing in compliance with the July 2011 CIP II Order, seeking Board approval to recover the revenue requirements associated with the capitalized investment costs of CIP II for 2011.

On December 6, 2012, representatives of PSE&G, Board Staff, and Rate Counsel (collectively, the "Parties"), executed a stipulation ("CIP II Initial Recovery Stipulation")<sup>1</sup> that provides for the following:

1. The costs and rates contained within the CIP II Initial Recovery Stipulation are reasonable and prudent.
2. The Company has made the total minimum levels of base gas capital and electric spending required under the Board Order dated July 14, 2011 and the July 2011 CIP II Order, not including capital expenditure for new business or capital stimulus spending, under either CIP I or CIP II of \$170.5 million for electric and \$116.3 million for gas.
3. The Company represents that it has not eliminated or substituted any CIP II Qualifying Project agreed to by the Parties and approved in the Board's July 2011 CIP II Order
4. Attachment A to the CIP II Initial Recovery Stipulation reflects a detailed description of each CIP II Qualifying Project, the aggregate cost for each CIP II Qualifying Project (actual costs

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<sup>1</sup> Although summarized in this Order, the detailed terms of the CIP II Initial Recovery Stipulation control, subject to the findings and conclusions of this Order.

through December 31, 2011 and the cost projections through CIP II Qualifying Project end), and the estimated number of jobs resulting from each Qualifying Project.

5. The CIP II Initial Recovery Stipulation includes a Table which details the calculation of the revenue requirements associated with the initial roll-in of the CIP II projects through December 31, 2011 totaling approximately \$4.0 million for electric operations and \$1.8 million for gas operations.
6. Simultaneously with the rate changes reflected in the above paragraphs in this CIP II Initial Recovery Stipulation, other rate changes will be implemented in accordance with the terms of the CIP I Final Recovery Stipulation being executed and submitted simultaneously herewith.

### **DISCUSSION AND FINDINGS**

In the April 2009 Order, the Board recognized that the acceleration of utility infrastructure projects and the treatment of capital expenses on an expedited schedule outside the purview of a rate case is not part of the normal course of utility regulation. However, based on economic conditions at that time, the Board found that it was appropriate and within the Board's authority to allow infrastructure projects which had already been researched and planned by the companies to be accelerated, and that enhanced investments in infrastructure would both increase reliability and promote employment. In the July 2011 CIP Order II, the Board continued to find those conclusions valid. Based on the data related to the Qualifying Projects set forth in Attachment A to the CIP II Initial Recovery Stipulation demonstrating the actual construction costs of the completed Qualifying Projects that were previously approved for construction by the Board and which have been reviewed by the Parties, the Board **FINDS** that the costs of constructing the Qualifying Projects were reasonable and prudent, and that these projects should enhance reliability on the Company's system.

Therefore, after review of the record in this proceeding and the CIP II Initial Recovery Stipulation and Attachments A and B thereto, the Board **HEREBY FINDS** the CIP II Initial Recovery Stipulation to be reasonable, in the public interest, and in accordance with law, and **HEREBY APPROVES** the attached CIP II Initial Recovery Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY DIRECTS** the Company to perform its initial roll-in of its CIP II projects constructed through December 2011, resulting in the revenue requirements of approximately \$4.0 million for electric operations and \$1.8 million for gas operations. These amounts are not based on CAC rates but, due to the inclusion of the Qualifying Projects in the Company's rate base, were determined utilizing the factors that are part of the calculation of base rates including rate of return, depreciation, and interest. A typical residential electric customer using 7,800 kilowatt-hours per year will see an annual increase over current rates of \$1.08 or approximately 0.08%. A typical residential gas customer using 1,050 therms per year will see an annual increase over current rates of \$1.04 or approximately 0.09%.

As described in the CIP II Initial Recovery Stipulation, the Board is also addressing the Company's request for approval of the roll into rate base of the completed Qualifying Projects under CIP I, and of the rates associated with the completion of CIP I. The combined annual

impact<sup>2</sup> of the approval of the rates associated with the completion of CIP I and the initial rates for CIP II is approximately \$2.31 on the typical electric customer described above, and \$12.88 on the typical gas customer described above.

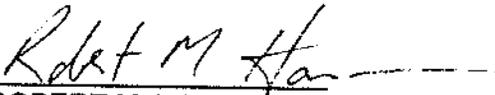
The rates approved by this Order are effective on the later of January 1, 2013 or the date on which this Order is served in accordance with N.J.S.A. 48:2-40.

The Board **HEREBY DIRECTS** PSE&G to file tariff sheets consistent with this Order within five (5) business days from the date of its service.

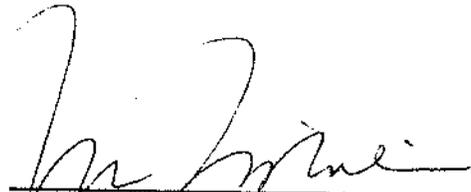
The Company's rates remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DATED: 12/19/12

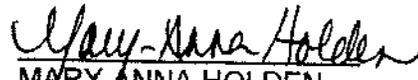
BOARD OF PUBLIC UTILITIES  
BY:

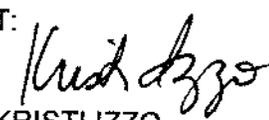
  
ROBERT M. HANNA  
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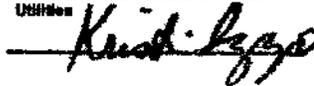
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:  
  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



<sup>2</sup> There are seasonal adjustments which may vary the actual monthly rates in the summer for electric customers and in the winter for gas customers.

