



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY FOR )  
APPROVAL OF CHANGES IN ITS ELECTRIC )  
CONSERVATION INCENTIVE PROGRAM (2022 PSE&G )  
ELECTRIC CIP RATE FILING) )  
DECISION AND ORDER  
APPROVING STIPULATION  
FOR FINAL RATES  
DOCKET NO. ER22020035

**Parties of Record:**

**Danielle Lopez, Esq., Assistant Counsel – Regulatory** on behalf of Public Service Electric and Gas Company  
**Brian O. Lipman, Esq., Director,** New Jersey Division of Rate Counsel

BY THE BOARD:

On February 1, 2022, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking approval to implement an Electric Conservation Incentive Program (“ECIP”) and associated customer class rates to account for potential lost sales revenues stemming from the Company’s energy efficiency (“EE”) programs (“February 2022 ECIP Petition”). By this Decision and Order, the Board considers a final stipulation of settlement (“Stipulation”) executed by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”), intended to resolve this matter.

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, L. 2007, c. 340 (“RGGI Act”) was signed into law. The RGGI Act includes findings that EE and conservation measures are essential elements of New Jersey’s energy future and have significant benefits to the citizens of New Jersey. N.J.S.A. 26:2C-45. As such, under the RGGI Act, an electric or gas public utility may provide and invest in EE and conservation programs in its service territory, and upon Board approval, EE and conservation programs may be eligible for rate treatment, including a return on equity, or rate mechanisms that decouple utility revenue from sales of electricity and gas. See N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility’s rate base, or recovering the utility’s technology and program costs through another ratemaking methodology

approved by the Board including, but not limited to, the Societal Benefits Charge established pursuant to Section 12 of L. 1999, c. 23.<sup>1</sup>

On May 23, 2018, Governor Murphy signed the Clean Energy Act, codified at N.J.S.A. 48:3-87, et seq., into law (“Clean Energy Act” or “CEA”). The CEA calls for aggressive energy reduction requirements, emphasizing the importance of EE and peak demand reduction (“PDR”), and requires the Board to adopt an energy efficiency program, “to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities.” See N.J.S.A. 48:3-87(g). The CEA also calls upon New Jersey’s electric and gas public utilities to increase the delivery of EE and PDR programs to customers via the reduction of electricity and natural gas usage.<sup>2</sup> See N.J.S.A. 48:3-87.9(a).

On the same day, May 23, 2018, Governor Murphy issued Executive Order 28 (“EO 28”), directing the creation of a new Energy Master Plan (“2019 EMP”). The goal of the 2019 EMP was to, “provide a comprehensive blueprint for the total conversion of the state’s energy production profile to 100% clean energy sources on or before January 1, 2050” as well as “specific proposals to be implemented over the next ten (10) years in order to achieve the January 1, 2050 goal.”<sup>3</sup>

On September 23, 2020, the Board approved PSE&G’s Clean Energy Future – Energy Efficiency program (“CEF-EE”) that included, among other things, the establishment of an electric and gas conservation incentive mechanism (“CIP”) to account for lost revenue resulting from the potential decrease in customer energy usage stemming from administering clean energy programs.<sup>4</sup>

### **February 2022 ECIP Petition**

In accordance with the CEF-EE Order, PSE&G sought Board approval to implement a rate adjustment, related to changes in average revenue when compared to a baseline per customer.<sup>5</sup> According to the February 2022 ECIP Petition, the CIP margin deficiency to be collected from customers, or the margin excess to be refunded to customers, is calculated monthly by applicable rate schedule by subtracting the baseline revenue per customer from the actual revenue per customer, and multiplying the resulting revenue by the actual number of customers for the month.

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<sup>1</sup> N.J.S.A. 48:3-60.

<sup>2</sup> New Jersey’s electric and gas public utilities include Atlantic City Electric Company (“ACE”), Butler Power and Light Company (“Butler”), Elizabethtown Gas Company (“Elizabethtown”), Jersey Central Power & Light Company (“JCP&L”), New Jersey Natural Gas Company (“NJNG”), Public Service Electric and Gas Company (“PSE&G”), Rockland Electric Company (“RECO”), and South Jersey Gas Company (“SJG”).

<sup>3</sup> Exec. Order No. 28 (May 23, 2018).

<sup>4</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future-Energy Efficiency (“CEF-EE”) Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order dated September 23, 2020 (“CEF-EE Order”).

<sup>5</sup> The electric baseline per customer is determined via the billing determinants from the Company’s 2018 base rate case and the latest variable margin rates per schedule, including any Infrastructure Investment Program (“IIP”) rate adjustments. The 2018 base rate case was approved October 29, 2018 in BPU Docket Nos. ER18010029 & GR18010030. The latest variable margin revenue for this filing was based on the Energy Strong II rate adjustment approved on April 27, 2021 for new rates effective May 1, 2021, in BPU Docket No. ER20120736.

The February 2022 ECIP Petition proposed an ECIP deferral of \$51,551,188, representing \$72,568,455 of non-weather related electric distribution margin deficiencies. This is partially offset by a refund due to customers of \$21,017,267 associated with weather-related electric distribution margin. As required by the CEF-EE Order and its associated stipulation, the proposed electric rate adjustment is limited by a Variable Margin test, resulting in the Company's ECIP recovery of non-weather related distribution margin deficiencies totaling \$72,568,455, being limited to \$38,767,864. The net ECIP amounted to \$17,750,598, representing \$38,767,864 of allowed margin recovery partially offset by weather-related refunds to residential customer totaling \$21,017,267. Because of the limitation on allowed margin revenue for recovery, the remaining \$33,800,591 of distribution margin deficiency was proposed to be deferred for recovery in a future CIP period.

The ECIP rates proposed in the February 2022 ECIP Petition and their associated customer classes are as follows:

|           |          | ECIP Rates<br>Without<br>SUT | ECIP Rates<br>with SUT |                                     |
|-----------|----------|------------------------------|------------------------|-------------------------------------|
| Group I   | RS & RHS | (\$0.001108)                 | (\$0.001181)           | Per kilowatt-hour                   |
| Group Ia  | RLM      | (\$0.000598)                 | (\$0.000638)           | Per kilowatt-hour                   |
| Group II  | GLP      | \$0.6371                     | \$0.6793               | Per kilowatt of monthly peak demand |
| Group III | LPL-S    | \$0.6108                     | \$0.6513               | Per kilowatt of monthly peak demand |

Additionally, according to the February 2022 ECIP Petition, the Company's Shareholder contribution funding of \$3.3 million per year deferral period is misaligned. In the February 2022 ECIP Petition, the Company stated that the first electric deferral period is June 2021 – May 2022, and the initial natural gas deferral period is October 2021 – September 2022. The Company proposed to adjust the \$3.3 million within the first 18 months to account for the deferral period misalignment, and then begin to report against the \$3.3 million on an annual basis. As a result, the Company proposed to target spending \$3,905,000 by September 2022; \$3.3 million for the October 2021 – September 2022 period, when both the electric and gas periods are in effect, plus an additional \$605,000 representing the June 2021 – September 2021 period, when only the electric deferral period is in effect.

On June 8, 2022, the Board approved PSE&G's ECIP mechanism and proposed rates on a provisional basis, subject to refund, while the Parties continued to review the matter.<sup>6</sup>

Throughout the course of this filing, the Company updated its schedules and Shareholder Contribution to reflect actual data through May 31, 2022.

Following publication of notice in newspapers of general circulation within PSE&G's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on May 3, 2022.<sup>7</sup>

<sup>6</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric Conservation Incentive Program, BPU Docket No. ER22020035, Order dated June 8, 2022.

<sup>7</sup> Due to the COVID-19 pandemic, hearings were held virtually.

No members of the public attended or filed written comments with the Board.

### **STIPULATION**

Following a review of the February 2022 ECIP Petition, and discovery, the Parties have executed the Stipulation, which provides, in pertinent part, as follows:<sup>8</sup>

1. The Company's final ECIP deferral for the June 2021 - May 2022 recovery period is \$46,825,075.
2. The Company passed the Earnings Test that would preclude recovery of the ECIP deferral.
3. The provisional rates effective June 15, 2022, to recover \$17,750,598, if approved as final, result in a carry-forward balance of \$29,074,477, recoverable in a subsequent ECIP filing.
4. Exhibit C of the Stipulation provide the tariff sheets showing the agreed upon final ECIP rates.
5. The actual ECIP results through May 31, 2022 are prudent and reasonable.
6. The Parties agree to the Company's Shareholder Contribution spending adjustment method to correct for the misalignment between the ECIP and gas CIP reflected in the filing, and that initiatives and actual spending of \$325,906 through November 2021 are consistent with the Shareholder Contribution goals established in the CEF-EE Order.

### **DISCUSSION AND FINDING**

Having carefully reviewed all documents pertaining to this matter including, but not limited to, the February 2022 ECIP Petition, the provisional stipulation, and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

As such, a typical residential electric customer using 740 kWh in a summer month and 6,920 kWh annually would experience no change in their bills.

Accordingly, the Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by February 28, 2023.

The Company's costs, including those related to the ECIP, will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

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<sup>8</sup> Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

This Board Order shall be effective on February 24, 2023.

DATED: February 17, 2023

BOARD OF PUBLIC UTILITIES  
BY:


  
\_\_\_\_\_  
JOSEPH L. FIORDALISO  
PRESIDENT

  
\_\_\_\_\_  
MARY ANNA HOLDEN  
COMMISSIONER

  
\_\_\_\_\_  
DIANNE SOLOMON  
COMMISSIONER

  
\_\_\_\_\_  
ROBERT M. GORDON  
COMMISSIONER

  
\_\_\_\_\_  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:   
\_\_\_\_\_  
CARMEN D. DIAZ  
ACTING SECRETARY

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

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR  
APPROVAL OF CHANGES IN ITS ELECTRIC CONSERVATION INCENTIVE PROGRAM (2022 PSE&G  
ELECTRIC CIP RATE FILING)

DOCKET NO. ER22020035

SERVICE LIST

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|---|--|
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|---|--|

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January 10, 2023

In the Matter of the Petition of  
Public Service Electric and Gas Company  
for Approval of Changes to its Electric Conservation  
Incentive Program  
(2022 PSE&G Electric CIP Rate Filing)

Docket No. ER22020035

**VIA ELECTRONIC MAIL**

Carmen Diaz, Acting Board Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Diaz:

Attached is the fully executed Stipulation in the above-reference matter resolving all aspects of this matter. All the parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

Consistent with the Order issued by the New Jersey Board of Public Utilities (“BPU or Board”) in connection with In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this filing is being electronically filed with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Danielle Lopez", written in a cursive style.

C Attached Service List (E-Mail)

In the Matter of the Petition of Public  
Service Electric and Gas Company for  
Approval of Changes in its Electric  
Conservation Incentive Program (2022  
PSE&G Electric CIP Rate Filing)  
BPU Docket No. ER22020035

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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 CHANGES        )**  
**IN ITS ELECTRIC CONSERVATION                )**  
**INCENTIVE PROGRAM                                ) BPU DOCKET NO. ER22020035**  
**(2022 PSE&G ELECTRIC CIP RATE FILING)    )**

**STIPULATION AND AGREEMENT FOR FINAL RATES**

**APPEARANCES:**

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**Maura Caroselli, Esq.**, Managing Attorney – Gas, **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Director).

**Matko Ilic**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin, Attorney General of New Jersey**)

On February 1, 2022, Public Service Electric and Gas Company (“PSE&G” or “Petitioner”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting a rate adjustment in response to changes in the average revenue per customer compared to a baseline revenue per customer, pursuant to *N.J.S.A.* 48:2-21 and the Clean Energy Future-Energy Efficiency Program (“CEF-EE”) (“February 2022 Petition”).<sup>1</sup> In the CEF-EE Order, the Board approved a stipulation and Conservation Incentive Program (“CIP”) allowing the Company to account for potential lost sales revenue from implementation and/or expansion of energy efficiency offerings and subsequent potential reductions in customer energy usage (“CEF-EE Stipulation”). See CEF-EE Stipulation attached hereto as Exhibit A (“Exhibit A”). Exhibit A,

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<sup>1</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future-Energy Efficiency Program on a Regulated Basis, BPU Docket Nos. EO18101113 and GO18101112, Order dated September 23, 2020 (“CEF-EE Order”).

paragraph 39, authorizes an electric CIP (“ECIP”) cost recovery filing by February 1, 2022, for new rates effective June 1, 2022. Id. Lost revenues, if any, will be recovered via a CIP based on the methodology set forth below, and as detailed in Attachments 5 and 6E to Exhibit A.

The ECIP baseline revenue per customer is derived from the billing determinants utilized in PSE&G’s 2018 base rate case and the latest variable margin rates per rate schedule, including any IIP rate adjustments. Baseline usage and margin rates are updated with each subsequent base rate case or IIP rate adjustment. To determine recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into non-weather-related and weather-related components.

The non-weather-related component is calculated by deducting the weather-related component from the total CIP accrual. Gas weather-related impact is calculated in the manner used for the Company’s existing Weather Normalization Charge. The ECIP weather-related impact is calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based upon 20 years of weather history of sales for residential customers only. The weather will be taken into account by the impacts on sales and associated distribution revenue of heating degree days (“HDD”) for winter weather and the temperature humidity index (“THI”) for summer weather. The 20-year HDD and THI averages will be considered “normal.” The difference in actual and normal HDD and THI, multiplied by the sales coefficients, will establish the sales impacts. The sales impacts will be multiplied by the current tariff rates to derive the revenue impact. See Exhibit A, Schedule 4, Attachment 6E. Recovery of non-weather-related ECIP impacts shall be subject to the application of two (2) eligibility tests: a BGS Savings Test and a Variable Margin Test.

The dual cost recovery tests work together so the total non-weather-related recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate BGS Savings Test and Variable Margin Test for Electric. Any amount exceeding the lesser of the BGS Savings Test and Variable Margin Test may be deferred for future recovery subject to the earnings test described below. The Company agreed not to seek recovery of interest on any deferred carry-forward amount.

The Company also agreed to include an earnings test to both the weather-related and non-weather-related components of the CIP. Under the earnings test, the Company's actual Return On Equity ("ROE") is determined based upon the actual jurisdictional net income of the utility for the most recent 12-month period, divided by the average of the beginning and ending common equity balances related to jurisdictional activity for the corresponding period, as specified in the Company's electric and gas tariffs. If the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period, and shall not be carried over to subsequent filing periods.

To implement initiatives furthering customer conservation efforts, the Company will provide funding in the amount of \$3.3 million per year ("Shareholder Contribution") so long as the CIP remains in place, commencing with the start of the CIP deferrals. 55% of Shareholder Contribution expenditures will be allocated to electric distribution (approximately \$1.8 million) and 45% to gas distribution (approximately \$1.5 million). Any under-spend in a year will be factored into the following year's spending amount. The Shareholder Contribution will not be included in customer rates and will support initiatives to aid customers by reducing their costs of

natural gas and electricity, and to reduce peak demand. The parties to the CEF-EE Stipulation further agreed that PSE&G's first ECIP cost recovery filing would be based upon an initial deferral period of June 1, 2021 through May 31, 2022, and that the Company would not record any ECIP deferral prior to June 1, 2021. The ECIP would be adjusted annually thereafter. The filings would document actual results, perform the required ECIP collection test described in more detail hereinafter, and propose new ECIP rates. Any variances from the annual filing will be trued-up in the subsequent year.

Given the different commencement dates for the electric and gas CIP deferrals the Company proposed to initially report its spending for an 18-month period, with an adjustment to account for the later commencement date for the gas deferrals. The Company proposed to target spending of \$3,905,000 by September 2022, as shown on calculation provide in Schedule KR-CIP-2 to the Petition, a copy of which is attached to this Stipulation as Exhibit B. Thereafter, the Company proposed to report spending on a 12-month basis against the \$3.3 million requirement.

The CIP margin deficiency to be collected from customers, or the margin excess to be refunded to customers, is calculated each month by applicable rate schedule by subtracting the baseline revenue per customer from the actual revenue per customer and multiplying the resulting revenue per customer by the actual number of customers for the month.

As noted in the Company's February 2022 Petition, the Company's total estimated deferral for the ECIP was \$51,551,188, representing \$72,568,455 of non-weather-related electric distribution margin deficiencies partially offset by a refund to customers of \$21,017,267 related to weather related electric distribution margin. The estimated deferral was based upon actual results

from June 2021 through November 2021, and forecasted results from December 2021 through May 2022.

As provided in Exhibit A, the proposed electric revenue adjustment is limited by a Variable Margin Test. The application of the Variable Margin Test resulted in the Company's ECIP recovery of non-weather-related distribution margin deficiencies totaling \$72,568,455 reduced to \$38,767,864. In the February 2022 Petition, the Company noted that it applied the BGS Savings Test and the Earnings Test and determined that neither limited the requested electric revenue adjustment.

The net ECIP revenue adjustment of \$17,750,598 set in the Company's February 2022 Petition represented \$38,767,864 of allowed non-weather-related distribution margin recovery, partially offset by a weather-related refund of \$21,017,267. The remaining \$33,800,591 of non-weather-related related distribution margin deficiency will be deferred for recovery in a future ECIP period.

Notice of the Company's February 2022 Petition, including the date, time and virtual details for the public hearings, was placed in newspapers circulated within the Company's service territory and served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's electric service territory. The Board held virtual public hearings at 4:30 p.m. and 5:30 p.m. on May 3, 2022.<sup>2</sup> No members of the public appeared or provided comments at the public hearings and the Board received no written comments.

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<sup>2</sup> Hearings were conducted virtually due to the COVID-19 pandemic.

Following review of the February 2022 Petition and all discovery received, Board Staff, the New Jersey Division of Rate Counsel (“Rate Counsel”), and PSE&G (collectively, “Parties”) – the only parties to this proceeding – entered into a stipulation by which the Parties agreed the Company would implement provisional ECIP rates to recover \$17,750,598. On June 8, 2022, the Board approved the stipulation to implement the ECIP rates, effective June 15, 2022, on a provisional basis subject to refund with interest.

Subsequently, on August 1, 2022, pursuant to discovery request INF-0001, the Company submitted a discovery response that provided an update to its schedules and Shareholder Contribution spending with actual data through May 31, 2022, replacing forecasted financial data from December 1, 2021 through May 31, 2022. The Company’s updated, actual, ECIP calculation for June 2021 through May 2022 reflects an under-collection of \$46,825,075 (\$69,390,881 for the non-weather-related component and (\$22,565,806) for the weather-related component).

The Parties completed their review of the February 2022 Petition and responses to discovery, and now HEREBY STIPULATE AND AGREE as follows:

1. The Company’s final ECIP deferral for the June 2021 – May 2022 recovery period is \$46,825,075.
2. The Company passed the Earnings Test that would preclude recovery of the ECIP deferral.
3. The provisional rates effective June 15, 2022, to recover \$17,750,598, be approved as final, resulting in a carry-forward balance of \$29,074,477 to be recovered in a subsequent ECIP filing.

4. Tariff sheets showing the agreed upon final ECIP rates are included as Exhibit C.<sup>3</sup>

5. The actual ECIP results through May 31, 2022 are deemed prudent and reasonable.

6. The Parties agree to the Company's Shareholder Contribution spending adjustment method to correct for the misalignment between the ECIP and gas CIP reflected in the filing, and that initiatives and actual spending of \$325,906 through November 2021 are consistent with the Shareholder Contribution goals established in the CEF-EE Order.

7. Due to the final rates set forth in Exhibit C, PSE&G's typical residential electric customers using 740 kWh in a summer month and 6,920 kWh annually would experience no change in their annual bill of \$1,295.28 (based on Delivery Rates and Basic Generation Service Residential Small Commercial Pricing [BGS-RSCP] charges in effect December 1, 2022, and assuming the customer receives BGS-RSCP service from PSE&G).

8. 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.

9. Particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any party hereto is free to pursue its then available legal

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<sup>3</sup> On Original Sheet No. 66D, a reference to the "Technology Innovation Charge" was inadvertently included when it was meant to be removed. The Company is removing that language in the tariff sheets that reflect final approval of the February 2022 Petition.



remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

10. This Stipulation is binding for all purposes herein.

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

12. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item.

13. 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.

14. Lastly, the Parties 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 respectfully submit this Stipulation to the Board of Public Utilities and recommend that the Board issue a Decision and Order adopting and approving this Stipulation in its entirety in accordance with the terms hereof.

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**



BY: \_\_\_\_\_

**Danielle Lopez, Esq.**  
**Associate Counsel, Regulatory**

DATED: December 21, 2022

**MATTHEW J. PLATKIN**  
**ATTORNEY GENERAL OF NEW JERSEY**  
**Attorney for the Staff of the New Jersey Board of Public Utilities**

BY: Matko Ilic

**Matko Ilic**  
**Deputy Attorney General**

DATED: January 4, 2023

**NEW JERSEY DIVISION OF RATE COUNSEL**  
**BRIAN LIPMAN, DIRECTOR**

BY: /s/ Sarah H. Steindel

**Sarah H. Steindel, Esq.**  
**Assistant Deputy Rate Counsel**

DATED: January 9, 2023



Agenda Date: 9/23/20  
Agenda Item: 8B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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ENERGY AND CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY FOR )  
APPROVAL OF ITS CLEAN ENERGY FUTURE- )  
ENERGY EFFICIENCY ("CEF-EE") PROGRAM ON A )  
REGULATED BASIS ) DOCKET NOS. GO18101112  
AND EO18101113

**Parties of Record:**

**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel  
**Matthew M. Weissman, Esq.**, General State Regulatory Counsel, Public Service Electric and Gas Company  
**Daniel Greenhouse, Esq.** and **William D. Bittinger Esq.**, Eastern Environmental Law Center  
**Erin Cosgrove, Esq.**, Energy Efficiency Alliance of New Jersey  
**Steven S. Goldenberg, Esq.**, Giordano, Halleran and Ciesla, P.C. for New Jersey Large Energy Users Coalition  
**Christopher E. Torkelson, Esq.**, Eckert Seamans Cherin and Mellott, LLC for Market Participants

**BY THE BOARD:**

On October 11, 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program ("CEF EE Petition"). By this Order, the Board adopts a stipulation of settlement ("Stipulation") executed by PSE&G, Board Staff ("Staff"), the New Jersey Division of Rate Counsel ("Rate Counsel"), the Eastern Environmental Law Center ("EELC"); the Energy Efficiency Alliance of New Jersey ("EEA-NJ"); and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively, "Signatory Parties") that addresses several issues in this matter. Direct Energy Business LLC, Direct Energy Business Marketing LLC, Direct Energy Services LLC, Gateway Energy Services Corporation, NJR Retail Services Company, NRG Energy Inc. ("NRG"), Just Energy Group Inc. ("Just Energy"), and Centrica Business Solutions ("Market Participants") filed a letter of non-opposition.

**BACKGROUND**

On January 13, 2008, L. 2007, c. 340 (the "RGGI Act") was signed into law based on the New Jersey Legislature's findings that energy efficiency ("EE") and conservation measures must be essential elements of the state's energy future and that greater reliance on EE and conservation

will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies.<sup>1</sup>

Pursuant to Section 13 of the RGGI Act, codified as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may provide and invest in EE and conservation programs in its service territory on a regulated basis. Such investment in EE and conservation programs may be eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas.<sup>2</sup> Ratemaking treatment may include placing appropriate technology and program costs investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board.<sup>3</sup> An electric or gas utility seeking cost recovery for any EE and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.<sup>4</sup>

On May 23, 2018, Governor Murphy signed into law the Clean Energy Act of 2018 ("CEA" or the "Act").<sup>5</sup> The CEA plays a key role in achieving the State's goal of 100% clean energy by 2050 by establishing aggressive energy reduction requirements, among other clean energy strategies. The CEA emphasizes the importance of EE and peak demand reduction ("PDR") and requires the Board to adopt an efficiency program "to ensure investment in cost-effective energy efficiency measures, ensure universal access to energy efficiency measures, and serve the needs of low-income communities"<sup>6</sup> The CEA also calls upon New Jersey's electric and gas public utilities<sup>7</sup> to play an increased role in delivering EE and PDR programs to customers by requiring the utilities to reduce the use of electricity and natural gas in their service territories.<sup>8</sup>

On the same day that Governor Murphy signed the CEA into law, he also issued Executive Order 28 ("EO 28"), directing the creation of a new Energy Master Plan ("EMP") for the state which "shall provide a comprehensive blueprint for the total conversion of the state's energy production profile to 100% clean energy sources on or before January 1, 2050, and shall further provide specific proposals to be implemented over the next 10 years in order to achieve the January 1, 2050 goal."<sup>9</sup> EE is one of the seven key strategies identified in New Jersey's 2019 EMP<sup>10</sup> and will play an essential role in meeting the State's long-term clean energy goals.

From February 2019 through May 2020, the Board solicited stakeholder feedback through numerous public meetings and technical working group meetings; and invited comments on three topic-specific proposals (program administration, cost recovery mechanisms, and application of

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<sup>1</sup> N.J.S.A. 48:3-98.1(b).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> P.L. 2018, c. 17 (N.J.S.A. 48:3-87.8 *et al.*).

<sup>6</sup> N.J.S.A. 48:3-87(g).

<sup>7</sup> New Jersey's electric and gas public utilities include Atlantic City Electric Company ("ACE"), Butler Power and Light Company ("Butler"), Elizabethtown Gas Company ("Elizabethtown"), Jersey Central Power & Light Company ("JCP&L"), New Jersey Natural Gas Company ("NJNG"), Public Service Electric and Gas Company ("PSE&G"), Rockland Electric Company ("RECO"), and South Jersey Gas Company ("SJG") (collectively, "utilities").

<sup>8</sup> N.J.S.A. 48:3-87.9(a).

<sup>9</sup> Exec. Order No. 28 (May 23, 2018), 50 N.J.R. 1394(b) (June 18, 2018), ¶ 3.

<sup>10</sup> *2019 New Jersey Energy Master Plan: Pathway to 2050* (January 28, 2020), available at [https://www.nj.gov/emp/docs/pdf/2020\\_NJBPU\\_EMP.pdf](https://www.nj.gov/emp/docs/pdf/2020_NJBPU_EMP.pdf).

utility targets), as well as on a full Energy Efficiency Transition Straw Proposal released on April 1, 2020.

Also during the EE transition process, on May 28, 2019, the Board completed a study pursuant to the CEA regarding the potential for reduction in energy usage and peak demand in the state and adopted preliminary quantitative performance indicators to establish utility targets for these reductions. On May 1, 2020, the utilities submitted to the Board and Rate Counsel the results of the demographic analysis required by the CEA, the purpose of which was to determine if all utility customers are able to participate fully in implementing EE measures, identify market barriers that prevent such participation, and make recommendations for measures to overcome such barriers. On May 4, 2020, Staff hosted a public meeting on equity in EE consisting of two panel sessions and a presentation on the results of the demographic analysis, accepting written comments through May 15, 2020.

On June 10, 2020, the Board approved an EE transition framework for EE and PDR programs implemented pursuant to the CEA, including requirements for the utilities to establish programs that reduce the use of electricity and natural gas within their territories.<sup>11</sup>

In addition, on July 13, 2020, the utilities solicited stakeholder input through a public stakeholder meeting on EE core program design, structure, and delivery. A question and answer session facilitated discussion on topics related to challenges and barriers for programs, enhancements to existing core programs, equity, and workforce development. Staff and the utilities accepted written comments through July 27, 2020.

### ***PSE&G CEF-EE Program***

In the CEF EE Petition, the Company sought approval to implement 22 sub-programs, including seven residential sub-programs, seven commercial and industrial (“C&I”) sub-programs, and eight pilot sub-programs (collectively, “2018 EE Programs”).

The CEF-EE residential sub-programs would, among other initiatives, promote the purchase and installation of high-efficiency appliances through rebates and on-bill incentives; provide customers with energy audits and installation of EE measures; educate residential builders and developers on energy efficient home design and construction; and educate kindergarten through 12<sup>th</sup> grade students on EE. The CEF-EE C&I sub-programs would, among other activities, promote the installation of energy efficient equipment; advance efficient design and equipment installation for new buildings; optimize energy consumption in existing buildings; and upgrade all of PSE&G’s existing high-pressure sodium cobra head streetlights to more efficient light emitting diode (“LED”) streetlights. Lastly, the CEF-EE pilot sub-programs would consist of PSE&G implementing and managing select, highly advanced approaches to EE that, after the conclusion of the pilot phase, might support future EE programs in New Jersey.

The total proposed investment for the 2018 EE Programs was approximately \$2.8 billion, including \$2.5 billion for investment and approximately \$283 million in administrative costs over the proposed six-year term of the program, with a proposed 15-year amortization period for residential and C&I program investments. The proposed 2018 EE Programs would include \$86.2 million for information technology (“IT”) build investments and \$28.9 million for IT run costs. PSE&G

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<sup>11</sup> In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040, Order dated June 10, 2020 (“June 10, 2020 Order”).

proposes to recover costs associated with the 2018 EE Programs via a new CEF-EE Program component (“CEF-EEC”) of the Company’s electric and gas Green Programs Recovery Charge (“GPRC”), which would be filed annually after the proposed initial period, which the Company proposes to begin upon Board approval of the CEF-EE Program. PSE&G proposed to earn a return on its net investment based on its most recent weighted average cost of capital (“WACC”). In addition, the Company requested Board approval of a decoupling mechanism for recovering lost revenues, the Green Enabling Mechanism (“GEM”). The GEM would provide for the recovery or refund of the difference between actual revenue and the level of “allowed” revenue per customer established in the most recently completed base rate case.

Under the CEF-EE Program proposal, following a one-year transition period, PSE&G would become the exclusive provider of Board-regulated EE programs in its service territory, with the New Jersey Division of Clean Energy providing oversight, standard setting, and policymaking after the transition.

### ***Procedural History***

On December 16, 2008, the Board issued an Order authorizing PSE&G to implement its Carbon Abatement Program, which included five sub-programs: 1) Residential Whole House Efficiency; 2) Residential Programmable Thermostat Installation; 3) Small Business Direct Install; 4) Large Business Best Practices and Technology Demonstration Pilot; and 5) Hospital Efficiency.<sup>12</sup>

On July 16, 2009, the Board issued an Order authorizing PSE&G to implement eight EE sub-programs as part of its Energy Efficiency Economic Stimulus Program (“EEE Program”): 1) Residential Whole House Efficiency Sub-Program; 2) Residential Multi-Family Housing Sub-Program; 3) Small Business Direct Install Sub-Program; 4) Municipal/Local/State Government Direct Install Sub-Program; 5) Hospital Efficiency Sub-Program; 6) Data Center Efficiency Sub-Program; 7) Building Commissioning/O&M Sub-Program; and 8) Technology Demonstration Sub-Program.<sup>13</sup>

By Order dated July 14, 2011, the Board authorized PSE&G to extend three of its eight sub-programs: 1) Residential Multi-Family Housing; 2) Municipal/Local/State Government Direct Install; and 3) Hospital Efficiency (“EEE Extension Sub-Programs”).<sup>14</sup> On April 16, 2015, the Board authorized PSE&G to further extend the three sub-programs approved in the July 2011 Order (“EEE Extension II”).<sup>15</sup>

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<sup>12</sup> In re the Petition of Public Service Electric and Gas Company Offering a Carbon Abatement Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO08060426, Order dated December 16, 2008 (“December 2008 Order”).

<sup>13</sup> In re the Petition of Public Service Electric and Gas Company Offering an Energy Efficiency Economic Stimulus Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. EO09010058, Order dated July 16, 2009 (“July 2009 Order”).

<sup>14</sup> In re the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of Its Energy Efficiency Economic Stimulus Program in Its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff for Gas Service, B.P.U.N.J. No. 15 Gas, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, and N.J.S.A. 48:3-98.1, BPU Docket No. EO11010030, Order dated July 14, 2011 (“July 2011 Order”).

<sup>15</sup> In re the Petition of Public Service Electric and Gas Company to Continue Its Energy Efficiency Economic Extension Program on a Regulated Basis (“EEE Extension II”), BPU Docket No. EO14080897, Order dated April 16, 2015 (“April 2015 Order”).

By Order dated August 23, 2017, in its approval of the Company's Energy Efficiency 2017 Program ("EE 2017 Program"), the Board authorized PSE&G to extend the EEE Extension Sub-Programs for two years.<sup>16</sup> The Board further authorized the Company to implement a Smart Thermostat Sub-Program and a Residential Data Analytics Smart Pilot Sub-Program.

### **CEF EE Petition**

On May 3, 2018, PSE&G met with Staff and Rate Counsel for a pre-filing meeting, as required by the May 2008 Order, to discuss the Company's potential filings.

On October 11, 2018, PSE&G filed the CEF EE Petition with the Board. By letter dated November 14, 2018, Staff notified the Company that the CEF EE Petition was administratively deficient with respect to the minimum filing requirements ("MFRs") set forth in the Board's May 12, 2008 Order and amended through an Order issued on October 20, 2017 ("Deficiency Letter").<sup>17</sup> In response to the Deficiency Letter, PSE&G filed supplemental information on January 7, 2019. On January 9, 2019, Staff advised PSE&G that the CEF EE Petition was administratively complete as of January 7, 2019. Accordingly, the 180-day period for the Board to review the CEF EE Petition began on January 7, 2019 and was set to expire on July 6, 2019.

By Order dated October 29, 2018, the Board designated Commissioner Dianne Solomon as Presiding Commissioner, authorized to rule on all motions that arise during the pendency of the CEF-EE proceeding and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.<sup>18</sup> The Board directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 16, 2018 and authorized Commissioner Solomon to render decisions on stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180 review period, if submitted, provided that the stipulation extending the time period is executed by all the parties to the proceeding. The authority was limited to extensions that did not collectively exceed 180 days, with any further request for extensions to be directed to the Board.

By the November 16, 2018 deadline, nine entities filed to intervene, and six entities filed to participate. Specifically, NJNG; NJLEUC; Tendril Networks, Inc. ("Tendril") n/k/a Uplight; Market Participants<sup>19</sup>; EELC, on behalf of Environment New Jersey, Sierra Club, the Environmental

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<sup>16</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Energy Efficiency 2017 Program and Recovery of Associated Costs, BPU Docket No. EO17030196, Order dated August 23, 2017 ("August 2017 Order").

<sup>17</sup> In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1 – Minimum Filing Requirements, BPU Docket No. QO17091004, Order Dated October 20, 2017.

<sup>18</sup> In re the Petition of Public Service Electric and Gas Company for Approval of Its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order dated October 29, 2018.

<sup>19</sup> On November 16, 2018, Direct Energy (representing five affiliated third party energy supplier companies, including Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Gateway Energy Services Corporation, and NJR Retail Services Company) and Centrica Business Solutions filed a motion to intervene. On December 6, 2018, Direct Energy filed a supplemental motion that joined NRG and Just Energy in the original request to intervene on the same grounds as the original moving parties.

Defense Fund, New Jersey League of Conservation Voters, and Natural Resources Defense Council; Enel X North America, Inc. (“Enel X”); the Keystone Energy Efficiency Alliance (“KEEA”) n/k/a EEANJ; MaGrann Associates; and Sunrun, Inc. (“Sunrun”) moved to intervene. ACE; JCP&L; RECO; Google, LLC (“Google”); Lime Energy Co. (“Lime Energy”); and Philips Lighting North America Corporation n/k/a Signify moved to participate.

Commissioner Solomon issued a Prehearing Order on January 22, 2019 that established the issues to be determined by the Board, set forth a procedural schedule, granted intervener status to the NJLEUC and EELC, and granted participant status to the remaining movants, with the exception of KEEA (“Prehearing Order”).<sup>20</sup> The Prehearing Order also granted admission pro hac vice to Paul F. Forshay, Esq. for NJLEUC and Kristine E. Marsilio, Esq. for Market Participants.

On January 29, 2019, Sunrun moved for reconsideration of the Prehearing Order insofar as it denied Sunrun intervener status. On the same date, the Market Participants moved for interlocutory review of the Prehearing Order insofar as it denied Direct Energy intervener status. Both entities argued that their interests as competitors in the EE field could only be adequately represented by themselves. On February 1 and February 8, 2019, PSE&G filed responses in opposition to the Market Participants’ and Sunrun’s motions, respectively. On February 5, 2019, Sunrun requested that the Board consider its motion for reconsideration as a motion for interlocutory review.

On February 8, 2019, KEEA advised Staff that, as of that date, it was represented by an attorney licensed to practice in New Jersey.

On February 27, 2019, the Board issued an Order granting KEEA’s motion to intervene and denying the motions of the Market Participants and Sunrun.<sup>21</sup>

On March 8, 2019, the Market Participants filed for reconsideration of the Board’s February 27, 2019 Order insofar as it denied the Market Participants’ motion for interlocutory review and affirmed the Prehearing Order, which denied the Market Participants’ motion to intervene and instead granted the Market Participants participant status. The Market Participants set forth several additional reasons and arguments for the Board to consider in support of their intervention. On March 18, 2019, PSE&G filed its opposition to the motion. On April 18, 2019, the Board authorized a Secretary’s Letter advising the parties that, pursuant to N.J.A.C. 14:1-8.7, the Board would take additional time to consider the motion.