In the Matter Of the Petition of Public Service Electric and Gas Company for Approval of Electric and Gas Base Rate Adjustments Pursuant to Capital Infrastructure Investment Program Extension and For Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 15 Pursuant to N.J.S.A. 48:2-23 and N.J.S.A. 48:2-21 BPU Docket Nos. EO11110780 and GO11110781

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STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF )  
PUBLIC SERVICE ELECTRIC AND GAS COMPANY )  
FOR APPROVAL OF ELECTRIC AND GAS BASE RATE )  
ADJUSTMENTS PURSUANT TO CAPITAL )  
INFRASTRUCTURE INVESTMENT PROGRAM )  
EXTENSION AND FOR CHANGES IN THE TARIFFS )  
FOR ELECTRIC AND GAS SERVICE, B.P.U.N.J. NO. 15 )  
PURSUANT TO N.J.S.A. 48:2-23 AND 48:2-21 )

**STIPULATION**

BPU DOCKET NOS.  
EO11110780  
and  
GO11110781

**APPEARANCES:**

**Matthew M. Weissman, Esq.**, General Regulatory Counsel-Rates, and **Martin C. Rothfelder, Esq.**, Associate General Regulatory Counsel for the Petitioner Public Service Electric and Gas Company

**Paul E. Flanagan, Esq.**, Litigation Manager; **Felicia Thomas-Friel, Esq.** and **Ami Morita, Esq.**, Deputy Rate Counsel, and **Kurt S. Lewandowski, Esq.** and **Henry M. Ogden, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

**T. David Wand and Alex Moreau**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey)

**TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

**INTRODUCTION AND SUMMARY**

1. This Stipulation ("CIP II Initial Recovery Stipulation") is intended to address and resolve all issues in the Public Service Electric and Gas Company ("PSE&G" or the "Company") petition dated November 1, 2011 in these dockets. Simultaneously herewith, PSE&G, Board of Public Utilities Staff ("Board Staff") and the Division of Rate Counsel ("Rate Counsel") (collectively "the Parties") are also executing a

companion Stipulation (the "CIP I Final Recovery Stipulation") intended to address and resolve all issues in PSE&G's September 13, 2011 petition ("CIP I Final Recovery Petition") in BPU Docket Nos. ER11090540 and GR11090541.

### **BACKGROUND**

2. On November 23, 2010 and February 18, 2011, respectively, PSE&G filed petitions in Docket No. GO10110862 ("Gas Extension Petition") and Docket No. E011020088 ("Electric Extension Petition") requesting that the Board approve extensions of the initial Board-approved gas and electric Capital Infrastructure Program pursuant to N.J.S.A. 48:2-21 et seq., to enable the Company to continue those construction programs and enhance the reliability of its gas and electric distribution systems. Details regarding execution and cost recovery for the initial Capital Infrastructure Program ("CIP I") are set forth in the CIP I Final Recovery Stipulation, being executed and submitted simultaneously herewith.

3. On April 4, 2011, notice setting forth the Company's November 2010 and February 2011 requests to extend CIP I, including the date, time and place of public hearings, was placed in newspapers having a circulation within the Company's gas and electric service territory, and was served on the Clerks of the municipalities, the Clerks of the Board of Chosen Freeholders, and the County Executives within the Company's electric and gas service territory. In accordance with that notice, public hearings on the Company's requests were held on the following dates at three locations in PSE&G's service territory:

one hearing on April 25, 2011 in Hackensack, New Jersey (covering the time period of the two noticed hearings); two hearings on April 27, 2011 in New Brunswick, New Jersey; and two hearings on April 28, 2011 in Mt. Holly, New Jersey. A total of eight members of the public appeared and made statements at the public hearings.

4. The program extensions, hereinafter referred to as CIP II, were approved in a Board Order dated July 14, 2011 (“July 2011 CIP II Order”) in Docket Nos. GO10110862 and EO11020088, that adopted a July 7, 2011 Stipulation providing for a settlement among all parties. The approved CIP II program involves twenty-two electric Qualifying Projects representing an investment of approximately \$195 million, and eight gas Qualifying Projects representing an investment of approximately \$78 million.

5. The July 2011 CIP II Order requires, among other things, that the Company shall begin work on each Qualifying Project within three months of the date of that Board Order and file a petition proposing gas and electric base rate changes on November 1, 2011, as well as additional petitions at the conclusion of the CIP II electric Qualifying Projects and the conclusion of the CIP II gas “Qualifying Projects”. The Board Order requires that these CIP II cost recovery filings shall include:

- requests for recovery in base rates of all prudently incurred capital expenditures associated with the CIP II Qualifying Projects, including actual costs of engineering, design and construction, cost of removal (net of salvage) and property acquisition, including actual labor, materials, overhead, capitalized

AFUDC, and capitalized deferred return associated with the projects (the “Capital Investment Costs”), and

- a revenue requirement that reflects a return on CIP II investments associated with the CIP II Qualifying Projects based on PSE&G’s Capital Investment Costs, as defined above, and based upon cost of capital, depreciation, and accounting as specified in the July 2011 CIP II Order.

6. Pursuant to the July 2011 CIP II Order, PSE&G is required to provide Board Staff and the Rate Counsel with quarterly reports regarding certain reliability parameters, and to make certain minimum levels of base investment spending that are summarized as follows:

- a. Total minimum levels of base electric capital spending, including Utility Operating Support costs and not including capital expenditures for New Business or capital stimulus spending under either CIP I or CIP II: 2011 - \$170.5 million; 2012 - \$183.8 million; and 2013 - \$188.8 million, and
- b. Total minimum levels of base gas capital spending, not including capital expenditures for New Business or capital stimulus spending under either CIP I or CIP II: 2011 - \$116.3 million; 2012 - \$133.9 million.

7. The July 2011 CIP II Order also requires that the Qualifying Projects, and

any Board-approved substituted projects, and the associated investment costs included in each CIP II Recovery Filing, will be subject to a prudence review by BPU Staff and Rate Counsel prior to the issuance of a Board Order establishing that the Company's proposed annual base rate adjustment is just and reasonable. The July 2011 CIP II Order and stipulation approved therein also provide that PSE&G's base rate case, Docket No. GR09050422, shall remain open until the conclusion of the proceeding to review the CIP II Recovery Filings made at the conclusion of the final Gas and Electric CIP II Qualifying Projects.