Following appropriate notice, six public hearings were held on the following dates in PSE&G’s service territory: two hearings on March 13, 2019 in New Brunswick, two hearings on March 18, 2019 in Mount Holly, and two hearings on March 21, 2019 in Hackensack. Numerous members of the public made statements at the aforementioned hearings. The majority expressed support for the filed CEF-EE Program, and two members of the public expressed concerns regarding the impact of the filing on the competitive energy efficiency market.

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<sup>20</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency (“CEF-EE”) Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated January 22, 2019.

<sup>21</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency (“CEF-EE”) Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated February 27, 2019.



Rate Counsel, Staff, and the EELC served discovery questions, to which the Company responded. Discovery conferences were held on March 6 and March 14, 2019.

With the CEF EE Petition, PSE&G filed the direct testimonies of Ms. Karen Reif, PSE&G Vice President, Renewables and Energy Solutions; Mr. Steven Swetz, PSE&G Senior Director, Corporate Rates and Revenue Requirements; and Daniel Hansen, PhD, Vice President, Christensen Associates Energy Consulting, LLC. PSE&G's Supplemental Filing on January 4, 2019 included the supplemental direct testimony of Ms. Reif.

On March 22, 2019, pursuant to the schedule set forth in the Prehearing Order, Rate Counsel filed the direct testimonies of Mr. Dante Mugrace, Senior Consultant, PCMG and Associates; David E. Dismukes, PhD, Consulting Economist, Acadian Consulting Group, LLC; and Ezra Hausman, PhD, President, Ezra Hausman Consulting. The EELC filed the direct testimony of Ms. Amanda Levin.

The parties participated in settlement conferences on March 25 and April 9, 2019.

On April 15, 2019, PSE&G filed the rebuttal testimony of Ms. Reif, Mr. Swetz, and Dr. Hansen, as well as the rebuttal testimony of a new witness, Mr. Isaac Gabel-Frank. Rate Counsel filed the rebuttal testimony of Dr. Dismukes, and EELC filed the rebuttal testimony of Ms. Levin.

Evidentiary hearings were held on May 1 and 2, 2019 at the Office of Administrative Law in Mercerville (Hamilton), New Jersey, before Commissioner Solomon. The parties introduced their respective pre-filed testimonies and exhibits, all discovery responses were moved into evidence, and, in accordance with the Prehearing Order, Rate Counsel witnesses Hausman, Mugrace, and Dismukes and EELC witness Levin presented oral sur-rebuttal testimony, and witnesses were cross-examined.

The following parties and participants submitted initial briefs: PSE&G, Rate Counsel, NJLEUC, EELC, Enel X, ACE, the Market Participants, Google, Lime Energy, Signify, Sunrun, Tendril n/k/a Uplight, and Staff. The following parties and participants submitted reply briefs: PSE&G, Rate Counsel, EELC, Google, and Sunrun.

The parties participated in additional settlement discussions on June 18 and July 15, 2019.

On June 19, 2019, the parties entered into a stipulation to extend the review period to August 19, 2019 to allow more time for review of the proposed CEF-EE Program by the Board. On June 27, 2019, Commissioner Solomon issued an Order adopting the stipulation and extending the review period to August 19, 2019.<sup>22</sup>

On August 6, 2019, the parties entered into a stipulation to further extend the review period to allow more time for settlement discussions. On August 12, 2019, Commissioner Solomon issued an Order adopting the stipulation and extending the review period from August 19, 2019 to September 18, 2019.<sup>23</sup>

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<sup>22</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency (“CEF-EE”) Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated June 27, 2019.

<sup>23</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency (“CEF-EE”) Program on a Regulated Basis, BPU Docket Nos. GO18101112 and

By Order dated September 11, 2019, the Board approved a stipulation that authorized the extension of the 180-day period for Board action on the Company's CEF-EE Program from September 18, 2019 until no later than March 16, 2020; approved the extension of the Company's Multifamily Housing Sub-Program, Hospital Efficiency Sub-Program, Smart Thermostat Sub Program, and Residential Data Analytics Sub-Program through September 21, 2020; and reaffirmed the termination of the Company's Direct Install Sub-Program by October 31, 2019.<sup>24</sup>

On September 13, 2019, Sunrun submitted a letter to the Board noting the multiple extensions of the 180-day timeline and asking the Board to relax or disregard the procedural rules and allow Sunrun to participate in any future settlement discussions, potential final resolutions, and additional interim agreements.

By Order dated November 13, 2019, the Board found that the nature and extent of the Market Participants' interest warranted intervener status and that their inclusion would add measurably and constructively to the record in this proceeding. The Board granted the Market Participants' motion for reconsideration and reversed its previous ruling. Additionally, the Board reaffirmed its ruling in the February 27, 2019 Order as it related to Sunrun and denied Sunrun's request dated September 13, 2019.<sup>25</sup>

By Order dated February 19, 2020, the Board approved a stipulation that authorized the extension of an additional 180-day period for Board action on the Company's CEF-EE Program, until no later than September 30, 2020. The parties also agreed that PSE&G would further extend its EE 2017 Program through September 30, 2020.<sup>26</sup>

Following Board adoption of the EE transition framework on June 10, 2020, the parties participated in additional settlement conferences on June 25, July 14, July 16, July 28, July 31, August 14, August 19, August 25, August 28, and September 1, 2020.

## **STIPULATION**

On September 22, 2020, the Signatory Parties executed the Stipulation, the relevant terms of which are provided below:<sup>27</sup>

### **I. General Terms**

1. The Signatory Parties ("Parties") agree that, subject to Board approval of the Stipulation, PSE&G may implement a modified CEF-EE Program ("Program") under the terms and conditions described in the Stipulation. The Program will include implementation,

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EO18101113, Order Dated August 12, 2019.

<sup>24</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated September 11, 2019.

<sup>25</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated November 13, 2019.

<sup>26</sup> In re the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency ("CEF-EE") Program on a Regulated Basis, BPU Docket Nos. GO18101112 and EO18101113, Order Dated February 19, 2020.

<sup>27</sup> Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

administration and investment in 10 sub-programs, including four residential sub-programs, five commercial and industrial (“C&I”) sub-programs, and one multifamily sub-program.

2. The Parties agree that PSE&G should be permitted to implement the 10 sub-programs identified in Attachment 1, attached to the Stipulation, subject to the final consensus of the Joint Utility Working Group, as outlined in paragraph 50 of the Stipulation.
3. PSE&G will launch sub-programs in accordance with Attachment 1 of the Stipulation, and adjustments will be made in the implementation of these sub-programs to coordinate delivery and assure consistency of core sub-programs with other utility core sub-programs, as necessary. To coordinate sub-program offerings across the state, the utilities are engaged in a joint effort to contract with a single third-party entity to serve as a dual-fuel statewide coordinator.
4. Customers in PSE&G’s electric and/or gas service territory who meet the criteria for the respective CEF-EE sub-program offerings will be eligible to participate.
5. The CEF-EE Program budget is as follows:

| Program Component      | Description   | Component Budget (\$M) | Implementation Date                       |
|------------------------|---|------------------------|---|
| Res Efficient Products | Rebates and on-bill repayment for HVAC, smart thermostats, appliances, lighting, and other equipment  | 140                    | Marketplace: 10/1/20<br>All other: 1/1/21 |
| Res Existing Homes     | Rebates and on-bill repayment for energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services  | 55                     | 1/1/21                                    |
| Res Behavior           | Data analytics, home energy reports, and online energy audits   | 25                     | 1/1/21 <sup>28</sup>                      |
| Res Multifamily        | Energy audit and direct install of efficient equipment at no charge to tenants  | 9                      | 1/1/21                                    |
| Income Eligible        | Energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services at no charge for income-eligible customers and for properties located within low and moderate-income census tracts | 55                     | 1/1/21                                    |

<sup>28</sup> Additional customers will be added to the Behavior Subprogram on January 1, 2021. EE 2017 will continue to serve existing customers through December 2020.

| Program Component   | Description  | Component Budget (\$M)   | Implementation Date   |
|---|--|--------------------------|-----------------------|
| C&I Prescriptive  | Rebates and on-bill repayment for HVAC, lighting, motors and drives, refrigeration, water heaters, air compressors, and food service equipment                                     | 210                      | 1/1/21                |
| C&I Custom  | Custom incentives for large energy efficiency projects, including on-bill repayment  | 100                      | 1/1/21                |
| C&I Small Non-Residential Efficiency (a/k/a Direct Install) | Rebates and on-bill repayment for direct-installed EE measures to small non-residential customers of lighting, controls, refrigeration, heating and air conditioning updates, etc. | 165                      | 10/1/20 <sup>29</sup> |
| C&I Energy Management                                       | Retro-commissioning and strategic energy management: optimizing existing systems with little to no equipment upgrades  | 6                        | 1/1/21                |
| C&I Engineered Solutions                                    | Whole-building engineered energy saving solutions to hospitals, school districts, universities, municipalities, apartment buildings, other non-profit /public entities             | 205                      | 10/1/20 <sup>30</sup> |
| IT  | Technology systems and services to ensure PSE&G customers have easy access to energy efficient products, incentives, and repayments  | 33 <sup>31</sup>         | N/A                   |
| Admin   | Program administration; program management; education and outreach; program design and development; and IT run costs   | Cap at 10% of investment | N/A                   |
| <b>Investment Total</b>                                     |  | <b>1,003</b>             |                       |

6. Based on market response, the Company may shift the timing of investment spending between Program Years (October 1 – September 30) in any sub-program as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of Program targets during the term of the Program, in accordance with the procedure outlined in the Board’s June 10, 2020 Order (“Framework Order”).

<sup>29</sup> The EE 2017 Direct Install Subprogram will continue for Urban Enterprise Zones, Government, and Nonprofits. Expansion of the program beyond that will begin no earlier than January 1, 2021.

<sup>30</sup> The C&I Engineered Solutions Sub-program will continue for Hospitals and Multifamily. Expansion of the program beyond that will begin no earlier than January 1, 2021.

<sup>31</sup> An expected breakdown of these IT costs is provided at Attachment 2.

7. During implementation, certain sub-programs may be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process, in accordance with the Framework Order, shall be as follows:
- PSE&G can shift its sub-program budgets out of an individual sub-program within the Residential sector or within the C&I sector, up to 25% of the individual sub-program's total budget with Staff notification (which should be provided within 30 days following the change), 25–50% with Staff approval, and over 50% with Board approval.
  - PSE&G can shift budgets out of the residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), 5–10% with Staff approval, and over 10% with Board approval. Such budgets may be added to any sub-program(s) within the sector to which it is being transferred without limitation when the budget shift does not exceed 5%.
  - All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. Requests for budget adjustments within the three-year Program filing necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, which will trigger Staff review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of PSE&G's request, those requests will be automatically granted.
8. Customer information shall be used by the Company to deliver an effective customer experience in compliance with any applicable BPU regulations and statutory obligations. The Company shall adopt privacy and data handling policies and procedures for CEF-EE that are consistent with PSE&G's customer data security protections, the Framework Order, and any applicable BPU regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, PSE&G shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the CEF-EE or to evaluate the sub-programs, the Company commits to enforcing the contractual confidentiality requirement to the extent allowed by the law. Any "breach of security" with respect to customers' "personal information," as those terms are defined in N.J.S.A. 56:8-161, shall be treated in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:8-161 et seq., and Section 3b of the BPU's Cybersecurity Order of March 18, 2016 in Docket No. AO16030196.
9. PSE&G agrees customer-specific data belongs to the customer, who may request or authorize PSE&G to share it with suppliers, and data gathered during the operation of these sub-programs not specific to any particular customer belongs to the Company and will be used solely to support current or future regulated utility programs. Such data may not be used for other purposes without Board approval. Any financial benefits derived from the data will be offset against the costs of the program. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board.

10. PSE&G has used a competitive selection process to select current EE implementation vendors under existing EE Programs described in the Stipulation. The Company commits to conducting a competitive solicitation process to select vendors for the second and third program years that meet currently applicable requirements in a manner that permits the Company to prudently implement the sub-programs. Alternatively, to the extent that contracts with existing vendors can be extended to increase speed to market or reduce costs for customers, the Company will pursue these options and make reasonable efforts to integrate all currently applicable competitive selection procurement protocols into those contracts, while continuing to follow all competitive selection procurement protocols for other services required.
11. Within 30 days of May 31, 2021, PSE&G will convene at least one non-confidential stakeholder collaborative meeting to discuss potential partnerships with market participants and other stakeholders, and to obtain input regarding the design and implementation of “non-core” programs, including but not limited to demand response and PDR programs, non-pipe and non-wire alternative programs, and building electrification/decarbonization programs. PSE&G agrees to consider in good faith the issues and suggestions raised in the meeting and to develop recommendations regarding a future filing on additional programs identified in the meeting.
12. Within 120 days of Board approval of the Stipulation, PSE&G will convene at least one stakeholder collaborative meeting to discuss competitive issues in the provision of EE, including but not limited to the implementation of supplier consolidated billing.
13. Incentive structures are described in Attachment 1 of the Stipulation, and measure level details are included in Appendix A of Attachment 1 of the Stipulation, subject to modification consistent with the Framework Order and in cooperation with the BPU’s Utility Working Group and the Utilities’ Program Working Groups. The Company commits to complying with all Board Orders regarding the programs and program details it is required to offer.

## **II. Program Term**

14. Implementation of the CEF-EE Program will commence on October 1, 2020 and will continue over the course of the next three years until September 30, 2023.
15. CEF-EE core programs that are continuations of the EE 2017 sub-programs PSE&G currently operates (Efficient Products Marketplace component<sup>32</sup> and Direct Install<sup>33</sup>) shall commence on October 1, 2020. CEF-EE core programs that PSE&G does not currently operate shall commence no earlier than January 1, 2021. Non-core sub-programs, including those sub-programs that are continuations of existing EE 2017 sub-programs, will commence on October 1, 2020. The EE 2017 Hospital and Multi-Family sub-programs will continue as components of the Engineered Solutions sub-program, with new elements of the Engineered Solutions sub-program commencing no earlier than January 1, 2021. The EE 2017 Data Analytics sub-program will continue as the Behavioral sub-program.

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<sup>32</sup> Efficient Products – Marketplace will be expanded to offer several on-line products on October 1, 2020.

<sup>33</sup> See footnote 8.

PSE&G will continue to coordinate regarding transition of programs (including program delivery, program data, and marketing) with the current New Jersey Clean Energy Program administrator and other utilities with whom the Company has overlapping service territories. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement, as permissible under law, consistent elements of the core programs concurrently with all electric and gas utilities in the state. This consistency will include the following elements:

- Common forms for use by customers and contractors;
  - Contractor requirements, open and competitive procurement protocols where feasible, and training; procurement protocols should include policies and practices (e.g., scoring systems) developed in collaboration with the Equity Working Group and Workforce Development Working Group that encourage supplier diversity (including contractors and subcontractors) and contractor coaching/mentoring of diverse business enterprises;
  - Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for low- to moderate-income customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);
  - Eligible measures;
  - Incentive ranges;
  - Incentive payment processes and timeframes;
  - Customer and contractor engagement platforms;
  - Data platforms and database sharing among program administrators, where appropriate; and
  - Quality control standards and remediation policies.
16. The Company will file a subsequent multiyear program extension for Board approval by September 30, 2022 with a commencement date of October 1, 2023 to allow for efficient continuation of the CEF-EE Program and align the program term with the subsequent State-wide July-June program cycle.

### **III. CEF-EE Program Expenditures**

17. The Parties agree that the total investment for the CEF-EE Program is \$1.003 billion, which includes all capital expenditures (including IT), rebates and incentives, including financing costs and audit/installation labor, and outside services for third party sub-program implementation and EM&V. The budget for investment includes amounts that are spent during the three-year program cycle (October 1, 2020 – September 30, 2023) as well as amounts reserved to fund projects/incentives for customers who have enrolled in sub-programs during that three-year period, as defined in Appendix B of Attachment 1 of the Stipulation.
18. The agreed upon \$1.003 billion investment amount does not include Company administrative costs, which will be capped at \$100.3 million. Company administrative costs include PSE&G administrative, labor, IT run costs, and portfolio-level costs, such as program development and jobs initiatives for the three-year program cycle. The Company will recover its actual reasonable and prudently incurred administrative costs up to the \$100.3 million cap through annual GPRC cost recovery filings. Staff and Rate Counsel

reserve their rights to challenge the prudence of all costs, including administrative costs, in future GPRC filings.

19. The Joint Utility Program Working Group is developing requirements for coordination of services to customers, including the sharing of costs and the allocation of savings. The investments and administrative costs do not include expenditures required for coordination with other utilities, including the Statewide Program Coordinator System. The Parties agree that any additional costs for such coordination efforts that go beyond the scope of the Program, and that are deemed prudently incurred after appropriate review, will be recoverable.
20. All Program expenditures will be filed with the Board and submitted for prudence review in annual cost recovery filings over the term of the Program by way of PSE&G's annual GPRC proceedings.

#### **IV. Cost Benefit Analysis / Reporting**

21. The Company submitted calculations as to the cost-effectiveness of each of the proposed sub-programs under five (5) different cost-benefit tests: the Participant Cost Test ("PCT"), the Program Administrator Cost ("PAC") Test, the Ratepayer Impact Measure ("RIM") Test, the Total Resource Cost ("TRC") Test, and the Societal Cost Test ("SCT"). Included in Attachment 3 to the Stipulation are summaries of the results of (1) the Company's Benefit Cost Analysis, including the New Jersey Cost Test ("NJCT"), (2) its Costs-to-Achieve Savings Analyses, and (3) its analysis of electric and gas QPI values in Program Years 1-3. On or before September 25, 2020, the Company will provide detailed supporting calculations and workpapers that are fully compliant with the MFRs established in the Framework Order. With regard to the QPIs, the Company will provide a description of how the proposed portfolio achieves the targets established for the Company, as required by MFR Section VII.
22. QPI performance periods will be those set forth in the Framework Order. In addition to CEF-EE projects and measures completed after July 1, 2021, EE 2017 projects and measures completed after July 1, 2021 shall be included in QPI measurement. Quarterly, annual, and triennial reports will be consistent with the requirements of the Framework Order, the details of which will be developed by the BPU's Utility Working Group.
23. The Company will perform EM&V for the CEF-EE Program in accordance with the Framework Order. All EE 2017 projects and measures completed after July 1, 2021 shall also be included in the CEF-EE EM&V plan.

#### **V. Capital Structure/Return on Equity**

24. PSE&G will earn a return on its net investment based upon the authorized return on equity ("ROE") and capital structure approved by the Board in its last base rate proceeding.
25. PSE&G's weighted average cost of capital ("WACC") for its CEF-EE Program investments will be set based on the WACC established in the Company's 2018 base rate case, which is 6.99%, or 9.02% on a pre-tax basis based on a common equity percentage of 54%, an ROE of 9.60%, and current tax rates. Attachment 4, Schedule SS-CEF-EE-1 of the Stipulation shows the calculation of the WACC for the CEF-EE Program.



26. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the appropriate corresponding subsequent monthly revenue requirement calculations. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but, in any event, no later than January 1 of the subsequent year. Any changes to current tax rates would be reflected in an adjustment to the pre-tax WACC and in any corresponding revenue requirement calculations.

**VI. Cost Recovery**

27. Cost recovery for the Program will be made and tracked via a new CEF-EEC component of the Company's electric and gas GPRC, which will be filed annually after the proposed initial period. PSE&G has submitted proposed tariff sheets (both red-lined and clean) as Attachment 5 of the Stipulation to reflect the updated GPRC tariff.
28. The Parties agree that, in light of the impacts of the current COVID-19 pandemic, the initial electric and gas CEF-EECs will be set at zero as of the date of the BPU Order in this proceeding. The Parties further agree that the CEF-EECs will be included in an update to the Company's pending 2020 GPRC Cost Recovery filing in Docket Nos. ER20060467 & GR20060468, and an initial rate can be set for each component in the settlement of that proceeding. In any event, the initial CEF-EECs will not be increased before January 1, 2021.
29. The electric and gas CEF-EECs will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered balance to be recovered from or returned to customers over the following year. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a final Board Order.
30. The calculation methodology of revenue requirements and the over/under deferred balance is detailed in Attachment 4 of the Stipulation. The Parties agree the Company will modify the revenue requirement calculation if needed to coordinate sharing of investment with partner utilities in shared service territories as a result of the Board's review and approval of the other utilities cost recovery methodology.
31. Revenues received under the CEF-EE Program, such as PJM Capacity Revenues, marketplace revenues negotiated with vendors, or any other source of revenues as a result of the implementation of the CEF-EE Program, as well as financial benefits from the usage of data as provided in paragraph 9 of the Stipulation, will be utilized to offset revenue requirements to customers.
32. The Company shall offer eligible EE into the PJM capacity market, consistent with the approach agreed upon by the BPU's Joint Utility Working Group, subject to the requirements of PJM. The Company will credit CEF-EE revenue requirements with any PJM capacity market revenues.
33. The Parties agree to amortize the CEF-EE investments, excluding IT, over a 10-year period. Investment other than financing costs will be expensed when incurred for tax purposes and flowed back to customers as shown in Attachment 4 of the Stipulation. IT

investments will be amortized in accordance with PSE&G's accounting policy and generally accepted accounting principles, which is forecasted to be a five-year book amortization period and three-year straight-line period for tax purposes. IT tax deductions will also be flowed back to customers, as shown in Attachment 4 of the Stipulation.

34. The Parties stipulate that the Company will file to adjust its electric and gas CEF-EECs, as part of the true-up petition ("True-Up Filing") for the GPRC, with copies provided to the Parties no later than July 1, 2021 and annually thereafter for the implementation of the proposed revised CEF-EECs on October 1 of each year. The True-Up Filing will provide information as required by the MFRs. Each True-Up Filing will contain a reconciliation of its projected CEF-EECs costs and recoveries and actual revenue requirements for the prior period, and a forecast of revenue requirements for the estimated time period before Board approval (October 1) and the 12-month period thereafter, which shall be based upon the Company's most current authorized ROE and capital structure as defined in the Stipulation. The True-Up Filing also will present actual costs incurred since the previous annual review, and those costs will then be reviewed for reasonableness and prudence.
35. The Parties agree that any over/under recovery of the actual revenue requirements compared to revenues will be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month.

If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the prior months interest rate calculation will be used. The interest rate shall not exceed PSE&G's overall rate of return, as authorized by the Board, in calculating revenue requirements for the corresponding period. The interest amount charged to the CEF-EE Program electric and gas deferred balances will be computed using the methodology set forth in Attachment 4, Schedule SS-CEF-EE-6E and SS-CEF-EE-6G, respectively of the Stipulation. The calculation of monthly interest shall be net of tax based on the average monthly balance, consistent with the methodology set forth in Attachment 4, Schedules SS-CEF-EE-6E and SS-CEF-EE-6G of the Stipulation for the CEF-EE Program. Simple interest shall accrue on any over and under recovered balances and shall be included in the deferred balances at the end of each reconciliation period. Near the end of the initial and each subsequent recovery period, the corresponding electric and gas deferred balances will be included with forecasted revenue requirements for the succeeding period for the purpose of setting the revised electric and gas CEF-EECs.

36. The True-Up Filing will be subject to review by the Parties with opportunity for discovery and evidentiary hearings (if necessary) prior to the issuance of a Board Order establishing the Company's revised CEF-EECs. The issuance of a written Board Order will be preceded by adequate public notice and public hearings including evidentiary hearings, if necessary.

## **VII. Conservation Incentive Program ("CIP")**

37. Given the volumetric rate structure to recover fixed costs and the potential for decline in revenue associated with the implementation of energy efficiency, the Parties agree—as consistent with the CEA—to account for lost sales revenue resulting from the decrease in customer energy usage.

Shareholder Contribution

38. The recovery of lost revenues due to programs like the CEF-EE will be made via a CIP based on the methodology outlined below and detailed in the schedules for gas and electric, as noted in Attachments 6G and 6E of the Stipulation, respectively. In addition, PSE&G agrees to implement initiatives to further customer conservation efforts, providing a funding amount ("shareholder contribution") of \$3.3 million per year as long as the CIP remains in place, commencing with the start of the CIP deferrals, as defined below. All shareholder contribution expenditures will be allocated 55% to electric distribution (or approximately \$1.8 million) and 45% to gas distribution (or approximately \$1.5 million). Any under-spend in a year will be factored into the following year's spending amount. The shareholder contribution will not be included in customer rates. The shareholder contribution will support initiatives designed to aid customers in reducing their costs of natural gas and electricity and to reduce each utility's peak demand. The initiatives may include efforts such as education and outreach, as well as enhancements to standard incentives to further encourage customer engagement in the CEF-EE Program (e.g., the distribution of free EE kits within low- and moderate-income census tracts), grants to schools and community organizations, and a business EE portal.

- **Community Education and Outreach:** This category covers community outreach activities, such as presentations, lunch and learns, outreach tables, trade shows, business conferences, and green fairs. It may also include grants or initiatives with community organizations. Particular emphasis will be placed on low- and moderate-income communities.
- **Municipal and NGO (non-governmental organization) Outreach:** This category includes activities to work with municipalities and other organizations and may include funding for special studies or projects and partnerships to promote EE.
- **Customer Engagement:** This category includes activities to increase customer awareness and engagement in programs, including enhanced incentives for promotional purposes, such as the offering of a flash sale. Particular emphasis will be placed on low- and moderate-income customers. A business engagement portal may be explored to evaluate the potential to provide customized information to this diverse customer segment.
- **Energy Efficient Economy:** This category supports efforts to engage and develop a diverse supplier and workforce base to support the delivery of EE services.

Filing/Tariff Details

39. The Parties agree that, in light of the COVID-19 pandemic, the Company will submit its first electric CIP cost recovery filing by February 1, 2022, for new rates effective June 1, 2022, based on an initial deferral period of June 1, 2021 through May 31, 2022. The Parties further agree that the Company will submit its first gas CIP cost recovery filing by June 1, 2022, for new rates effective October 1, 2022, based on an initial deferral period of October 1, 2021 through September 30, 2022. The electric and gas CIPs will be adjusted annually thereafter. The Company will not book any CIP deferral prior to June 1, 2021 for electric and October 1, 2021 for gas. The filings will document actual results,

perform the required CIP collection tests described in more detail below, and propose the new CIP rate. Any variances from the annual filings will be trued-up in the subsequent year.

40. Attachment 5 to the Stipulation contains the electric and gas CIP tariffs. The CIP tariffs will reflect an initial rate of \$0.00000 for both electric and gas.
41. The terms of the existing Weather Normalization Charge (“WNC”) will be suspended as of October 1, 2021 at the time that the Gas CIP deferral begins. The 2021 Gas WNC cost recovery filing for the 2020-2021 Winter period can be implemented for new rates effective October 1, 2021, with any remaining over or under-collection included in the Company’s first gas CIP tariff to be submitted by June 1, 2022.

CIP Methodology

42. The monthly CIP deferrals will be calculated as reflected in Attachments 5 and 6E/G to the Stipulation. For the gas CIP, the baseline usage per customer by applicable rate schedule is shown in Attachments 5 and 6G of the Stipulation and is based on the billing determinants approved in the Company’s 2018 base rate case. The baseline usage per customer will be adjusted with each subsequent base rate case. The margin rate utilized in the calculation of the gas deferral is based on the current variable margin rate for each rate schedule and will be updated for any Infrastructure Investment Program (“IIP”) rate adjustments or future base rate changes. For the electric CIP, the baseline revenue per customer by applicable rate schedule is shown in Attachments 5 and 6E of the Stipulation and is based on the billing determinants from the 2018 base rate case and the latest variable margin rates per rate schedule, including any IIP rate adjustments. The baseline usage and margin rates will be updated with each subsequent base rate case or IIP rate adjustment.
43. For purposes of determining recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into weather-related and non-weather-related components. The non-weather-related components will be limited by eligibility tests described in more detail below. The weather-related component will not be subject to those limitations.
44. The non-weather component will be calculated by first deducting the weather component. For gas, the weather impact will be calculated in the same manner as calculated for the Company’s existing WNC. For electric, the weather impact will be calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based on 20 years of weather history of sales for residential customers only. The weather will be measured by the impacts on sales and associated distribution revenue of heating degree days (“HDD”) for winter weather and the temperature humidity index (“THI”) for summer weather. The average of the 20 years of data for HDD and THI will be considered normal. The difference in actual and normal HDD and THI will be multiplied by the sales coefficients to establish sales impacts. The sales impacts will be multiplied by the current tariff rates to derive the revenue impact. The weather normalization methodology is detailed in Schedule 4 of Attachments 6E and 6G of the Stipulation for electric and gas, respectively.

45. The Parties agree that recovery of non-weather related gas CIP impacts shall be subject to the application of two eligibility tests: a Modified BGSS Savings Test and a Variable Margin Test. The Parties further agree that recovery of non-weather related electric CIP impacts shall be subject to the application of two eligibility tests: a BGS Savings Test and a Variable Margin Test. In order to be eligible for recovery, non-weather related CIP impacts must pass both cost recovery tests. A description of the eligibility tests is provided below.

- a. **Modified BGSS Savings Test (Gas only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the gas CIP Tariff will be limited to BGSS Savings calculated under the following methodology. Consistent with the existing Modified BGSS Savings Test utilized by New Jersey Natural Gas Company and South Jersey Gas Company, the margin impact shall be multiplied by a factor of 75% prior to application of the BGSS Savings test. Further, the Parties agree to recognize three categories of savings when calculating the total savings used in the Modified BGSS Savings Test.
  - i. Category One includes the Company's permanent savings realized from its permanent capacity releases or contract terminations on an ongoing basis. The permanent capacity releases and contract terminations are \$45.395 million, as detailed by contract in Schedule 5 of Attachment 6G of the Stipulation. These amounts will remain constant after the re-setting of the CIP benchmarks in future base rate cases.
  - ii. Category Two includes BGSS gas cost savings from reductions of capacity on a long-term basis, i.e., for periods of at least one year. This category of savings will include, but not be limited to: 1) additional contract terminations not included in Attachment 6G, Schedule 5 of the Stipulation; 2) release of capacity to an affiliate or non-affiliate; 3) contract restructuring; and 4) reductions in the commodity cost of gas supply effectuated through purchasing strategies.
  - iii. Category Three is the Company's savings associated with avoided capacity costs to meet residential customer growth on a prospective basis, beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in residential customers for CIP multiplied by the corresponding Benchmark Use per Customer and by the average fixed capacity cost reflected in the Company's concurrent BGSS filing. Schedule 5 of Attachment 6G to the Stipulation illustrates the savings calculation.
  - iv. Additional BGSS savings pursuant to subparagraphs 44(a)(ii) and (iii) above will only be counted within the Modified BGSS Savings Test after agreement is reached with Rate Counsel and Board Staff about BGSS savings transactions.
- b. **BGS Savings Test (Electric only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the electric CIP Tariff will be limited to BGS Savings calculated under the following methodology. Consistent with the Modified BGSS Savings Test described above for gas, the margin impact shall be multiplied by a factor of 75% prior to application of the BGS Savings test. Further,

the Parties agree to recognize three categories of savings when calculating the total savings used in the BGS Savings Test.

- i. Category One includes the Company's permanent savings realized from the reduction in PJM Final Zonal Unforced Capacity ("UCAP") Obligation from the 2011/2012 energy year compared to the 2020/2021 energy year multiplied by the 2020/2021 PS Zonal Net Load Price. The permanent BGS savings are \$64.506 million, as shown in Schedule 5 of Attachment 6E of the Stipulation. These amounts will remain after the re-setting of the CIP benchmarks in future base rate cases.
  - ii. Category Two includes BGS cost savings from ongoing reductions of the Company's PJM Final Zonal UCAP Obligation. This category of savings will be calculated as any annual incremental UCAP Obligation savings after the 2020/2021 energy year. Any annual incremental UCAP Obligation savings will be multiplied by the most recent PS Zonal Net Load Price. Due to the potential for Peak increases due to electric vehicles and electrification, savings are set as a minimum of the incremental obligation savings or zero.
  - iii. Category Three is the Company's savings associated with avoided capacity costs to meet customer growth on a prospective basis beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in customers for CIP multiplied by the corresponding obligation per customer and the current PS Zonal Net Load Price per month. Schedule 5 of Attachment 6E to the Stipulation illustrates the savings calculation.
  - iv. Additional savings pursuant to subparagraphs 44(b)(ii) and (iii) of the Stipulation will only be counted within the BGS Savings Test after agreement is reached with Rate Counsel and Board Staff.
- c. **Variable Margin Test (Electric and Gas)** – The Parties further agree to adopt an additional recovery limitation to non-weather-related CIP margins equal to 6.5% of variable margins for the CIP accrual year. However, for the first annual deferral period only (June 1, 2021 through May 31, 2022 for Electric and October 1, 2021 through September 30, 2022 for Gas), the Parties agree to a recovery and refund limitation to non-weather-related CIP margins equal to 4.0 percent of variable margins. Specifically, variable margins for the gas CIP will be calculated based upon: (i) the number of customers, (ii) the applicable baseline use per customer ("BUC"), and (iii) the associated margin per therm. The margin revenues for each month for each gas CIP Group shall equal the actual number of customers multiplied by the BUC and multiplied by the margin revenue factor. For the electric CIP, variable margins will be calculated based on: (i) the number of customers and (ii) the baseline revenue per customer. The margin revenues for each month for each electric CIP Group shall equal the actual number of customers multiplied by the baseline revenue per customer. The resulting monthly values for both electric and gas shall be summed for all 12 months for all CIP Groups in order to yield the total Variable Margins for the year. Recoverable non-weather CIP amounts shall not exceed 6.5% (or 4.0% in the first year as defined above for electric and gas) of the aggregate variable margin revenues under this test.

46. The dual cost recovery tests set forth in the Stipulation shall operate in conjunction with each other in such a manner so that the total non-weather recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate Modified BGSS Savings Test and the Variable Margin Revenue Test for Gas and BGS Savings Test and Variable Margin Revenue Test for Electric. The Parties agree that any amounts that exceed the Modified BGSS Savings Test/BGS Savings Test and/or Variable Margin Revenue recovery limitations may be deferred for future recovery subject to the earnings test described below. The Company agrees to not seek recovery of interest on any deferred carry-forward amount.
47. Earnings Test – The Parties agree to include an earnings test, through which actual ROE shall be determined based on the actual net income of the utility for the most recent 12-month period divided by the average of the beginning and ending common equity balances for the corresponding period. The timing of the earnings test and definitions of Net Income and Common Equity are specified in the Electric and Gas CIP Tariffs provided in Attachment 5 of the Stipulation. The earnings test will be applicable to the total CIP deferral, including both weather and non-weather components. If the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period and shall not be carried over to subsequent filing periods.

#### **VIII. Rate and Bill Impacts**

48. Electric and gas customers will see no change in their current bill as a result of the Stipulation. Attachment 4, Schedules SS-CEF-EE-4E and SS-CEF-EE-4G of the Stipulation, provides the bill impacts to a typical residential electric and gas customer, respectively, over the life of the CEF-EE Program.
49. The 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 that any particular aspect of the Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with the Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that the Stipulation is not adopted in its entirety by the Board, in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in the Stipulation as though the Stipulation had not been signed.
50. To the extent that any particular aspect of the Stipulation concerning establishment of core sub-programs and coordinated elements (such as incentives, marketplace, marketing, workforce development, and contractor procurement), or sub-program structure in overlapping territories are not consistent with the final consensus reached by the Joint Utility Working Group, the Parties agree that the conflicting aspects of the Stipulation shall be revised accordingly.

## **DISCUSSION AND FINDINGS**

As noted in previous orders, in the months leading up to the date of this filing in October 2018, two significant policy shifts occurred. In May 2018, Governor Murphy ordered the Board and several executive branch agencies to work on an EMP that would chart a path for New Jersey to convert its energy production profile to 100% clean energy sources by January 1, 2050. The draft EMP was released in June 2019, and the final EMP was released in January 2020.

Also in May 2018, Governor Murphy signed into law the CEA, which set forth ambitious goals to advance energy efficiency in the state. In the two years following passage of the CEA, the Board, Staff, Rate Counsel, utilities, and a broad range of stakeholders worked diligently and collaboratively to review and consider options and best practices on a myriad of topics related to EE. The subject matter included details of program design and administration; application of utility targets; filing requirements; cost recovery mechanisms; performance incentives and penalties; evaluation, measurement, and verification; tracking and reporting requirements; a triennial review process; and ongoing stakeholder working groups. This work culminated in the adoption on June 10, 2020 of a comprehensive framework for the next generation of EE and PDR programs to be developed and implemented in New Jersey by electric and gas public utilities and the State pursuant to the CEA.

Having carefully reviewed the record in this matter, including the petition, testimony, and Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. The Board **FINDS** that the Stipulation will benefit New Jersey's residents, energy users, and ratepayers and is consistent with the goals of the CEA and the EMP, as well as the requirements of the Board's June 10, 2020 Order. The Board **FURTHER FINDS** that the Stipulation will bolster New Jersey's clean energy workforce and will greatly improve the ability of low- and moderate-income customers to take advantage of EE programs, initiatives, and opportunities. Accordingly, the Board **HEREBY APPROVES** the attached Stipulation in its entirety and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY AUTHORIZES** PSE&G to implement a new component of its electric and gas GPRC to recover the costs associated with the CEF EE Programs ("CEF-EEC"). The initial CEF-EEC rates will be set to zero. The CEF-EECs will be included in an update to the Company's pending 2020 GRPC Cost Recovery filing in Docket Nos. ER20060467 and GR20060468, through which the initial rate will be established. As a result of the Stipulation, PSE&G's typical residential electric and gas customers will not experience any immediate changes to their current monthly bills. The Board also **HEREBY AUTHORIZES** PSE&G to implement its electric and gas CIPs, as forth in the Stipulation and related attachments, to account for lost revenue resulting from the potential decrease in customer energy usage.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets conforming to the terms of this Order by October 1, 2020.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.