**The Petition Addressed In This Stipulation**

8. PSE&G's petition dated November 1, 2011 (the "CIP II Initial Recovery Petition") is the first CIP II recovery filing as required by the July 2011 CIP II Order. Notice of the requested increase in rates, including the date, time and place of the public hearing, was placed in newspapers having a circulation within the Company's gas and electric service territory and was served on the county executives and clerks of all municipalities within the Company's gas and electric service territory. Public hearings were held in New Brunswick on May 8, 2012, and in Hackensack and Mount Holly on May 10, 2012. No members of the public appeared in Hackensack or Mount Holly, and a total of five members of the public appeared and made statements at the New Brunswick public hearings. One member of the public stated that he represented the Central New Jersey Workers Benefit Council and another testified that she represented the Mercer County

Workers Benefit Council. Testimony of all members of the public indicated that they opposed any rate increases. One member of the public testified that there should be service cut-off moratoriums in winter, spring and summer and another asked questions about the specific CIP II investments.

9. In the CIP II Initial Recovery Petition, PSE&G is seeking BPU approval to recover the revenue requirements associated with the capitalized investment costs of CIP II for 2011. At the time of the filing, the annualized electric and gas revenue requirements were calculated to be approximately \$5.2 million and \$1.4 million in revenue, respectively, or a total of \$6.6 million and were supported by Schedules P-6 through P-10 attached to the November 1, 2011 petition. The base rate revenue requirement adjustments and detailed calculations for electric and gas from Schedule P-6 of the petition were used as the basis to increase current base rates, and included actual expenditures through September 30, 2011 and projected expenditures through December 31, 2011. On March 22, 2012, in response to RCR-A-28, the Company filed an update of its actual capital expenditures and associated revenue requirements through December 31, 2011. The proposed electric and gas rate adjustments used the same rate design methodologies that were used in PSE&G's most recent base rate case, with one minor exception. The minor exception is that the electric and gas street lighting equipment charges were not changed. The detailed calculations supporting the electric and gas rate designs are shown in Attachments B and C to the November 1, 2011 petition. These

Attachments contain the proposed base rates as a result of the base rate adjustments for CIP II for 2011.

10. In support of the CIP II Initial Recovery Petition, PSE&G submitted the testimony of David M. Daly, Vice President, Asset Management and Centralized Services, who testified that PSE&G projected that it would meet the required minimum base capital spending requirements for Non-Qualifying Projects for 2011 of \$170.5 million for electric and \$116.3 million for gas, and that PSE&G had made expenditures on each of the CIP II Qualifying Projects within three months of the date of the Board's July 2011 CIP II Order, i.e., within three months of July 14, 2011.

11. In addition, the Minimum Filing Requirements supporting the CIP II Initial Recovery Petition, as set forth in the July 2011 CIP II Order, were described in Appendix A to PSE&G's November 1, 2011 petition, and were set forth in Schedules P-1 through P-8 and Schedules P-11 and P-14 attached thereto.

#### **Discovery and Settlement Discussions**

12. Discovery questions relating to PSE&G's CIP II Initial Recovery Petition have been propounded by Board Staff and Rate Counsel, and the Company has responded thereto.

13. Following the completion and review of discovery and the public hearings listed above, representatives of PSE&G, Board Staff, and Rate Counsel, the only Parties

to this proceeding, met to discuss the issues and reached a settlement on all aspects of PSE&G's CIP I Final Recovery Petition and CIP II Initial Recovery Petition, both of which are pending before the Board. The substance of the settlement appears below.

**STIPULATED MATTERS**

14. The Parties agree that the costs and rates contained herein are reasonable and prudent.

15. PSE&G has made the total minimum levels of base gas capital and electric spending required under the Board Order dated July 14, 2011 in Docket Nos. EO09010049, GO09010050, ER09110936, EO10110823, and GO10110824 and the July 2011 CIP II Order, not including capital expenditure for new business or capital stimulus spending, under either CIP I or CIP II of \$170.5 million for electric and \$116.3 million for gas, for the year 2011.

16. The Company represents that it has not eliminated or substituted any CIP II Qualifying Project agreed to by the Parties in the Board's July 2011 CIP II Order.

17. The Parties agree that implementation of the base rates described herein shall be effective January 1, 2013 or on the effective date of the Board order approving this stipulation, whichever is later.

18. The Parties agree that Attachment A reflects a detailed description of each CIP II Qualifying Project, the aggregate cost for each CIP II Qualifying Project (actual costs

through December 31, 2011 and the cost projections through CIP II Qualifying Project end), and the estimated number of jobs resulting from each Qualifying Project.

19. For clarity, both this Stipulation and the CIP I Final Recovery Stipulation being executed and submitted simultaneously herewith include the following Table, which details the calculation of the revenue requirements associated with the final roll-in of the CIP I projects through their completion in June 2011 and the initial roll-in of the CIP II projects through December 31, 2011.

<b>ELECTRIC (\$000)</b>			
	<b>CIP I<sup>1</sup></b>	<b>CIP II<sup>2</sup></b>	<b>Total</b>
Rate Base	233,599	28,861	262,460
Rate of Return	8.21%	7.96%	
Operating Income Requirement	19,178	2,299	21,477
Depreciation Expense(net of taxes)	4,655	382	5,036
Interest Expense	(2,802)	(317)	(3,119)
Operating Income Deficiency	21,031	2,363	23,394
Revenue Factor	1.6944	1.6944	1.6944
Revenue Requirements	<b>35,635</b>	<b>4,004</b>	<b>39,639</b>
Under-Recovered Balance @ September 30, 2012	6,713		
<sup>1</sup> . Actual balances through September 30, 2012			
<sup>2</sup> . Actuals through December 31, 2011			

<b>GAS (\$000)</b>			
	<b>CIP I<sup>1</sup></b>	<b>CIP II<sup>2</sup></b>	<b>Total</b>
Rate Base	145,968	12,953	158,921
Rate of Return	8.21%	7.96%	
Operating Income Requirement	11,984	1,032	13,016
Depreciation Expense (net of taxes)	1,815	183	1,998
Interest Expense	(1,751)	(142)	(1,893)
Operating Income Deficiency	12,048	1,072	13,120
Revenue Factor	1.7159	1.7159	1.7159
Revenue Requirements	<b>20,674</b>	<b>1,839</b>	<b>22,513</b>
Under-Recovered Balance @ September 30, 2012	18,054		
<sup>1</sup> . Actual balances through September 30, 2012			
<sup>2</sup> . Actuals through December 31, 2011			

19. Simultaneous with the rate changes reflected herein, other rate changes will be implemented in accordance with the terms of the CIP I Final Recovery Stipulation being executed and submitted simultaneously herewith.