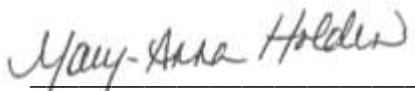
The effective date of this Order is September 30, 2020.

DATED: September 23, 2020


BOARD OF PUBLIC UTILITIES  
BY:



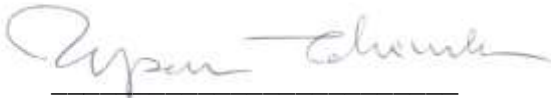
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ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its  
Clean Energy Future – Energy Efficiency (“CEF-EE”) Program on a Regulated Basis

BPU Docket Nos. GO18101112 and EO18101113

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September 22, 2020

IN THE MATTER OF THE PETITION OF  
PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
FOR APPROVAL OF ITS CLEAN ENERGY FUTURE-ENERGY  
EFFICIENCY (“CEF-EE”) PROGRAM ON A REGULATED BASIS

BPU Docket No. GO18101112 and EO18101113

***VIA ELECTRONIC MAIL***

Aida Camacho-Welch, Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Trenton, New Jersey 08625

Dear Secretary Camacho-Welch:

Attached please find the fully executed Stipulation in the above-referenced case resolving all aspects of this matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company; the Staff of the New Jersey Board of Public Utilities; the New Jersey Division of Rate Counsel; the Eastern Environmental Law Center, for Environment New Jersey, Environmental Defense Fund, New Jersey League of Conservation Voters and Natural Resources Defense Council; Keystone Energy Efficiency Alliance, n/k/a Energy Efficiency Alliance of New Jersey; and New Jersey Large Energy Users Coalition. While intervenor Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; Gateway Energy Services Corporation; Centrica Business Solutions; Just Energy Group, Inc.; and NRG, Inc. (the “Market Participants”) are not signatories to the Stipulation, we have been advised that they have no opposition to the stipulation and will be submitting a letter to that effect.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

If you have any questions, please do not hesitate to contact me.

Aida Camacho-Welch, Secretary

- 2 -

September 22, 2020

Thank you for your consideration in this matter.

Very truly yours,



Matthew M. Weissman

Attach.

C Attached Service List (E-Mail)



STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF )  
PUBLIC SERVICE ELECTRIC AND GAS ) STIPULATION OF  
COMPANY FOR APPROVAL OF ITS ) SETTLEMENT  
CLEAN ENERGY FUTURE-ENERGY EFFICIENCY ) BPU Docket Nos. GO18101112 and  
PROGRAM ON A REGULATED BASIS ) EO18101113

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**Daniel Greenhouse, Esq.**, **William D. Bittinger, Esq.**, Eastern Environmental Law Center, for Environment New Jersey, Environmental Defense Fund, New Jersey League of Conservation Voters and Natural Resources Defense Council (collectively, “Environmental Advocates”)

**Erin Cosgrove, Esq.**, for the Keystone Energy Efficiency Alliance n/k/a Energy Efficiency Alliance of New Jersey.

**Steven Goldenberg, Esq.**, Giordano Halleran & Ciesla, P.A. for the New Jersey Large Energy Users Coalition

**Christopher E. Torkelson, Esq.**, **Karen O. Moury, Esq.**, and **Kristine Marsilio, Esq.**, Eckert Seamans Cherin & Mellott, LLC for Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; Gateway Energy Services Corporation; Centrica Business Solutions; Just Energy Group, Inc.; and NRG, Inc. (“Market Participants”)

**TO THE HONORABLE BOARD OF PUBLIC UTILITIES:**

It is hereby AGREED, by and between Public Service Electric and Gas Company (“PSE&G” or “Company”), the Staff of the New Jersey Board of Public Utilities (“Board Staff” or “Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), the Keystone Energy Efficiency Alliance

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(“KEEA”) n/k/a Energy Efficiency Alliance of New Jersey (“EEANJ”), the Environmental Advocates, the New Jersey Large Energy Users Coalition (“NJLEUC”), and the Market Participants (collectively referred to herein as the “Parties”) to execute this Stipulation of Settlement and Agreement resolving PSE&G’s petition in this docket and to join in recommending that the New Jersey Board of Public Utilities (“Board” or “BPU”) issue a Final Decision and Order approving this Stipulation of Settlement and Agreement (“Stipulation”).

### **BACKGROUND**

On January 13, 2008, L. 2007, c. 340 (“RGGI Law”) was signed into law and pronounced that energy efficiency (“EE”) and conservation measures must be essential elements of the State’s energy future. The Legislature also found that public utility involvement and competition in the conservation and EE industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45. Pursuant to Section 13 of the RGGI Law, codified in part as N.J.S.A. 48:3-98.1(a)(1), an electric or gas public utility may, among other things, provide and invest in EE and conservation programs in its service territory on a regulated basis. An electric or gas public utility’s investment in EE and conservation programs is eligible for rate treatment approved by the Board, including a return on equity, or other incentives or rate mechanisms. N.J.S.A. 48:3-98.1(b).

PSE&G has made several EE filings pursuant to Section 13 of the RGGI Law, including:

- i. On June 23, 2008, PSE&G filed a petition with the Board seeking approval of its Carbon Abatement Program, which included five (5) sub-programs: 1) Residential Whole House Efficiency; 2) Residential Programmable Thermostat Installation; 3) Small Business Direct Install; 4) Large Business Best Practices and Technology Demonstration Pilot; and 5) Hospital Efficiency, which the Board approved on December 16, 2008;<sup>1</sup>

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<sup>1</sup> *In the Matter of the Petition of Public Service Electric and Gas Company Offering a Carbon Abatement Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1*, BPU Docket No. EO08060426, Order (Dec. 16, 2008).

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- ii. On January 21, 2009, PSE&G filed a petition with the Board seeking approval of its Energy Efficiency Economic Stimulus Program (“EEE Program”), to implement eight (8) EE sub-programs: 1) Residential Whole House Efficiency; 2) Residential Multi-Family Housing; 3) Small Business Direct Install; 4) Municipal/Local/State Government Direct Install; 5) Hospital Efficiency; 6) Data Center Efficiency; 7) Building Commissioning/O&M; and 8) Technology Demonstration, which the Board approved on July 16, 2009;<sup>2</sup>
- iii. On January 24, 2011, PSE&G filed a petition with the Board seeking approval to extend three (3) of the EEE sub-programs: Multi-Family Housing, Government/Municipal/Non-Profit Direct Install, and Hospital Efficiency, which the BPU approved on July 14, 2011;<sup>3</sup>
- iv. On August 8, 2014, PSE&G filed a petition with the Board seeking a further extension of the three (3) EEE sub-programs with certain modifications, which the BPU approved on April 15, 2015;<sup>4</sup> and
- v. On March 3, 2017, PSE&G filed a petition with the Board seeking a further extension of the three EEE sub-programs for two (2) years (subject to the agreement that the Company would terminate the Direct Install Sub-Program at the conclusion of the two (2) year term), along with a request for two (2) new sub-programs: 1) smart thermostats; and 2) data analytics, all of which the Board approved on August 23, 2017.<sup>5</sup>

On May 23, 2018, Governor Murphy signed the Clean Energy Act (“CEA”) into law. The CEA builds upon the RGGI Law by employing clean energy strategies and establishing aggressive energy

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<sup>2</sup> *In the Matter of the Petition of Public Service Electric and Gas Company Offering an Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1*, BPU Docket No. EO09010058, Decision (July 16, 2009).

<sup>3</sup> *In the Matter of the Petition of Public Service Electric and Gas Company for an Extension of Three Sub-Components of its Energy Efficiency Economic Stimulus Program in its Service Territory on a Regulated Basis and Associated Cost Recovery and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric and the Tariff for Gas Service, B.P.U.N.J. No. 15 Gas, Pursuant to N.J.S.A. 48:2-21, 48:2-21.1, and 48:3-98.1*, BPU Docket No. EO11010030, Decision and Order (July 14, 2011).

<sup>4</sup> *In the Matter of the Petition of Public Service Electric and Gas Company to Continue its Energy Efficiency Economic Extension Program on a Regulated Basis (“EEE Extension II”)*, BPU Docket No. EO14080897, Order Adopting Stipulation (Apr. 15, 2015).

<sup>5</sup> *In the Matter of the Petition of Public Service Gas and Electric Company for Approval of its Energy Efficiency 2017 Program and Recovery of Associated Costs (“17 EE Program”)*, BPU Docket No. EO17030196, Order Adopting Stipulation (Aug. 23, 2017).

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reduction requirements with the goal of improving public health by ensuring a cleaner environment for current and future New Jersey residents. Specifically, the CEA requires that each utility implement EE measures that “achieve annual reductions in the use of electricity of two percent of the average annual usage in the prior three years within five years of implementation of its electric energy efficiency program” and “annual reductions in the use of natural gas of 0.75 percent of the average annual usage in the prior three years within five years of implementation of its gas energy efficiency program.”<sup>6</sup> The CEA emphasizes the importance of EE and peak demand reduction (“PDR”) and calls upon New Jersey’s electric and gas public utilities to play an increased role in delivering EE and PDR programs to customers, with the aim to achieve the State’s goal of 100% clean energy by 2050.

The CEA required the Board to complete a study to determine energy savings targets for each utility to achieve the full economic, cost effective potential for energy usage reductions and the timeframe to achieve those reductions. It also required the Board to adopt quantitative performance indicators (“QPIs”) to establish utility targets for energy usage reduction and PDR, and to establish a stakeholder process to evaluate the economically achievable EE and PDR requirements, rate adjustments, QPIs, and the process for evaluating, measuring, and verifying energy usage reductions and peak demand reductions by the public utilities.

#### **CEF-EE FILING**

As with the Company’s Carbon Abatement Program, and the EEE Program filing and its three (3) extensions, PSE&G filed for approval of its Clean Energy Future- Energy Efficiency (“CEF-EE”) Program pursuant to Section 13 of the RGGI Law on October 11, 2018 (“CEF-EE Petition” or “Petition”). In accordance with the RGGI Law, the Company met with Board Staff and Rate Counsel on May 3, 2018 for a pre-filing meeting to discuss: (a) the nature of the EE program; (b) the program

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<sup>6</sup> P.L. 2018, c. 17, § 3(a) and (e)(1).

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cost recovery mechanism to be proposed in the Petition; and (c) the minimum filing requirements (“MFRs”) to be submitted along with the Petition.

On November 14, 2018, Staff informed the Company that it found the CEF-EE Petition to be administratively deficient with respect to the MFRs for EE, renewable energy, and conservation programs (“Deficiency Letter”). In response to Staff’s Deficiency Letter, the Company filed supplemental information on January 4, 2019 (“Supplemental Filing”). On January 9, 2019, Board Staff notified the Company that it reviewed the Petition for completeness and determined the Petition administratively complete, thereby establishing the Board’s 180-day review period. Accordingly, the Board’s 180-day review period under N.J.S.A. 48:3-98.1 commenced on January 7, 2019, with an expiration date of July 6, 2019.

Accompanying its Petition, PSE&G filed the direct testimonies of Karen Reif, PSE&G Vice President, Renewables and Energy Solutions; Steven Swetz, PSE&G Senior Director, Corporate Rates and Revenue Requirements; and Daniel Hansen, PhD, Vice President, Christensen Associates Energy Consulting, LLC. PSE&G's Supplemental Filing on January 4, 2019 included the supplemental direct testimony of Ms. Reif.

The CEF-EE Program filing consisted of 22 sub-programs, including seven (7) residential sub-programs, seven (7) commercial and industrial (“C&I”) sub-programs, and eight (8) pilot sub-programs. The CEF-EE residential sub-programs were proposed to, among other initiatives, promote the purchase and installation of high-efficiency appliances through rebates and on-bill incentives; provide customers with energy audits and installation of EE measures; educate residential builders and developers on energy efficient home design and construction; and educate kindergarten through 12th grade students on EE. These residential sub-programs were proposed to work together to upgrade efficiency in homes throughout PSE&G’s service territory. The CEF-EE C&I sub-programs were proposed to, among other things, promote the installation of energy efficient equipment; advance

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efficient design and equipment installation for new buildings; optimize energy consumption in existing buildings; and upgrade all of PSE&G's existing high-pressure sodium cobra head streetlights to more efficient light emitting diode ("LED") streetlights. Lastly, the CEF-EE pilot sub-programs were proposed to implement and manage select, advanced approaches to EE that, after the conclusion of the pilot phase, may support future EE programs in New Jersey.

The total proposed investment for the CEF-EE Program was approximately \$2.8 billion, including \$2.5 billion for investment—including \$86.2 million for information technology ("IT") investments—and approximately \$283 million in administrative costs, including \$28.9 million for IT run costs, over the proposed six (6) year term of the Program, with a proposed 15-year amortization period for residential and C&I program investments. PSE&G proposed that the costs be recovered via a new CEF-EE Program component ("CEF-EEC") of the Company's electric and gas Green Programs Recovery Charge ("GPRC") that would be filed annually.

PSE&G proposed to earn a return on its net investment based on its most recent weighted average cost of capital ("WACC"). Additionally, the Company requested Board approval of a decoupling mechanism for recovering lost revenues, the Green Enabling Mechanism ("GEM"), which would provide for the recovery or refund of the difference between actual revenue and the level of "allowed" revenue per customer established in the most recently completed base rate case.

By Order dated October 29, 2018, the Board designated Commissioner Dianne Solomon as Presiding Commissioner, authorized to rule on all motions that arise during the pendency of the CEF-EE Petition and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. The Board directed that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by November 16, 2018. Moreover, to enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow for development of a complete record, the Board authorized Commissioner Solomon to render decisions on

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stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180-day review period, if submitted, provided that the stipulation extending the time period is executed by all parties to the proceeding. The authority so delegated was limited to extensions that do not collectively exceed 180 days, with any further request for extensions to be directed to the Board.

By Order dated January 22, 2019, Commissioner Solomon issued a Prehearing Order that established the issues to be determined by the Board and set forth a procedural schedule (“Prehearing Order”). The Prehearing Order also granted the Motions for the Intervention of NJLEUC and the Environmental Advocates. The Motions for Intervention of EEANJ and the Market Participants (on Motion for Reconsideration) were granted by orders dated February 27, 2019 and November 13, 2019.

Public notice was provided, and six (6) public hearings were held on the CEF-EE Program on the following dates at three (3) locations in PSE&G’s service territory: two (2) hearings on March 13, 2019 in New Brunswick, New Jersey; two (2) hearings on March 18, 2019 in Mt. Holly, New Jersey; and two (2) hearings on March 21, 2019 in Hackensack, New Jersey. A total of 62 members of the public made statements at the public hearings, the majority of whom commented in support of the CEF-EE Program. Two (2) members of the public expressed concerns regarding the CEF-EE Program’s impact on the competitive EE market.

The Company, Rate Counsel, and the Environmental Advocates pre-filed direct and rebuttal testimony of their witnesses. Discovery questions were propounded by Board Staff, Rate Counsel, the Environmental Advocates, and the Company; PSE&G, Rate Counsel, and the Environmental Advocates responded thereto. Evidentiary hearings were conducted on May 1 and 2, 2019 before Commissioner Solomon. During the evidentiary hearings, PSE&G, Rate Counsel, and the Environmental Advocates introduced their respective pre-filed testimonies and exhibits, all discovery responses were moved into evidence, Rate Counsel witnesses presented sur-rebuttal testimony, and

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witnesses were cross-examined. Initial post-hearing briefs were submitted on May 17, 2019 and reply briefs on May 29, 2019.

Several stipulations were approved by Commissioner Solomon to extend the 180-day period for decision pursuant to N.J.S.A. 48:3-98.1: (a) by Order dated June 27, 2019—extending the period from July 6, 2019 until August 19, 2019; (b) by Order dated August 12, 2019—extending the period from August 19, 2019 until September 18, 2019; (c) by Order dated September 11, 2019—extending the 180-day period for Board action on the Company’s CEF-EE Program from September 18, 2019 until March 16, 2020 and authorizing PSE&G to extend four (4) of the five (5) then-current EE 2017 sub-programs for one (1) year, with an additional \$32.995 million of expenditures to be added to the existing EE 2017 component of the GPRC (“EE 2017 Extension I”).

The Parties held settlement meetings on January 14, 29, February 5, 7, and 11, 2020, which culminated in an interim settlement and further extension. A fully executed stipulation was submitted to the BPU: 1) providing an extension of time for BPU action on the CEF-EE Petition until September 30, 2020; and 2) allowing the Company to continue all five (5) existing EE sub-programs through September 30, 2020, with an additional \$111 million of program investment and an additional \$19 million for the Fixed Administrative Allowance and evaluation by outside contractors, to be recovered through the EE 2017 component of the Company’s annual GPRC filing (“EE 2017 Extension II”). The Board approved that stipulation by Order dated February 19, 2020.

### **BPU ENERGY EFFICIENCY TRANSITION**

Pursuant to the requirements of the CEA, the Board undertook a process to develop a framework for establishing EE and PDR programs to reduce the use of electricity and natural gas in New Jersey. At the outset of the proceeding, the Board contracted with Optimal Energy, Inc. (“Optimal”) to perform a study to determine the potential for EE and PDR for each utility in the state and to develop preliminary energy savings targets and QPIs for electricity and natural gas usage reduction (“EE Potential Study”).



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As part of the Board's separate EE transition process applicable to all utility- and State-administered EE programs implemented pursuant to the CEA, the Board also established a stakeholder process to evaluate the economically achievable EE and PDR requirements, rate adjustments, QPIs, and the process for evaluating, measuring, and verifying energy usage reductions and peak demand reductions by the public utilities. Following several stakeholder meetings regarding the EE Potential Study, the Board adopted the energy savings targets and QPIs as preliminary and approved establishment of an Energy Efficiency Advisory Group ("EEAG") to participate in the ongoing EE transition stakeholder process related to the development of EE and PDR programs in New Jersey. Board Staff, Rate Counsel, and the utilities have also been working together through a Joint Utility Working Group to review progress on efforts to coordinate programs. The utilities have been working together to develop program details through the Utility Program Working Groups, which are comprised of multiple teams working on topics including Residential sub-programs, Commercial and Industrial sub-programs, Cross-Cutting issues (common issues between residential and C&I sub-programs), evaluation, rates, and a statewide coordinator system.