20. Provided the Board approves the CIP I Final Recovery Stipulation, the combined bill impacts of the implementation of the new CAC rates and increase in base rates attributable to these two Stipulations, to a residential electric customer that uses 7,800 kilowatt-hours per year and 803 kWh in a summer month, will be:

Annual: present bill \$1,416.20; new bill \$ 1,418.51; increase of \$2.31 or approximately 0.16%.

Monthly (summer): present bill \$144.20, new bill \$146.05, increase of \$1.85 or approximately 1.28%

The combined bill impacts for a residential gas heating customer that uses 1,050 therms per year and 160 therms in a winter month will be:

Annual: present bill \$1,105.53; new bill \$1,118.41; increase of \$12.88 or approximately 1.17%.

Monthly (winter): present bill \$168.38, new bill \$170.35, increase of \$1.97 or approximately 1.17%

### **FURTHER PROVISIONS**

21. 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 or the CIP I Final Recovery 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.

22. The Parties agree that they consider the Stipulation to be binding on them for all purposes herein.

23. 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, Public Service, 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.

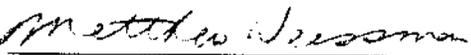
24. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

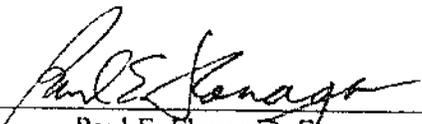
**WHEREFORE**, the Parties hereto do respectfully submit this Stipulation and

request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

PUBLIC SERVICE ELECTRIC AND GAS  
COUNSEL

NEW JERSEY DIVISION OF RATE  
STEFANIE A. BRAND, DIRECTOR

BY:   
Matthew M. Weissman, Esq.  
General Regulatory Counsel - Rates

BY:   
Paul E. Flanagan, Esq.  
Litigation Manager

DATED: December 5, 2012

DATED: 12-6-12

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the Board of Public Utilities

BY:   
T. David Wand  
Deputy Attorney General

DATED: 12/5/12

ATTACHMENT A

PSE&G Capital Infrastructure Investment Program Extension CIP II - GAS  
Capital Stimulus II Gas Investments

BPU Project Number	Infrastructure Project	Sub-Project	Description	Actual Cost Through December 31, 2011	Total Estimated Cost	Jobs Created through December 31, 2011	Total Jobs To Be Created
GD2-001A	Replace Facilities Blanket	Replacement Main	Blanket provides funding for the replacement of approximately 47 miles of aging cast iron and bare steel gas mains (due to active corrosion or high hazard index), and replacement of approximately 2300 bare steel gas services associated with main replacement. In addition provides funding for replacement of approximately 20 aging and obsolete gas pressure regulators and replacement of M&R equipment including water bath heaters, pressure regulators, ancillary pressure control equipment such as scrubbers, gas chromatograph controllers, electronic measurement systems, piping and other appurtenances, and instruments at various M&R Station locations.	\$11,893,408	\$ 43,420,000	30.8	85
GD2-001B	Replace Facilities Blanket	Replacement Service		\$ 3,573,463	\$ 8,280,000	11.8	25
GD2-001C	Replace Facilities Blanket	Replacement Regulator		\$ 20,089	\$ 2,500,000	0.4	5
GD2-001D	Replace Facilities Blanket	M&R Replacements		\$ 15,857	\$ 2,000,000	0.1	1
GD2-002A	Environmental/Regulatory Blanket	BPU Gas Services	Blanket provides funding for the replacement of approximately 1900 bare steel gas services as mandated by the BPU and the 20% rule (NJAC 14:7-1.16 e) "An operator shall replace all bare and coated cathodically unprotected steel service lines within a definable area when records indicate that 20 percent or more of the bare and coated cathodically unprotected steel services within that definable area have exhibited leaks." Accelerated replacement of bare steel services from blocks that are identified during the annual service leakage study. In addition provides funding for the abandonment of 6000 active stubs that have not been used for 12 months or more.	\$ 588,846	\$ 6,860,000	1.7	19
GD2-002B	Environmental/Regulatory Blanket	Stub Abandonment		\$ 144,801	\$ 10,140,000	0.4	25
GD2-003A	System Reinforcement Blanket	Bell Joint Encapsulation	Blanket provides funding for the installation of approximately 570 life extending cast iron bell joint encapsulations. Also includes the installation of various new reinforcement mains and regulating stations to improve system reliability in areas of the service territory identified by network analysis and actual pressures experienced, and overall capacity improvements that minimize pressure losses during periods of high demand. Enhances system reliability and integrity and ensures system pressures remain above design minimums.	\$ 3,060,919	\$ 3,750,000	8.3	6
GD2-003B	System Reinforcement Blanket	Distribution Reinforcements		\$ 678,712	\$ 1,000,000	0.3	1
<b>Grand Total</b>				<b>\$19,976,095</b>	<b>\$ 77,950,000</b>	<b>53.9</b>	<b>167</b>

**ATTACHMENT A  
CIP II - ELECTRIC**

<b>BPU Project Number</b>	<b>Infrastructure Project</b>	<b>Description</b>	<b>Actual Cost Through December 31, 2011</b>	<b>Total Estimated Cost</b>	<b>Jobs Created through December 31, 2011</b>	<b>Total Jobs To Be Created</b>
ED2-016	Jersey City 13kV Network Optimization	This project provides funding for the optimization of the Jersey City underground network. The rearrangements would greatly increase area reliability by simplifying the network, reinforcing it and replacing aged cables.	\$ 1,920,403	\$ 8,250,000	0.2	13.0
ED2-017	New Brunswick 26kV Network Optimization	This project provides funding for the optimization of the New Brunswick underground network. The rearrangements would greatly increase area reliability by simplifying the network, reinforcing it and replacing aged cables.	\$ 1,979,858	\$ 5,000,000	3.0	8.0
ED2-019	Install 5th Feeder At Hawthorne	Install the Hawthorne Substation 5th feeder to accommodate changing load profiles in the Hawthorne-Ridgewood-Wyckoff area.	\$ 27,827	\$ 3,900,000	0.1	6.0
ED2-021	Runnemede 5th and 6th Feeders	Install the Runnemede Substation 5th and 6th feeders to accommodate changing load profiles in the Runnemede-Gloucester area.	\$ 419,495	\$ 4,500,000	1.0	7.0
ED2-023	St. Peters New Brunswick Upgrade	Improve reliability to the Hospital by reducing momentary interruptions	\$ 859,019	\$ 2,200,000	2.3	3.0
ED2-024	South River Upgrade	Improve reliability and accessibility for restoration of two 26kv supply lines	\$ 1,469,445	\$ 2,750,000	2.6	4.0
<b>Grand Total</b>			<b>\$ 38,524,388</b>	<b>\$ 195,400,000</b>	<b>63.5</b>	<b>310.0</b>

**ATTACHMENT A  
CIP II - ELECTRIC**

<b>BPU Project Number</b>	<b>Infrastructure Project</b>	<b>Description</b>	<b>Actual Cost Through December 31, 2011</b>	<b>Total Estimated Cost</b>	<b>Jobs Created through December 31, 2011</b>	<b>Total Jobs To Be Created</b>
ED2-008	Recloser Replacement Program	This program provides funding for condition based replacement of aging reclosers which improves reliability and eliminates oil containing devices from the pole top.	\$ 981,594	\$ 4,000,000	1.5	6.0
ED2-009	UG Cable Replacement Program	This program provides funding for the replacement of poorly performing underground cable throughout the distribution system with newer more reliable cable.	\$ 2,807,559	\$ 15,000,000	3.8	24.0
ED2-010	Aerial Cable Replacement Program	This program provides funding for the replacement of poorly performing aerial cable throughout the distribution system with newer more reliable cable.	\$ 1,147,496	\$ 3,500,000	2.1	6.0
ED2-011	BUD Cable Replacement Program	This program provides for replacement of aging BUD cable facilities to preserve asset function and reliability.	\$ 4,305,765	\$ 20,000,000	9.3	32.0
ED2-012	Network Equipment Replacement Program	This program provides funding for the replacement defective miscellaneous underground equipment such as transformers, network protectors, oil filled cutouts, etc.	\$ 4,885,883	\$ 6,700,000	4.1	11.0
ED2-013	13kV Network Protector Relays Replacement Program	This program provides for the replacement of older network protector relays with new expanded capability protection relays. This program is Pat Downes recommendation #6.	\$ 549,513	\$ 1,500,000	1.4	2.0
ED2-014	LPGF Gas Monitoring System	This project provides for installation of monitoring systems to track consumption of nitrogen gas used by specific feeders in the stations which will enable targeted gas leakage repairs. This program is Pat Downes recommendation #10.	\$ 1,852	\$ 900,000	0.0	1.0
ED2-015	Jersey City 26kV Network Optimization & Network Monitoring	This project provides funding for the optimization of the South Waterfront underground network. The plan calls to separate the network load from the Morgan St 26-kv radial grid and form a pure three circuit network directly supplied from S. Waterfront. The present configuration is subject to miss-operations which could shut down critical financial institutions. The rearrangements would greatly increase area reliability by simplifying the network, reinforcing it and replacing aged cables. In order to maximize the synergies created by Network Monitoring, the reconfiguration of the network will need to occur concurrently with the network monitoring project. Pat Downes recommendation # 8.	\$ 5,094,866	\$ 20,000,000	6.4	32.0

**ATTACHMENT A  
CIP II - ELECTRIC**

**PSE&G Capital Infrastructure Investment Program Extension  
Capital Stimulus II Electric Investments**

<b>BPU Project Number</b>	<b>Infrastructure Project</b>	<b>Description</b>	<b>Actual Cost Through December 31, 2011</b>	<b>Total Estimated Cost</b>	<b>Jobs Created through December 31, 2011</b>	<b>Total Jobs To Be Created</b>
ED2-001	Indoor Breaker Replacement Program	This program provides funding for the replacement of aging (1926) indoor Oil Circuit Breakers at Norfolk, Irvington, Ironbound, and Central Ave to preserve asset function and	\$ 368,361	\$ 12,000,000	0.4	19.0
ED2-002	Fire Protection System Upgrade Program	This program provides funds for indoor substation fire protection system upgrades.	\$ 1,092,943	\$ 2,400,000	0.8	4.0
ED2-003	Relay Replacement Program	This program provides funding for relay replacements of first generation solid state devices, mainly Westinghouse relays installed in the early 1970s. These relays have proven unreliable because their trip settings drift requiring annual maintenance.	\$ 558,545	\$ 3,000,000	0.3	5.0
ED2-004	Urban Substation Upgrade	This project focuses on improving the overall condition, reliability and infrastructure in our urban substations. The improvements include replacement of old, energy inefficient voltage regulators, station light and power transformers and inadequate substation lighting. These station	\$ 1,068,192	\$ 11,300,000	0.5	18.0
ED2-004B	Urban Substation Upgrade - Security Fencing	upgrades will provide those customers in our urban service territory with better voltage regulation during peak periods, reduces risks due to aging equipment and provides societal benefits associated with energy conservation.	\$ 14,985	\$ 1,000,000	0.1	2.0
ED2-005	Ventilation System Upgrade	This project provides funding for replacement of the ventilation system at Harrison Substation to keep summer extreme temperatures in the station below 100 degrees. High temperatures during the summer months with improper ventilation can result in a station shutdown and serious health risks for employees within the station.	\$ 5,701	\$ 500,000	0.0	1.0
ED2-006	SAIFI Improvement Program	This program provides systematic funding for condition based replacement of selected devices and additional equipment which directly affect customer reliability. The program will be divided into 4 parts: 1) Minor circuit remediation; 2) Reduce customer impact by increased sectionalization; 3) Major circuit remediation; and 4) Replace Defective Poles	\$ 7,003,978	\$ 60,000,000	18.4	95.0
ED2-007	Lashed cable - SAIFI Improvement	This program provides funding for the replacement of poorly performing overhead lashed cable throughout the distribution system with newer more reliable cable.	\$ 1,961,110	\$ 7,000,000	5.2	11.0