Board Staff worked to consider and incorporate public comments and technical data received throughout the EE transition process in the refinement of the framework for EE and PDR programs. Staff also released proposals for comment on program administration and cost recovery and, ultimately, following the submission of comments, on March 20, 2020 issued the full "Energy Efficiency Transition Straw Proposal." Public comments were again considered prior to submission to the Board for approval. On June 10, 2020, the Board accepted Staff's proposed framework ("Framework Order") for the performance targets, program administration, cost recovery, evaluation, measurement, verification ("EM&V"), and filing and reporting standards for implementation of New Jersey's EE and PDR programs.

## **POST EE FRAMEWORK ORDER**

Following the Board's issuance of the Framework Order, the Parties recommenced settlement discussions concerning PSE&G's CEF-EE proposal. The Company has also continued its participation in the Joint Utility Working Groups as per the Framework Order. Settlement discussions were held on June 25, July 14, 16, 28, 31, August 14, 19, 25, 27, and September 1, and 2 with the goal of reaching a settlement for BPU approval in advance of the September 30, 2020 deadline for Board action.

The Company, Board Staff, Rate Counsel, and the intervening parties (collectively "Signatories") have reached an agreement resolving all issues in this proceeding as guided by the principles set forth in the Framework Order and by the Joint Utility Working Group and the Utility Program Working Groups. In light of the foregoing, the Signatories have executed this Stipulation of Settlement and Agreement, the terms of which are set forth below. Specifically, the Signatories hereby STIPULATE AND AGREE to the following:

### **STIPULATED MATTERS**

#### **I. General Terms**

1. The Parties agree that, subject to Board approval of this Stipulation of Settlement and Agreement, PSE&G may implement a modified CEF-EE Program under the terms and conditions described herein. The Program will include implementation, administration and investment in 10 sub-programs, including four (4) residential sub-programs, five (5) Commercial and Industrial (C&I) sub-programs, and one (1) multifamily sub-program.

2. The Parties agree that PSE&G should be permitted to implement the 10 sub-programs identified in Attachment 1, attached hereto and incorporated herein by reference, subject to the final consensus of the Joint Utility Working Group, as outlined in paragraph 50

3. PSE&G will launch sub-programs in accordance with Attachment 1, and adjustments will be made in the implementation of these sub-programs to coordinate delivery and assure consistency of core sub-programs with other utility core sub-programs, as necessary. To coordinate sub-program offerings across the state, the utilities are engaged in a joint effort to contract with a single third-party entity to serve as a dual-fuel statewide coordinator.

4. Customers in PSE&G's electric and/or gas service territory who meet the criteria for the respective CEF-EE sub-program offerings will be eligible to participate.

5. The CEF-EE Program budget is as follows:

| Program Component      | Description   | Component Budget (\$M) | Implementation Date                       |
|------------------------|---|------------------------|---|
| Res Efficient Products | Rebates and on-bill repayment for HVAC, smart thermostats, appliances, lighting, and other equipment  | 140                    | Marketplace: 10/1/20<br>All other: 1/1/21 |
| Res Existing Homes     | Rebates and on-bill repayment for energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services  | 55                     | 1/1/21                                    |
| Res Behavior           | Data analytics, home energy reports, and online energy audits   | 25                     | 1/1/21 <sup>7</sup>                       |
| Res Multifamily        | Energy audit and direct install of efficient equipment at no charge to tenants  | 9                      | 1/1/21                                    |
| Income Eligible        | Energy audit, direct install of efficient equipment, and broader weatherization / appliance replacement services at no charge for income-eligible customers and for properties located within low and moderate-income census tracts | 55                     | 1/1/21                                    |
| C&I Prescriptive       | Rebates and on-bill repayment for HVAC, lighting, motors and drives, refrigeration, water heaters, air compressors, and food service equipment  | 210                    | 1/1/21                                    |

<sup>7</sup> Additional customers will be added to the Behavior Subprogram on January 1, 2021. EE 2017 will continue to serve existing customers through December 2020.

| Program Component   | Description  | Component Budget (\$M)   | Implementation Date  |
|---|--|--------------------------|----------------------|
| C&I Custom  | Custom incentives for large energy efficiency projects, including on-bill repayment  | 100                      | 1/1/21               |
| C&I Small Non-Residential Efficiency (a/k/a Direct Install) | Rebates and on-bill repayment for direct-installed EE measures to small non-residential customers of lighting, controls, refrigeration, heating and air conditioning updates, etc. | 165                      | 10/1/20 <sup>8</sup> |
| C&I Energy Management                                       | Retro-commissioning and strategic energy management: optimizing existing systems with little to no equipment upgrades  | 6                        | 1/1/21               |
| C&I Engineered Solutions                                    | Whole-building engineered energy saving solutions to hospitals, school districts, universities, municipalities, apartment buildings, other non-profit/public entities              | 205                      | 10/1/20 <sup>9</sup> |
| IT  | Technology systems and services to ensure PSE&G customers have easy access to energy efficient products, incentives, and repayments  | 33 <sup>10</sup>         | N/A                  |
| Admin   | Program administration; program management; education and outreach; program design and development; and IT run costs   | Cap at 10% of investment | N/A                  |
| <b>Investment Total</b>                                     |  | <b>1,003</b>             |                      |

6. Based on market response, the Company may shift the timing of investment spending between Program Years (October 1 – September 30) in any sub-program as necessary to provide flexibility in responding to market conditions and customer demand and to ensure the achievement of Program targets during the term of the Program, in accordance with the procedure outlined in the

<sup>8</sup> The EE 2017 Direct Install Subprogram will continue for Urban Enterprise Zones, Government, and Nonprofits. Expansion of the program beyond that will begin no earlier than January 1, 2021.

<sup>9</sup> The C&I Engineered Solutions Sub-program will continue for Hospitals and Multifamily. Expansion of the program beyond that will begin no earlier than January 1, 2021.

<sup>10</sup> An expected breakdown of these IT costs is provided at Attachment 2.

Framework Order.

7. During implementation, certain sub-programs may be more successful in the near term and require additional budget in order to respond to the market need and to continue operations. Accordingly, the Parties agree that a process enabling the Company to make adjustments to sub-program budgets in response to real market conditions experienced is justified. The process, in accordance with the Framework Order, shall be as follows:

- PSE&G can shift its sub-program budgets out of an individual sub-program within the Residential sector or within the C&I sector, up to 25% of the individual sub-program's total budget with Staff notification (which should be provided within 30 days following the change), 25–50% with Staff approval, and over 50% with Board approval.
- PSE&G can shift budgets out of the Residential sector or the C&I sector up to 5% of individual utility sector budgets with Staff notification (which should be provided within 30 days following the change), 5–10% with Staff approval, and over 10% with Board approval. Such budgets may be added to any sub-program(s) within the sector to which it is being transferred without limitation when the budget shift does not exceed 5%.
- All requests for budget adjustments shall be submitted to Staff and Rate Counsel. Staff retains the right to reject shifts requiring Staff notification. Requests for budget adjustments within the three-year Program filing necessitating Staff approval shall be submitted to Staff and Rate Counsel with a written description of and rationale for the proposed transfers, and shall be responded to within 30 days. Rate Counsel may object within 30 days, which will trigger Staff review within 30 days of Rate Counsel's objection. If there is no response from Rate Counsel or Staff within 30 days of PSE&G's request, those requests will be automatically granted.

8. Customer information shall be used by the Company to deliver an effective customer experience in compliance with any applicable BPU regulations and statutory obligations. The Company shall adopt privacy and data handling policies and procedures for CEF-EE that are consistent with PSE&G's customer data security protections, the Framework Order, and any applicable BPU regulations and statutory obligations. In the event of any breach of the above confidentiality by an affiliate, PSE&G shall remediate this breach to the full extent required by law. In the event of any breach of the above confidentiality by a vendor hired to deliver the CEF-EE or to evaluate the sub-

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programs, the Company commits to enforcing the contractual confidentiality requirement to the extent allowed by the law. Any “breach of security” with respect to customers’ “personal information,” as those terms are defined in N.J.S.A. 56:8-161, shall be treated in accordance with the New Jersey Identity Theft Prevention Act, N.J.S.A. 56:8-161 et seq., and Section 3b of the BPU’s Cybersecurity Order of March 18, 2016 in Docket No. AO16030196.

9. PSE&G agrees customer-specific data belongs to the customer, who may request or authorize PSE&G to share it with suppliers, and data gathered during the operation of these sub-programs not specific to any particular customer belongs to the Company and will be used solely to support current or future regulated utility programs. Such data may not be used for other purposes without Board approval. Any financial benefits derived from the data will be offset against the costs of the program. The Company will also submit non-customer-specific data to the Board in compliance with reporting requirements, as established by the Board.

10. PSE&G has used a competitive selection process to select current EE implementation vendors under existing EE Programs described above. The Company commits to conducting a competitive solicitation process to select vendors for the second and third program years that meet currently applicable requirements in a manner that permits the Company to prudently implement the sub-programs. Alternatively, to the extent that contracts with existing vendors can be extended to increase speed to market or reduce costs for customers, the Company will pursue these options and make reasonable efforts to integrate all currently applicable competitive selection procurement protocols into those contracts, while continuing to follow all competitive selection procurement protocols for other services required.

11. Within 30 days of May 31, 2021, PSE&G will convene at least one (1) non-confidential stakeholder collaborative meeting to discuss potential partnerships with market participants and other stakeholders, and to obtain input regarding the design and implementation of “non-core” programs,

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including but not limited to demand response and PDR programs, non-pipe and non-wire alternative programs, and building electrification/decarbonization programs. PSE&G agrees to consider in good faith the issues and suggestions raised in the meeting and to develop recommendations regarding a future filing on additional programs identified in the meeting.

12. Within 120 days of Board approval of this Stipulation, PSE&G will convene at least one stakeholder collaborative meeting to discuss competitive issues in the provision of EE, including but not limited to the implementation of supplier consolidated billing.

13. Incentive structures are described in Attachment 1 of this Stipulation, and measure level details are included in Appendix A of Attachment 1, subject to modification consistent with the Framework Order and in cooperation with the BPU's Utility Working Group and the Utilities' Program Working Groups. The Company commits to complying with all Board Orders regarding the programs and program details it is required to offer.

## **II. Program Term**

14. Implementation of the CEF-EE Program will commence on October 1, 2020 and will continue over the course of the next three years until September 30, 2023.

15. CEF-EE core programs that are continuations of the EE 2017 sub-programs PSE&G currently operates (Efficient Products Marketplace component<sup>11</sup> and Direct Install<sup>12</sup>) shall commence on October 1, 2020. CEF-EE core programs that PSE&G does not currently operate shall commence no earlier than January 1, 2021. Non-core sub-programs, including those sub-programs that are continuations of existing EE 2017 sub-programs, will commence on October 1, 2020. The EE 2017 Hospital and Multi-Family sub-programs will continue as components of the Engineered Solutions sub-

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<sup>11</sup> Efficient Products – Marketplace will be expanded to offer several on-line products on October 1, 2020.

<sup>12</sup> See footnote 8.

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program, with new elements of the Engineered Solutions sub-program commencing no earlier than January 1, 2021. The EE 2017 Data Analytics sub-program will continue as the Behavioral sub-program.

PSE&G will continue to coordinate regarding transition of programs (including program delivery, program data, and marketing) with the current NJCEP program administrator and other utilities with whom the Company has overlapping service territories. To the extent that the utilities jointly decide to implement programs differently than currently envisioned, the Company commits to implement, as permissible under law, consistent elements of the core programs concurrently with all electric and gas utilities in the state. This consistency will include the following elements:

- Common forms for use by customers and contractors;
- Contractor requirements, open and competitive procurement protocols where feasible, and training; procurement protocols should include policies and practices (e.g., scoring systems) developed in collaboration with the Equity Working Group and Workforce Development Working Group that encourage supplier diversity (including contractors and subcontractors) and contractor coaching/mentoring of diverse business enterprises;
- Customer and property eligibility requirements and processes, including alternative/automatic eligibility methods for low- to moderate-income customers (e.g., based on census tracts, environmental justice communities, Urban Enterprise Zones, etc.);
- Eligible measures;
- Incentive ranges;
- Incentive payment processes and timeframes;
- Customer and contractor engagement platforms;
- Data platforms and database sharing among program administrators, where appropriate; and
- Quality control standards and remediation policies.

16. The Company will file a subsequent multiyear Program extension for Board approval by September 30, 2022 with a commencement date of October 1, 2023 to allow for efficient continuation of the CEF-EE Program and align the program term with the subsequent State-wide July-June program cycle.



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### **III. CEF-EE Program Expenditures**

17. The Parties agree that the total investment for the CEF-EE Program is \$1.003 billion, which includes all capital expenditures (including IT), rebates and incentives, including financing costs and audit/installation labor, and outside services for third party sub-program implementation and EM&V. The budget for investment includes amounts that are spent during the three-year program cycle (October 1, 2020 – September 30, 2023) as well as amounts reserved to fund projects/incentives for customers who have enrolled in sub-programs during that three (3) year period, as defined in Appendix B of Attachment 1.

18. The agreed upon \$1.003 billion investment amount does not include Company administrative costs, which will be capped at \$100.3 million. Company administrative costs include PSE&G administrative, labor, IT run costs, and portfolio-level costs, such as program development and jobs initiatives for the three year program cycle. The Company will recover its actual reasonable and prudently incurred administrative costs up to the \$100.3 million cap through annual GPRC cost recovery filings. Staff and Rate Counsel reserve their rights to challenge the prudence of all costs, including administrative costs, in future GPRC filings.

19. The Joint Utility Program Working Group is developing requirements for coordination of services to customers, including the sharing of costs and the allocation of savings. The investments and administrative costs do not include expenditures required for coordination with other utilities, including the Statewide Program Coordinator System. The Parties agree that any additional costs for such coordination efforts that go beyond the scope of the Program, and that are deemed prudently incurred after appropriate review, will be recoverable.

20. All Program expenditures will be filed with the Board and submitted for prudency review in annual cost recovery filings over the term of the Program by way of PSE&G's annual GPRC proceedings.

#### **IV. Cost Benefit Analysis / Reporting**

21. The Company submitted calculations as to the cost-effectiveness of each of the proposed sub-programs under five (5) different cost-benefit tests: the Participant Cost Test (“PCT”), the Program Administrator Cost (“PAC”) Test, the Ratepayer Impact Measure (“RIM”) Test, the Total Resource Cost (“TRC”) Test, and the Societal Cost Test (“SCT”). Attached hereto as Attachment 3 are summaries of the results of (1) the Company’s Benefit Cost Analysis including the New Jersey Cost Test (NJCT), (2) its Costs-to-Achieve Savings Analyses, and (3) its analysis of Electric and Gas QPI values in Program Years 1-3. On or before September 25, 2020 the Company will provide detailed supporting calculations and workpapers that are fully compliant with the MFRs established in the Framework Order. With regard to the QPIs, the Company will provide a description of how the proposed portfolio achieves the targets established for the Company as required by MFR VII.

22. QPI performance periods will be those set forth in the Framework Order. In addition to CEF-EE projects and measures completed after July 1, 2021, EE 2017 projects and measures completed after July 1, 2021 shall be included in QPI measurement. Quarterly, annual and triennial reports will be consistent with the requirements of the Framework Order, the details of which will be developed by the BPU’s Utility Working Group.

23. The Company will perform EM&V for the CEF-EE Program in accordance with the Framework Order. All EE 2017 projects and measures completed after July 1, 2021 shall also be included in the CEF-EE EM&V plan.

#### **V. Capital Structure/Return on Equity**

24. PSE&G will earn a return on its net investment based upon the authorized return on equity (“ROE”) and capital structure approved by the Board in its last base rate proceeding.

25. PSE&G’s weighted average cost of capital (“WACC”) for its CEF-EE Program investments will be set based on the WACC established in the Company’s 2018 base rate case, which

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is 6.99%, or 9.02% on a pre-tax basis based on a common equity percentage of 54%, an ROE of 9.60%, and current tax rates. Attachment 4, Schedule SS-CEF-EE-1 of this Stipulation shows the calculation of the WACC for the CEF-EE Program.

26. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the appropriate corresponding subsequent monthly revenue requirement calculations. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but, in any event, no later than January 1 of the subsequent year. Any changes to current tax rates would be reflected in an adjustment to the Pre-Tax WACC and in any corresponding revenue requirement calculations.

## **VI. Cost Recovery**

27. Cost recovery for the Program will be made and tracked via a new CEF-EE Program component (“CEF-EEC”) of the Company’s electric and gas GPRC, which will be filed annually after the proposed initial period. PSE&G has submitted proposed tariff sheets (both red-lined and clean) as Attachment 5 of this Stipulation to reflect the updated GPRC tariff.

28. The Parties agree that, in light of the impacts of the current COVID-19 pandemic, the initial electric and gas CEF-EECs will be set at zero as of the date of the BPU Order in this proceeding. The Parties further agree that the CEF-EECs will be included in an update to the Company’s pending 2020 GPRC Cost Recovery filing in Docket Nos. ER20060467 & GR20060468, and an initial rate can be set for each component in the settlement of that proceeding. In any event, the initial CEF-EECs will not be increased before January 1, 2021.

29. The electric and gas CEF-EECs will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered

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balance to be recovered from or returned to customers over the following year. Any Board ordered cost recovery adjustments resulting from the review of the actual costs will be made to the over/under deferred balance and reflected in the charges established for the following year pursuant to a final Board Order.

30. The calculation methodology of revenue requirements and the over/under deferred balance is detailed in Attachment 4. The Parties agree the Company will modify the revenue requirement calculation if needed to coordinate sharing of investment with partner utilities in shared service territories as a result of the Board's review and approval of the other utilities cost recovery methodology.

31. Revenues received under the CEF-EE Program, such as PJM Capacity Revenues, marketplace revenues negotiated with vendors, or any other source of revenues as a result of the implementation of the CEF-EE Program, as well as financial benefits from the usage of data as provided in paragraph 9 herein, will be utilized to offset revenue requirements to customers.

32. The Company shall offer eligible EE into the PJM capacity market, consistent with the approach agreed upon by the BPU's Joint Utility Working Group, subject to the requirements of PJM. The Company will credit CEF-EE revenue requirements with any PJM capacity market revenues.

33. The Parties agree to amortize the CEF-EE investments, excluding IT, over a 10-year period. Investment other than financing costs will be expensed when incurred for tax purposes and flowed back to customers as shown in Attachment 4. IT investments will be amortized in accordance with PSE&G's accounting policy and generally accepted accounting principles, which is forecasted to be a five (5)-year book amortization period and three (3)-year straight-line period for tax purposes. IT tax deductions will also be flowed back to customers, as shown in Attachment 4.