CIP I & CIP II Roll-in  
Gas Tariff Rates

Rate Schedule	Present		Proposed		Difference w/out SUT	
	Charge w/o SUT	Charge Including SUT	Charge w/o SUT	Charge Including SUT		
RSG	Service Charge	\$5.46	\$5.84	\$5.46	\$5.84	\$0.00
	Distribution Charges	\$0.284622	\$0.304546	\$0.296251	\$0.316989	\$0.011629
	Balancing Charge	\$0.089679	\$0.095957	\$0.089679	\$0.095957	\$0.000000
	Off-Peak Use	\$0.142311	\$0.152273	\$0.148126	\$0.158495	\$0.005815
GSG	Service Charge	\$9.80	\$10.49	\$10.28	\$11.00	\$0.48
	Distribution Charge - Pre July 14, 1997	\$0.230226	\$0.246342	\$0.237175	\$0.253777	\$0.006949
	Distribution Charge - All Others	\$0.246195	\$0.263429	\$0.253144	\$0.270864	\$0.006949
	Balancing Charge	\$0.089679	\$0.095957	\$0.089679	\$0.095957	\$0.000000
	Off-Peak Use Dist Charge - Pre July 14, 1997	\$0.115113	\$0.123171	\$0.118588	\$0.126889	\$0.003475
	Off-Peak Use Dist Charge - All Others	\$0.123998	\$0.131715	\$0.126572	\$0.135432	\$0.003474
LVG	Service Charge	\$90.67	\$97.02	\$95.10	\$101.76	\$4.43
	Demand Charge	\$3.4000	\$3.6380	\$3.5068	\$3.7523	\$0.1068
	Distribution Charge 0-1,000 pre July 14, 1997	\$0.069328	\$0.074181	\$0.062249	\$0.066606	(\$0.007079)
	Distribution Charge over 1,000 pre July 14, 1997	\$0.028005	\$0.029965	\$0.031732	\$0.033953	\$0.003727
	Distribution Charge 0-1,000 post July 14, 1997	\$0.078185	\$0.081518	\$0.069106	\$0.073943	(\$0.007079)
	Distribution Charge over 1,000 post July 14, 1997	\$0.034862	\$0.037302	\$0.038589	\$0.041290	\$0.003727
	Balancing Charge	\$0.089679	\$0.095957	\$0.089679	\$0.095957	\$0.000000
SLG	Single-Mantle Lamp	\$9.6318	\$10.3058	\$9.6316	\$10.3058	\$0.0000
	Double-Mantle Lamp, inverted	\$9.4856	\$10.1496	\$9.4856	\$10.1496	\$0.0000
	Double Mantle Lamp, upright	\$8.3906	\$8.9779	\$8.3906	\$8.9779	\$0.0000
	Triple-Mantle Lamp, prior to January 1, 1993	\$9.4856	\$10.1496	\$9.4856	\$10.1496	\$0.0000
	Triple-Mantle Lamp, on and after January 1, 1993	\$61.9958	\$66.3355	\$61.9958	\$66.3355	\$0.0000
	Distribution Therm Charge	\$0.054139	\$0.057929	\$0.069943	\$0.074839	\$0.015804
TSG-F	Service Charge	\$465.59	\$498.18	\$488.34	\$522.52	\$22.75
	Demand Charge	\$1.6887	\$1.8069	\$1.7442	\$1.8663	\$0.0555
	Distribution Charges	\$0.066128	\$0.070757	\$0.068250	\$0.073028	\$0.002122
TSG-NF	Service Charge	\$465.59	\$498.18	\$488.34	\$522.52	\$22.75
	Distribution Charge 0-50,000	\$0.066264	\$0.070902	\$0.068284	\$0.073064	\$0.002020
	Distribution Charge over 50,000	\$0.066264	\$0.070902	\$0.068284	\$0.073064	\$0.002020
	Special Provision (d)	\$1.89	\$2.02	\$1.89	\$2.02	\$0.00
CIG	Service Charge	\$127.04	\$135.93	\$131.18	\$140.36	\$4.14
	Distribution Charge 0-600,000	\$0.057754	\$0.061797	\$0.059578	\$0.063748	\$0.001824
	Distribution Charge over 600,000	\$0.047391	\$0.050708	\$0.048888	\$0.052310	\$0.001497
	Special Provision (c) 1st para	\$1.89	\$2.02	\$1.89	\$2.02	\$0.00
BGSS RSG	Commodity Charge including Losses	0.508511	0.544107	0.508392	0.543979	(\$0.000119)