34. The Parties stipulate that the Company will file to adjust its electric and gas CEF-EECs, as part of the true-up petition ("True-Up Filing") for the GPRC, with copies provided to the Parties no

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later than July 1, 2021 and annually thereafter for the implementation of the proposed revised CEF-EECs on October 1 of each year. The True-Up Filing will provide information as required by the MFRs. Each True-Up Filing will contain a reconciliation of its projected CEF-EECs costs and recoveries and actual revenue requirements for the prior period, and a forecast of revenue requirements for the estimated time period before Board approval (October 1) and the 12-month period thereafter, which shall be based upon the Company's most current authorized ROE and capital structure as defined above. The True-Up Filing also will present actual costs incurred since the previous annual review, and those costs will then be reviewed for reasonableness and prudence.

35. The Parties agree that any over/under recovery of the actual revenue requirements compared to revenues will be deferred. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines utilized in the preceding month. If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. In the event that neither commercial paper nor bank credit lines were utilized in the preceding month, the prior months interest rate calculation will be used. The interest rate shall not exceed PSE&G's overall rate of return, as authorized by the Board, in calculating revenue requirements for the corresponding period. The interest amount charged to the CEF-EE Program electric and gas deferred balances will be computed using the methodology set forth in Attachment 4, Schedule SS-CEF-EE-6E and SS-CEF-EE-6G, respectively of this Stipulation. The calculation of monthly interest shall be net of tax based on the average monthly balance, consistent with the methodology set forth in Attachment 4, Schedules SS-CEF-EE-6E and SS-CEF-EE-6G of this Stipulation for the CEF-EE Program. Simple interest shall accrue on any over and under recovered balances and shall be included in the deferred balances at the end of each reconciliation period. Near the end of the initial and each subsequent recovery period, the

corresponding electric and gas deferred balances will be included with forecasted revenue requirements for the succeeding period for the purpose of setting the revised electric and gas CEF-EECs.

36. The True-Up Filing will be subject to review by the Parties with opportunity for discovery and evidentiary hearings (if necessary) prior to the issuance of a Board Order establishing the Company's revised CEF-EECs. The issuance of a written Board Order will be preceded by adequate public notice and public hearings including evidentiary hearings, if necessary.

## **VII. Conservation Incentive Program ("CIP")**

37. Given the volumetric rate structure to recover fixed costs and the potential for decline in revenue associated with the implementation of energy efficiency, the Parties agree—as consistent with the CEA—to account for lost sales revenue resulting from the decrease in customer energy usage.

### *Shareholder Contribution*

38. The recovery of lost revenues due to programs like the CEF-EE will be made via a CIP based on the methodology outlined below and detailed in the schedules for gas and electric, as noted in Attachments 6G and 6E, respectively. In addition, PSE&G agrees to implement initiatives to further customer conservation efforts, providing a funding amount ("shareholder contribution") of \$3.3 million per year as long as the CIP remains in place, commencing with the start of the CIP deferrals, as defined below. All shareholder contribution expenditures will be allocated 55% to electric distribution (or approximately \$1.8 million) and 45% to gas distribution (or approximately \$1.5 million). Any under-spend in a year will be factored into the following year's spending amount. The shareholder contribution will not be included in customer rates. The shareholder contribution will support initiatives designed to aid customers in reducing their costs of natural gas and electricity and to reduce each utility's peak demand. The initiatives may include efforts such as education and outreach, as well as enhancements to standard incentives to further encourage customer engagement in the CEF-EE Program (e.g., the distribution of free EE kits within low- and moderate-income census tracts), grants

to schools and community organizations, and a business EE portal.

- **Community Education and Outreach:** This category covers community outreach activities, such as presentations, lunch and learns, outreach tables, trade shows, business conferences, and green fairs. It may also include grants or initiatives with community organizations. Particular emphasis will be placed on low- and moderate-income communities.
- **Municipal and NGO (non-governmental organization) Outreach:** This category includes activities to work with municipalities and other organizations and may include funding for special studies or projects and partnerships to promote EE.
- **Customer Engagement:** This category includes activities to increase customer awareness and engagement in programs, including enhanced incentives for promotional purposes, such as the offering of a flash sale. Particular emphasis will be placed on low- and moderate-income customers. A business engagement portal may be explored to evaluate the potential to provide customized information to this diverse customer segment.
- **Energy Efficient Economy:** This category supports efforts to engage and develop a diverse supplier and workforce base to support the delivery of EE services.

#### Filing/Tariff Details

39. The Parties agree that, in light of the COVID-19 pandemic, the Company will submit its first electric CIP cost recovery filing by February 1, 2022, for new rates effective June 1, 2022, based on an initial deferral period of June 1, 2021 through May 31, 2022. The Parties further agree that the Company will submit its first gas CIP cost recovery filing by June 1, 2022, for new rates effective October 1, 2022, based on an initial deferral period of October 1, 2021 through September 30, 2022. The electric and gas CIPs will be adjusted annually thereafter. The Company will not book any CIP deferral prior to June 1, 2021 for electric and October 1, 2021 for gas. The filings will document actual results, perform the required CIP collection tests described in more detail below, and propose the new CIP rate. Any variances from the annual filings will be trued-up in the subsequent year.

40. Attachment 5 to this Stipulation contains the electric and gas CIP tariffs. The CIP tariffs will reflect an initial rate of \$0.00000 for both electric and gas.

41. The terms of the existing Weather Normalization Charge (“WNC”) will be suspended as of October 1, 2021 at the time that the Gas CIP deferral begins. The 2021 Gas WNC cost recovery filing for the 2020-2021 Winter period can be implemented for new rates effective October 1, 2021,

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with any remaining over or under-collection included in the Company's first gas CIP tariff to be submitted by June 1, 2022.

CIP Methodology

42. The monthly CIP deferrals will be calculated as reflected in Attachments 5 and 6E/G to this Stipulation. For the gas CIP, the baseline usage per customer by applicable rate schedule is shown in Attachments 5 and 6G and is based on the billing determinants approved in the Company's 2018 base rate case. The baseline usage per customer will be adjusted with each subsequent base rate case. The margin rate utilized in the calculation of the gas deferral is based on the current variable margin rate for each rate schedule and will be updated for any Infrastructure Investment Program ("IIP") rate adjustments or future base rate changes. For the electric CIP, the baseline revenue per customer by applicable rate schedule is shown in Attachments 5 and 6E and is based on the billing determinants from the 2018 base rate case and the latest variable margin rates per rate schedule, including any IIP rate adjustments. The baseline usage and margin rates will be updated with each subsequent base rate case or IIP rate adjustment.

43. For purposes of determining recovery eligibility for CIP accruals, the margin impact of changes in customer usage will be segregated into weather-related and non-weather-related components. The non-weather-related components will be limited by eligibility tests described in more detail below. The weather-related component will not be subject to those limitations.

44. The non-weather component will be calculated by first deducting the weather component. For gas, the weather impact will be calculated in the same manner as calculated for the Company's existing WNC. For electric, the weather impact will be calculated in a manner consistent with the methodology used for gas. PSE&G will establish sales coefficients based on 20 years of weather history of sales for residential customers only. The weather will be measured by the impacts on sales and associated distribution revenue of heating degree days ("HDD") for winter weather and



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the temperature humidity index (“THI”) for summer weather. The average of the 20 years of data for HDD and THI will be considered normal. The difference in actual and normal HDD and THI will be multiplied by the sales coefficients to establish sales impacts. The sales impacts will be multiplied by the current tariff rates to derive the revenue impact. The weather normalization methodology is detailed in Schedule 4 of Attachments 6E and 6G for electric and gas, respectively.

45. The Parties agree that recovery of non-weather related gas CIP impacts shall be subject to the application of two eligibility tests: a Modified BGSS Savings Test and a Variable Margin Test. The Parties further agree that recovery of non-weather related electric CIP impacts shall be subject to the application of two eligibility tests: a BGS Savings Test and a Variable Margin Test. In order to be eligible for recovery, non-weather related CIP impacts must pass both cost recovery tests. A description of the eligibility tests is provided below.

- **a. Modified BGSS Savings Test (Gas only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the gas CIP Tariff will be limited to BGSS Savings calculated under the following methodology. Consistent with the existing Modified BGSS Savings Test utilized by New Jersey Natural Gas Company and South Jersey Gas Company, the margin impact shall be multiplied by a factor of 75% prior to application of the BGSS Savings test. Further, the Parties agree to recognize three (3) categories of savings when calculating the total savings used in the Modified BGSS Savings Test.
  - i. Category One includes the Company's permanent savings realized from its permanent capacity releases or contract terminations on an ongoing basis. The permanent capacity releases and contract terminations are \$45.395 million, as detailed by contract in Schedule 5 of Attachment 6G. These amounts will remain constant after the re-setting of the CIP benchmarks in future base rate cases.

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- ii. Category Two includes BGSS gas cost savings from reductions of capacity on a long-term basis, i.e., for periods of at least one (1) year. This category of savings will include, but not be limited to: 1) additional contract terminations not included in Attachment 6G, Schedule 5; 2) release of capacity to an affiliate or non-affiliate; 3) contract restructuring; and 4) reductions in the commodity cost of gas supply effectuated through purchasing strategies.
  - iii. Category Three is the Company's savings associated with avoided capacity costs to meet residential customer growth on a prospective basis, beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in residential customers for CIP multiplied by the corresponding Benchmark Use per Customer and by the average fixed capacity cost reflected in the Company's concurrent BGSS filing. Schedule 5 of Attachment 6G to this Stipulation illustrates the savings calculation.
  - iv. Additional BGSS savings pursuant to subparagraphs 44(a)(ii) and (iii) above will only be counted within the Modified BGSS Savings Test after agreement is reached with Rate Counsel and Board Staff about BGSS savings transactions.
- **b. BGS Savings Test (Electric only)** – The Parties agree that reductions in customer usage provide opportunities to reduce peak demand and lower commodity costs. As a result, recovery through the electric CIP Tariff will be limited to BGS Savings calculated under the following methodology. Consistent with the Modified BGSS Savings Test described above for gas, the margin impact shall be multiplied by a factor of 75% prior to application of the BGS Savings test. Further, the Parties agree to recognize three (3) categories of savings when calculating the total savings used in the BGS Savings Test.

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- i. Category One includes the Company's permanent savings realized from the reduction in PJM Final Zonal Unforced Capacity (“UCAP”) Obligation from the 2011/2012 energy year compared to the 2020/2021 energy year multiplied by the 2020/2021 PS Zonal Net Load Price. The permanent BGS savings are \$64.506 million, as shown in Schedule 5 of Attachment 6E. These amounts will remain after the re-setting of the CIP benchmarks in future base rate cases.
  - ii. Category Two includes BGS cost savings from ongoing reductions of the Company’s PJM Final Zonal UCAP Obligation. This category of savings will be calculated as any annual incremental UCAP Obligation savings after the 2020/2021 energy year. Any annual incremental UCAP Obligation savings will be multiplied by the most recent PS Zonal Net Load Price. Due to the potential for Peak increases due to electric vehicles and electrification, savings are set as a minimum of the incremental obligation savings or zero.
  - iii. Category Three is the Company's savings associated with avoided capacity costs to meet customer growth on a prospective basis beginning with the first annual CIP filing following implementation of these terms. Avoided capacity costs shall be calculated on a monthly basis and are equal to the net change in customers for CIP multiplied by the corresponding obligation per customer and the current PS Zonal Net Load Price per month. Schedule 5 of Attachment 6E to this Stipulation illustrates the savings calculation.
  - iv. Additional savings pursuant to subparagraphs 44(b)(ii) and (iii) above will only be counted within the BGS Savings Test after agreement is reached with Rate Counsel and Board Staff.
- **Variable Margin Test (Electric and Gas)** – The Parties further agree to adopt an

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additional recovery limitation to non-weather-related CIP margins equal to 6.5% of variable margins for the CIP accrual year. However, for the first annual deferral period only (June 1, 2021 through May 31, 2022 for Electric and October 1, 2021 through September 30, 2022 for Gas), the Parties agree to a recovery and refund limitation to non-weather-related CIP margins equal to 4.0 percent of variable margins. Specifically, variable margins for the gas CIP will be calculated based upon: (i) the number of customers, (ii) the applicable baseline use per customer ("BUC"), and (iii) the associated margin per therm. The margin revenues for each month for each gas CIP Group shall equal the actual number of customers multiplied by the BUC and multiplied by the margin revenue factor. For the electric CIP, variable margins will be calculated based on: (i) the number of customers and (ii) the baseline revenue per customer. The margin revenues for each month for each electric CIP Group shall equal the actual number of customers multiplied by the baseline revenue per customer. The resulting monthly values for both electric and gas shall be summed for all 12 months for all CIP Groups in order to yield the total Variable Margins for the year. Recoverable non-weather CIP amounts shall not exceed 6.5% (or 4.0% in the first year as defined above for electric and gas) of the aggregate variable margin revenues under this test.

46. The dual cost recovery tests set forth in this paragraph shall operate in conjunction with each other in such a manner so that the total non-weather recoverable amount is limited to the smaller of the two (2) recoverable amounts allowed under the separate Modified BGSS Savings Test and the Variable Margin Revenue Test for Gas and BGS Savings Test and Variable Margin Revenue Test for Electric. The Parties agree that any amounts that exceed the Modified BGSS Savings Test/BGS Savings Test and/or Variable Margin Revenue recovery limitations may be deferred for future recovery subject to the earnings test described below. The Company agrees to not seek recovery of interest on

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any deferred carry-forward amount.

47. Earnings Test – The Parties agree to include an earnings test, through which actual ROE shall be determined based on the actual net income of the utility for the most recent 12-month period divided by the average of the beginning and ending common equity balances for the corresponding period. The timing of the earnings test and definitions of Net Income and Common Equity are specified in the Electric and Gas CIP Tariffs provided in Attachment 5. The earnings test will be applicable to the total CIP deferral, including both weather and non-weather components. If the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period and shall not be carried over to subsequent filing periods.

### **VIII. Rate and Bill Impacts**

48. Electric and gas customers will see no change in their current bill as a result of this Stipulation. Attachment 4, Schedules SS-CEF-EE-4E and SS-CEF-EE-4G, provides the bill impacts to a typical residential electric and gas customer, respectively, over the life of the CEF-EE Program.

49. 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 that any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board, in any applicable Order, 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.

50. To the extent that any particular aspect of this Stipulation concerning establishment of

core sub-programs and coordinated elements (such as incentives, marketplace, marketing, workforce development, and contractor procurement), or sub-program structure in overlapping territories are not consistent with the final consensus reached by the Joint Utility Working Group, the Parties agree that the conflicting aspects of this Stipulation shall be revised accordingly.

51. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

52. 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, the Parties 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.

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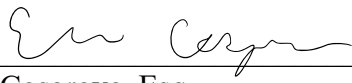
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ATTACHMENT 1

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Note: Note that subprogram and incentive designs may be adjusted as required to coordinate with other NJ utilities.

## ATTACHMENT 1

**1.1. Residential Sector Subprograms**

The proposed residential subprograms will work together to significantly upgrade efficiency in homes throughout PSE&G's service territory. All sub-segments are addressed, from new construction and refurbishments, to existing homes, to an online marketplace for installation service, with additional dedicated support for multi-family and lower income customers. Where needed, additional customer support is provided through on-bill repayments and other incentives. To further improve the culture of energy efficiency use in its territory, PSE&G will sponsor subprograms through education and behavioral subprograms.

**1.1.1. Residential Efficient Products**

The Residential Efficient Products Subprogram will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, including an online marketplace, in-store rebates, reduced point of sale costs, and a network of trade allies. The subprogram will provide incentives for energy efficient lighting, appliances, smart thermostats, electronics, and heating and cooling equipment. Installation services may also be offered for some equipment. Measures range in type and price, but include both electric and natural gas technologies that improve energy efficiency in the home. Up-front rebates will be offered on all technologies to reduce initial costs, and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

The subprogram is designed to:

- Provide incentives to customers for the installation of products to reduce energy use in the home and information about other subprograms that encourage the installation of high efficiency equipment, such as lighting, room air conditioners, HVAC units, electronics and appliances.
- Provide midstream incentives to retailers to increase sales of ENERGY STAR products.
- Provide a marketing mechanism for retailer and high efficiency product suppliers to promote energy efficient equipment and products to end users.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Provide online and other channels for customers to acquire select ENERGY STAR and other qualified products.
- Utilize energy efficiency kits to introduce and promote energy efficiency technologies that can be easily installed in the home. The kits will serve as a gateway to other programs by including energy efficiency and conservation educational materials and promotional materials for other program opportunities, including the utility, Comfort Partners and NJCEP programs.
- Provide energy efficiency kits to local foodbank and non-profit organizations and at energy assistance outreach events to reach low- to moderate-income customers, with schools to promote energy efficiency education in classrooms, to new movers, customers upon request, and within utility marketplaces to support customer engagement.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique customer relationship to positively impact the entire sales process surrounding efficient equipment, from education and awareness of customers, engagement with trade ally contractors and equipment distributors, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

**Market Segment/Efficiency Targeted**

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The Residential Efficient Products Subprogram will be available to all residential electric and/or natural gas customers in the PSE&G service territory. The subprogram is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major residential end-use categories, and can be easily promoted to trade allies and customers via straightforward prescriptive rebates. Technologies incentivized through this subprogram include lighting, HVAC, other heating/cooling equipment, smart thermostats, and other efficient products. The subprogram will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances. PSE&G will offer enhanced incentives for Low-to-Moderate income (LMI) customers (up to 400% of federal poverty level) for certain products to enable the program to reach all customer types. Eligibility for these enhanced incentives can be determined based on screening an individual customer however PSE&G will also implement automatic eligibility for enhanced incentives based upon a physical location (e.g. properties located in low and moderate census tracts, environmental justice community, Urban Enterprise Zone) to increase PSE&G's presence in LMI communities. Customer eligibility based on the property location in a low-income and moderate-income U.S. census tract can be determined by inputting individual addresses and accessing U.S. census tract maps available at the Federal Financial Institutions Examination Council website at <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.

### Delivery Method

PSE&G will use its brand, its customer outreach infrastructure, and its marketplace relationships to increase the availability, awareness, and customer uptake of energy efficient products. On-bill repayments will be available to customers to cover the remaining cost (after applying the rebate discount) for the balance of the efficient product cost for select products and services.