CIP I and II Roll-in  
Electric Tariff Rates

		Present		Proposed		Difference w/out SUT
		Charge w/out SUT	Charge including SUT	Charge w/out SUT	Charge including SUT	
<b>Rate Schedules</b>						
RS	Service Charge	\$2.27	\$2.43	\$2.27	\$2.43	\$0.00
	Distribution 0-600 Sum	\$0.032087	\$0.034333	\$0.035148	\$0.037608	\$0.003061
	Distribution 0-600 Win	\$0.035512	\$0.037998	\$0.035512	\$0.037998	\$0.000000
	Distribution over 600 Sum	\$0.035908	\$0.038422	\$0.038969	\$0.041697	\$0.003061
	Distribution over 600 Win	\$0.035512	\$0.037998	\$0.035512	\$0.037998	\$0.000000
RHS	Service Charge	\$2.27	\$2.43	\$2.27	\$2.43	\$0.00
	Distribution 0-600 Sum	\$0.047462	\$0.050784	\$0.049178	\$0.052620	\$0.001716
	Distribution 0-600 Win	\$0.031427	\$0.033627	\$0.032563	\$0.034842	\$0.001136
	Distribution over 600 Sum	\$0.052592	\$0.056273	\$0.054494	\$0.058309	\$0.001902
	Distribution over 600 Win	\$0.013002	\$0.013912	\$0.013472	\$0.014415	\$0.000470
	Common Use	\$0.052592	\$0.056273	\$0.054494	\$0.058309	\$0.001902
RLM	Service Charge	\$13.07	\$13.98	\$13.07	\$13.98	\$0.00
	Distrib. kWhr Summer On	\$0.054690	\$0.058518	\$0.057185	\$0.061188	\$0.002495
	Distrib. kWhr Summer Off	\$0.013950	\$0.014927	\$0.014586	\$0.015607	\$0.000636
	Distrib. kWhr Winter On	\$0.013950	\$0.014927	\$0.014586	\$0.015607	\$0.000636
	Distrib. kWhr Winter Off	\$0.013950	\$0.014927	\$0.014586	\$0.015607	\$0.000636
WH	Distribution	\$0.042890	\$0.045892	\$0.044333	\$0.047436	\$0.001443
WHS	Service Charge	\$0.52	\$0.56	\$0.52	\$0.56	\$0.00
	Distribution	\$0.001062	\$0.001136	\$0.001260	\$0.001348	\$0.000198
HS	Service Charge	\$3.11	\$3.33	\$3.11	\$3.33	\$0.00
	Distribution June-September	\$0.079807	\$0.085393	\$0.082684	\$0.088472	\$0.002877
	Distribution October-May	\$0.030685	\$0.032833	\$0.031791	\$0.034016	\$0.001106
GLP	Service Charge	\$3.96	\$4.24	\$3.96	\$4.24	\$0.00
	Service Charge-unmetered	\$1.83	\$1.96	\$1.83	\$1.96	\$0.00
	Service Charge-Night Use	\$347.77	\$372.11	\$347.77	\$372.11	\$0.00
	Distrib. KW Annual	\$3.8307	\$4.0988	\$3.9750	\$4.2533	\$0.1443
	Distrib. KW Summer	\$7.1094	\$7.6071	\$7.3771	\$7.8935	\$0.2677
	Distribution kWhr, June-September	\$0.011037	\$0.011810	\$0.011376	\$0.012172	\$0.000339
	Distribution kWhr, October-May	\$0.005203	\$0.005567	\$0.005322	\$0.005695	\$0.000119
	Distribution kWhr, Night use, June-September	\$0.005203	\$0.005567	\$0.005322	\$0.005695	\$0.000119
	Distribution kWhr, Night use, October-May	\$0.005203	\$0.005567	\$0.005322	\$0.005695	\$0.000119
LPL-Secondary	Service Charge	\$347.77	\$372.11	\$347.77	\$372.11	\$0.00
	Distrib. KW Annual	\$3.1526	\$3.3733	\$3.2915	\$3.5219	\$0.1389
	Distrib. KW Summer	\$7.5002	\$8.0252	\$7.8305	\$8.3786	\$0.3303
	Distribution kWhr	\$0.001583	\$0.001694	\$0.001583	\$0.001694	\$0.000000
LPL-Primary	Service Charge	\$347.77	\$372.11	\$347.77	\$372.11	\$0.00
	Service Charge-Alternate	\$17.88	\$19.13	\$17.88	\$19.13	\$0.00
	Distrib. KW Annual	\$1.4978	\$1.6028	\$1.5612	\$1.6705	\$0.0634
	Distrib. KW Summer	\$8.3148	\$8.8968	\$8.6669	\$9.2738	\$0.3521
	Distribution kWhr	\$0.001515	\$0.001621	\$0.001515	\$0.001621	\$0.000000
HTS-Subtransmission	Service Charge	\$1,911.39	\$2,045.19	\$1,911.39	\$2,045.19	\$0.00
	Distrib. KW Annual	\$0.9464	\$1.0126	\$0.9896	\$1.0589	\$0.0432
	Distrib. KW Summer	\$3.4215	\$3.6610	\$3.5777	\$3.8281	\$0.1562
	Distribution kWhr	\$0.001103	\$0.001180	\$0.001103	\$0.001180	\$0.000000

CIP I and II Roll-In  
Electric Tariff Rates

		<u>Present</u>		<u>Proposed</u>		<u>Difference</u> <u>w/out SUT</u>
		<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>Including</u> <u>SUT</u>	<u>Charge</u> <u>w/out SUT</u>	<u>Charge</u> <u>Including</u> <u>SUT</u>	
HTS-HV	Service Charge	\$1,720.25	\$1,840.67	\$1,720.25	\$1,840.67	\$0.00
	Distrib. KW Annual	\$0.5941	\$0.6357	\$0.6305	\$0.6746	\$0.0364
	Distribution kWhr	\$0.001103	\$0.000000	\$0.001103	\$0.001180	\$0.000000
BPL	Distribution Sum	\$0.006616	\$0.007079	\$0.011242	\$0.012029	\$0.004626
	Distribution Winter	\$0.006616	\$0.007079	\$0.011242	\$0.012029	\$0.004626
BPL-POF	Distribution Sum	\$0.006648	\$0.007113	\$0.007351	\$0.007866	\$0.000703
	Distribution Winter	\$0.006648	\$0.007113	\$0.007351	\$0.007866	\$0.000703
PSAL	Distribution Sum	\$0.006997	\$0.007487	\$0.012399	\$0.013267	\$0.005402
	Distribution Winter	\$0.006997	\$0.007487	\$0.012399	\$0.013267	\$0.005402

Electric CIP 1 Capital Adjustment Charges (CAC)  
Electric Tariff Rates

<u>Capital Adjustment Charges</u>	<u>Present</u>		<u>Proposed</u>		<u>Difference w/out SUT</u>
	<u>Charge w/out SUT</u>	<u>Charge including SUT</u>	<u>Charge w/out SUT</u>	<u>Charge including SUT</u>	
<b><u>RS</u></b>					
Service Charge	\$0.08	\$0.09	\$0.01	\$0.01	(\$0.07)
Distribution 0-600, June-September	\$0.001005	\$0.001075	\$0.000210	\$0.000225	(\$0.000795)
Distribution 0-600, October-May	\$0.001121	\$0.001199	\$0.000213	\$0.000228	(\$0.000908)
Distribution over 600, June-September	\$0.001134	\$0.001213	\$0.000235	\$0.000251	(\$0.000899)
Distribution over 600, October-May	\$0.001121	\$0.001199	\$0.000213	\$0.000228	(\$0.000908)
<b><u>RHS</u></b>					
Service Charge	\$0.08	\$0.09	\$0.01	\$0.01	(\$0.07)
Distribution 0-600, June-September	\$0.001522	\$0.001629	\$0.000300	\$0.000321	(\$0.001222)
Distribution 0-600, October-May	\$0.000983	\$0.001052	\$0.000194	\$0.000208	(\$0.000789)
Distribution over 600, June-September	\$0.001694	\$0.001813	\$0.000334	\$0.000357	(\$0.001360)
Distribution over 600, October-May	\$0.000354	\$0.000389	\$0.000072	\$0.000077	(\$0.000292)
Common Use	\$0.001694	\$0.001813	\$0.000334	\$0.000357	(\$0.001360)
<b><u>RLM</u></b>					
Service Charge	\$0.44	\$0.47	\$0.08	\$0.09	(\$0.36)
Distribution, June-September, On-Peak	\$0.001787	\$0.001912	\$0.000355	\$0.000380	(\$0.001432)
Distribution, June-September, Off-Peak	\$0.000418	\$0.000447	\$0.000084	\$0.000090	(\$0.000334)
Distribution, October-May, On-Peak	\$0.000418	\$0.000447	\$0.000084	\$0.000090	(\$0.000334)
Distribution, October-May, Off-Peak	\$0.000418	\$0.000447	\$0.000084	\$0.000090	(\$0.000334)
<b><u>WH</u></b>					
Distribution	\$0.001401	\$0.001499	\$0.000275	\$0.000294	(\$0.001126)
<b><u>WHS</u></b>					
Service Charge	\$0.02	\$0.02	\$0.00	\$0.00	(\$0.02)
Distribution	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
<b><u>HS</u></b>					
Service Charge	\$0.10	\$0.11	\$0.02	\$0.02	(\$0.08)
Distribution, June-September	\$0.002613	\$0.002796	\$0.000515	\$0.000551	(\$0.002098)
Distribution, October-May	\$0.000963	\$0.001030	\$0.000190	\$0.000203	(\$0.000773)
<b><u>GLP</u></b>					
Service Charge	\$0.13	\$0.14	\$0.03	\$0.03	(\$0.10)
Service Charge-Unmetered	\$0.06	\$0.06	\$0.01	\$0.01	(\$0.05)
Service Charge-Night Use	\$11.69	\$12.51	\$2.22	\$2.38	(\$9.47)
Annual Demand	\$0.1287	\$0.1377	\$0.0254	\$0.0272	(\$0.1033)
Summer Demand, June-September	\$0.2369	\$0.2556	\$0.0471	\$0.0504	(\$0.1918)
Distribution kWhr, June-September	\$0.000302	\$0.000323	\$0.000060	\$0.000064	(\$0.000242)
Distribution kWhr, October-May	\$0.000106	\$0.000113	\$0.000021	\$0.000022	(\$0.000085)
Distribution kWhr, Night use, June-September	\$0.000106	\$0.000113	\$0.000021	\$0.000022	(\$0.000085)
Distribution kWhr, Night use, October-May	\$0.000106	\$0.000113	\$0.000021	\$0.000022	(\$0.000085)
<b><u>LPL-Sec</u></b>					
Service Charge	\$11.69	\$12.51	\$2.22	\$2.38	(\$9.47)
Annual Demand	\$0.1059	\$0.1133	\$0.0210	\$0.0225	(\$0.0849)
Summer Demand, June-September	\$0.2520	\$0.2696	\$0.0500	\$0.0535	(\$0.2020)
Distribution	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000

Electric CIP 1 Capital Adjustment Charges (CAC)  
Electric Tariff Rates

<u>Capital Adjustment Charges</u>		<u>Present</u>		<u>Proposed</u>		<u>Difference w/out SUT</u>
		<u>Charge w/out SUT</u>	<u>Charge including SUT</u>	<u>Charge w/out SUT</u>	<u>Charge including SUT</u>	
<u>LPL- Pri</u>	Service Charge	\$11.69	\$12.51	\$2.22	\$2.38	(\$9.47)
	Service Charge-Primary Alternate	\$0.60	\$0.64	\$0.11	\$0.12	(\$0.49)
	Annual Demand	\$0.0503	\$0.0538	\$0.0100	\$0.0107	(\$0.0403)
	Summer Demand, June-September	\$0.2794	\$0.2990	\$0.0553	\$0.0592	(\$0.2241)
	Distribution	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
<u>HTS-Subtr</u>	Service Charge	\$64.23	\$68.73	\$12.20	\$13.05	(\$52.03)
	Annual Demand	\$0.0318	\$0.0340	\$0.0063	\$0.0067	(\$0.0255)
	Summer Demand, June-September	\$0.1150	\$0.1231	\$0.0228	\$0.0244	(\$0.0922)
	Distribution	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
<u>HTS-HV</u>	Service Charge	\$57.81	\$61.86	\$10.98	\$11.75	(\$46.83)
	Annual Demand	\$0.0200	\$0.0214	\$0.0040	\$0.0043	(\$0.0160)
	Distribution	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
<u>BPL</u>	Distribution	\$0.000180	\$0.000193	\$0.000064	\$0.000068	(\$0.000116)
<u>BPL-POF</u>	Distribution	\$0.000181	\$0.000194	\$0.000039	\$0.000042	(\$0.000142)
<u>PSAL</u>	Distribution	\$0.000193	\$0.000207	\$0.000071	\$0.000076	(\$0.000122)