A third-party implementation contractor(s) will be selected to assist with the administration, oversight, and delivery of the subprogram. This contractor will assist in the expansion of the PSE&G branded online marketplace, will work to promote the subprogram through word-of-mouth, advertising, and awareness, and will work with PSE&G to review and adjust the product and service list. These activities will occur prior to commercial operation and during the delivery of the subprogram. The third-party implementation contractor will also assist in securing partnerships with retailers, wholesalers, and trade allies to assure all PSE&G customers are able to easily purchase energy efficient products and equipment through the subprogram. Customer engagement and sales channels may include:

- **Point of Sale Rebates:** Prescriptive rebate applications will be made available at the point of sale. PSE&G will explore the viability of using a digital, smartphone-based application platform, to enable customers to purchase efficient equipment at traditional consumer retail outlets and instantly redeem rebates at point-of-sale in both physical stores and online. Allowing easy access to rebates encourages customers to purchase qualifying efficient products. Appliance recycling will also be available to customers whereby they may schedule a pick-up to have eligible inefficient appliances (e.g. old refrigerators) removed and a rebate issued.
- **Post Purchase Rebates:** Rebates will also be made available to customers after they have made their purchase. Applications will be available online to submit either electronically or in hard copy with proof-of-purchase.
- **Online Marketplace:** PSE&G will expand the self-branded online marketplace currently being deployed for the EE2017 Smart Thermostat Program to incorporate other products and services in this direct-to-customer platform. This online marketplace is a branded, easy to use source for the online purchase of efficient products and services. Participants will be able to browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant

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rebates and the option for on-bill repayments on purchases above a certain threshold. PSE&G will validate customer eligibility prior to applying rebates.

- **Midstream Rebates:** PSE&G will promote a midstream rebate component to encourage purchase of efficient equipment via directly marking down the price of the efficient equipment at the point of sale. PSE&G will work with retail partners (such as Home Depot, Lowes, etc.) to assure that marked down measures are available throughout the PSE&G service territory. Midstream rebates encourage market transformation and wider availability of efficient equipment. Efficient products that are rebated via a midstream approach will not be eligible for retail channel rebates.
- **Trade Allies:** PSE&G will establish a network of trade allies to promote and deliver the subprogram with a consistent experience to the customer. The trade ally network will consist of qualified installation contractors, plumbers, electricians, and other trade service professionals. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G will refer customers to a list of qualified trade allies. By allowing participants to select a trade ally they are comfortable with (either through an existing relationship or by reference from PSE&G), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will qualify entities to participate in the trade ally network and oversee trade ally performance to verify quality standards are met.

By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Targeted trade ally firms may include:

- HVAC & appliance distributors, contractors, and retail providers
- General contractors, plumbers, electricians, and other trade service professionals

Regardless of the delivery mechanism, PSE&G will take steps to ensure customers are made aware of PSE&G's engagement in helping to off-set up-front costs of the efficient products.

### **Proposed Incentives**

PSE&G proposes to provide a range of incentives depending on the measure type, subject to changes based upon customer response and marketplace changes over the plan period. Incentives will vary depending on the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace. Incentive levels will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures, while minimizing any potential free ridership.

Incentives will be available in several ways and are adapted to the retail partner needs and market response. The strategies that might be used include:

- Mail-in applications available from the retailer/contractor and the subprogram website
- Online rebate forms
- In-store "Instant Reward" coupons that are redeemed in-store at the time of purchase.
- Special sale events in retail stores
- Manufacturer buy down to Retailer
- Midstream incentives to retailers to encourage them to carry and stock efficient products

Incentives may change based on market prices, as well as manufacturer and distributor co-funding. Other incentive alternatives may be used as the market evolves and new and innovative customer and trade ally engagement opportunities become apparent.

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### **Marketing Approach**

PSE&G will implement a multi-pronged direct and indirect marketing campaign to promote this subprogram. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness, as well as tie-ins with other PSE&G subprograms. Retailers, wholesalers, and trade allies will be contacted directly and through trade associations to develop networks and promote involvement in the subprogram. PSE&G will also look to leverage the behavior subprogram for ‘warm leads’ into the subprogram through both the home energy reports and online audit tool. Finally, appliance recycling will provide customers with rebates that can be redeemed in the online marketplace, further driving customer incentive and participation in the subprogram.

Targeting and promotion within the subprogram will be enabled through intelligence gained through other residential subprograms, primarily Behavioral, Existing Homes, and other activity in the Efficient Products Subprogram. Integrated IT solutions will enable PSE&G to provide customized information to customers with prioritized action items, to maximize availability and uptake.

A combination of strategies will be used to train and support retailers, including media advertising, outreach community forums, events, and direct outreach to customers and retailers. Marketing activities include:

- Point of purchase displays and materials, joint advertising with retailers, coupons, and special “instant sales events”
- Public relations materials
- Brochures that describe the benefits and features of the subprogram including application forms and processes. The brochures will be available for various public awareness events (presentations, seminars etc.)
- Bill inserts, bill messages, email messages, Facebook and Twitter, pop-up stores.
- Company website content providing subprogram information resources, contact information, online application forms, online retail store and links to other relevant service and information resources
- Customer representatives trained to promote the subprogram to their customers
- Presence at conferences and public events used to increase general awareness of the subprogram and distribute subprogram promotional materials

### **Contractor Role**

PSE&G will oversee the build-out of the online marketplace as well as the retail and Trade Ally network, which will be administered by third-party implementation contractors. A third-party implementation contractor will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the PSE&G subprogram vision, eligible efficient products, rebates, and ways to participate. Additionally, the third-party implementation contractor will engage trade allies, including local construction, electrical, plumbing, and other contractors to educate them on subprogram benefits and build an approved trade ally network which will reliably install energy efficient equipment for participating customers. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and trade ally availability to provide suggestions to assure that the subprogram is continually providing PSE&G customers with their needs. A third-party implementation contractor will be responsible for the management of the online marketplace. This third-party implementation contractor will also process the online instant rebates, verify eligibility of customers and manage the delivery of items purchased on the website.

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To select qualified third-party implementation contractors, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

### **1.1.2. Residential Existing Homes**

The Residential Existing Homes Subprogram provides a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. Under the Residential Existing Homes Subprogram, participants undergo an energy audit and receive free installation of low-cost direct install energy efficiency measures, as well as an energy efficiency action-plan that includes recommendations for potential upgrades and available incentives. The audit will be incentivized, while the work to complete recommended energy efficiency measures will receive rebates with the ability for customers to use on-bill repayments for the balance of the costs. Home energy audits will be conducted by PSE&G and/or local trade allies (including, e.g. home improvement contractors) that are qualified to perform comprehensive home assessments, and a follow-up audit may be conducted after completing home energy improvements to verify proper installation and function of home efficiency improvements.

This subprogram is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy savings than the Residential Efficient Products Subprogram. The subprogram will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency Home Performance with ENERGY STAR (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy savings opportunities.

#### **Market Segment/Efficiency Targeted**

The Residential Existing Homes Subprogram will be available to all single-family and single-family attached electric and/or natural gas customers in the PSE&G service territory. Potential measures incentivized through this subprogram include but are not limited to insulation, air sealing, lighting, smart thermostats, low-flow devices, smart strips, and HVAC. This subprogram will drive deeper levels of activity and investment in homes than the Residential Efficient Products Subprogram by including a suite of home performance measures and the advice of PSE&G and/or qualified trade ally professionals that can identify efficiency opportunities in residential homes.

In addition to the comprehensive approach described above, a Quick Home Energy Check-Up (QHEC) option may be offered, to help customers understand their best opportunities to save energy through an in-home consultation and also secure energy savings during that visit through the direct installation of energy saving measures. It will be designed to help renters as well as homeowners and promotes additional energy savings opportunities and upgrades available to the customer.

#### **Delivery Method**

The subprogram will be managed by a third-party implementation contractor as outlined in detail in the Contractor Role:

- **In-Home Energy Audit:** In-home energy audits are conducted by PSE&G and/or local trade allies. During the audit, customers will receive free installation of low-cost measures, such as LED lighting, low-flow devices, and smart strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat set points. Smart



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thermostats may be made available while the auditors are on premises through the Residential Efficient Products Subprogram. Following the in-home audit, the participant will be provided an energy efficiency action-plan that summarizes the findings of the audit and recommends technology and building performance improvements that will maximize the efficiency of the home. This report will also include detail regarding estimated cost, available rebates, and availability of on-bill repayment.

- **In-Home Efficiency Improvements:** If the customer chooses to pursue some or all of the recommended home efficiency measures, a second appointment will be scheduled to implement the measures. At the completion of the work, PSE&G and/or the trade ally will test the home to validate the energy savings and to ensure that all mechanical equipment is operating safely. Subprogram management staff, including the third-party implementation contractor, may spot check installations as needed.
- **Local Trade Ally Network:** The local trade ally network will be qualified, trained, and managed by the third-party implementation contractor, and may deliver audits and/or energy efficiency services.

Measures from the Residential Efficient Products Subprogram, such as home appliances (e.g. clothes washers) may be installed by PSE&G and/or the trade ally if requested by the participant and if within the scope of services. These measures are not typically addressed in a home performance subprogram because they are generally only replaced at end-of-life.

### **Proposed Incentives**

PSE&G will provide a subsidized in-home audit, as well as a suite of low-cost direct-install measures. Home performance measures recommended by PSE&G and/or the trade ally carry incentives that will be available individually but may also be offered as part of bundled performance incentives depending on customer interest and budget. If utilized, home performance incentives will be structured on the basis of estimated total energy reduction in the home and the total cost of installed measures, such that customers can receive an overall, packaged incentive that is subject to a maximum of either a specific cap, to be evaluated and modified periodically, or a percentage of total installation cost. On-bill repayment will also be available to qualified customers to reduce upfront cost barriers. In order to use on-bill repayments, participants will be evaluated to determine their risk and ability to repay. In coordination with the Joint Utilities, PSE&G will establish qualification minimums for on-bill repayments, which may include bill payment history.

### **Marketing Approach**

PSE&G will utilize many marketing avenues to assure subprogram awareness and participation is maximized. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, media advertising, and hard-copy materials to promote awareness among trade allies and customers. An additional marketing pathway PSE&G plans to utilize is through the network of other subprograms being offered in the CEF-EE Program. The integration of all subprograms will allow for direct marketing to customers through the Residential Behavioral and Residential Efficient Products Subprograms. The connections with these subprograms also provides two-way marketing potential, in that customers engaged in the Residential Behavioral and Residential Efficient Products Subprograms will be provided with information and literature about the opportunity to participate in the Residential Existing Homes Subprogram. Information garnered from subprograms, such as the Residential Behavioral and Residential Efficient Products could be used to identify prime candidates for participation in the Residential Existing Homes Subprogram. For example, a review of usage data contained in HERs from the Residential Behavioral Subprogram could allow PSE&G to identify customers who are particularly susceptible to changes in weather, and would be ideal candidates for an audit. Likewise, the Residential Efficient Products Subprogram could provide leads to customers interested in energy efficiency.

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### **Contractor Role**

PSE&G will supervise the subprogram, as well as select a third-party implementation contractor to manage the subprogram.

The third-party implementation contractor will oversee all aspects of the subprogram, including training and engagement, QA/QC, and rebate processing (including measures installed during audits). A large part of the third-party implementation contractor will focus on developing, training, and growing a qualified trade ally network. This will include trade ally training sessions, workshops, and market development events to grow and develop the trade ally network, with a priority placed on encouraging them to integrate home efficiency performance into their business and become Building Performance Institute (BPI) and ENERGY STAR certified contractors. The third-party implementation contractor will maintain a close relationship with entities delivering the audits and efficiency measures to ensure consistent subprogram delivery experience and high customer satisfaction. The third-party implementation contractor will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of trade ally installation work.

The trade ally marketplace may consist of companies in the fields of residential HVAC, home improvement, weatherization and insulation, and other relevant areas. In order to facilitate trade ally access to participants, PSE&G or the third-party implementation contractor will administer a web portal where customers can find local trade allies based on geography and other criteria.

To select a qualified third-party implementation contractor PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives, especially ENERGY STAR certified programs
- Knowledge of the current marketplace
- Ability to educate and train contractors
- Local presence
- Cost

### **1.1.3. Residential Behavioral**

The Residential Behavior Subprogram will provide customers with granular and easy-to-understand information about their energy use, a comparison of their usage against other similar customers, and suggested action steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other efficiency subprograms.

Direct mailed and/or electronic home energy reports (HERs) will be the cornerstone of the subprogram and will provide participants with customized, easy-to-implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. High usage alerts will also be issued by email to customers when weather patterns and other data indicate their next bill is trending higher, and provide the customer with tips to manage their usage.

The subprogram will also offer an internet-based home energy self-audit to all residential customers. This audit will allow customers to better understand their energy usage and their opportunities for energy savings.

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An online portal will be used to provide customers with usage information, recommendations, tips, and links to energy efficiency subprograms provided by PSE&G, including the online marketplace with access to the Residential Efficient Products Subprogram and the Residential Existing Homes Subprogram. The online customer portal will integrate the information from the HERs and online audit to further assist customers as they look to realize deeper equipment and appliance-based savings. PSE&G will utilize the information gathered from the HERs and online audits to not only better understand the residential customer base, but also assist in making smart decisions moving forward with the energy efficiency subprograms.

Information on customers participating in other subprograms such as the Residential Efficient Products and Residential Existing Homes Programs will be linked into the HERs as to provide up-to-date information and recommendations to participants.

### **Market Segment/Efficiency Targeted**

The subprogram will provide HERs to a minimum of 650,000 residential customers. This quantity of customers represents the number of unique customers in the program. These customers will receive multiple home energy reports per year, in accordance with best practices in the industry. This quantity of customers will be reviewed periodically and modified as needed to maximize cost-effective energy savings. The online energy audit will be available to all PSE&G electric and/or natural gas residential customers. The HERs and online audit will offer tailored recommendations to reduce electric and/or natural gas consumption.

The subprogram may also provide HERs to participants of other residential subprograms, such as Residential Efficient Products and Residential Existing Homes. The subprogram will primarily target single family homes; however, PSE&G may also evaluate potential in the multi-family and income eligible markets.

### **Delivery Method**

PSE&G will extend its current Data Analytics Subprogram to additional customers using a selected HER vendor.

PSE&G's HER vendor will identify and distribute HERs to residential customers at no charge to the participant. The online audit will be available for all PSE&G residential customers free of charge. High usage alerts will be provided to customers receiving HERs via email to customers for whom PSE&G has a valid email address.

### **Proposed Incentives**

All services under this subprogram will be provided at no cost to the customer.

### **Marketing Approach**

The recipients of the HERs will be selected by PSE&G, its selected HER vendor, and its evaluation contractor. The online audit will be marketed through bill-insert mailers, digital advertising, and other means to assure that all customers are aware of the availability of these resources. Participants in other PSE&G energy efficiency subprograms will be referred to the online audit tool and online portal as appropriate.

### **Contractor Role**

PSE&G will utilize a third-party implementation contractor to provide the services under this subprogram including HERs, the portal, the online audit, and high usage alerts.

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**1.1.4. Residential Income Eligible**

The Residential Income Eligible Subprogram is targeted at customers whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL). Properties located within low and moderate income census tracts will also be eligible for this program. The subprogram will complement, and not duplicate or compete with, the Co-Managed Comfort Partners Program. The Residential Income Eligible Subprogram provides free direct installation of energy efficient technologies and weatherization services to qualifying PSE&G customers with limited income. The subprogram generates energy savings for residential lower-income customers through an in-home energy audit and the direct installation of a wide range of energy efficiency measures such as efficient lighting, efficient refrigerators, HVAC, as well as weatherization upgrades for air-sealing and attic and wall insulation. The subprogram also provides for the installation of health and safety measures as appropriate, and may also include actions to address building shell issues that prevent the installation of energy efficiency measures, such as moisture/mold remediation, roof repairs, electrical repairs, and asbestos remediation, consistent with the approach under the New Jersey Comfort Partners Procedure Manual.

In addition to the core subprogram attributes described above, the subprogram will also provide for the distribution of free LED light bulbs via food banks/pantries or other distribution venues that serve income eligible customers, along with educational information on energy efficiency. The subprogram will coordinate low-income services with local, state and federal agencies to provide comprehensive assistance. The subprogram may also seek to work with workforce development organizations, in order to provide a sufficient pool of qualified workforce that will be required to support a significant growth in energy efficiency services.

**Market Segment/Efficiency Targeted**

The Residential Income Eligible Subprogram targets residential customers in PSE&G's electric and/or gas service territory whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL) and those properties located within low and moderate income U.S. census tracts. Customers who receive Federal Supplemental Security Income ("SSI"), Home Energy Assistance ("HEAP"), Universal Service Fund ("USF"), Lifeline, Pharmaceutical Assistance to the Aged and Disabled ("PAAD"), Temporary Assistance to Needy Families ("TANF"), or Section 8 Housing will also be eligible.

**Delivery Method**

This subprogram will be managed by PSE&G with the support of a qualified third-party implementation contractor with experience delivering services in similar subprograms. It is envisioned that PSE&G's third-party implementation contractor will facilitate subprogram delivery across the multiple subprogram vendors as well as PSE&G's workforce. Eligible customers will receive an in-home energy assessment from PSE&G. The applicable measures and services will be installed either by subprogram vendors, or by PSE&G's workforce. PSE&G, with its third-party implementation contractor will be responsible for activities including, but not limited to, the following:

- Ensuring customers meet eligibility requirements
- Marketing collateral development and deployment
- Reviewing, approving, and tracking of documentation for completed projects
- Payment processing, fund management, and reporting
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Call center services
- Customer satisfaction and problem resolution
- Provide technical training to workforce

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### **Proposed Incentives**

Equipment and installation costs for all eligible measures will be provided free to eligible customers, subject to subprogram terms and conditions.

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of programmable and smart thermostats; insulation upgrades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as may be needed to enable the installation of energy efficiency measures (e.g. repair or replacement of a broken window, repair of a hole in the wall and/or roof, mold remediation, or the installation of rain gutters).

Failed or failing heating or cooling systems can be replaced for efficiency and/or health and safety reasons, on a case-by-case basis, as subprogram funds permit. For customer homes that require treatment beyond the scope of the subprogram, such services may be coordinated with other agencies.

### **Marketing Approach**

Marketing efforts will be focused toward property owners, non-profit organizations, churches, and community organizations to bring awareness to the subprogram and initiate effective participation. Key elements of the marketing strategy include:

- Targeted outreach through local agencies
- Websites and newsletters
- Press releases
- Posters in municipal buildings
- Neighborhood canvassing

### **Contractor Role**

PSE&G will administer and manage the overall subprogram with the support of a third-party implementation contractor(s). The third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G. To select a qualified third-party implementation contractor, PSE&G will prioritize criteria including, but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualification for delivering low-income energy efficiency subprograms
- Cost

## **1.2. Multifamily Sector Subprogram**

### **1.2.1. Residential Multi-Family**

The Residential Multi-Family Subprogram provides a turnkey service for multi-family property owners, managers, and the residents of multi-family facilities to help improve the energy efficiency of their facilities and reduce their operating costs. This service provides direct installation of energy-efficient measures in individual living units. The primary measures to be installed include LED lighting, low-flow showerheads and faucet aerators, and smart power strips. The subprogram will also provide literature on energy saving tips achieved through other behavioral actions (e.g. thermostat settings, maximizing dishwasher and clothes washer loads, etc.).

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### **Market Segment/Efficiency Targeted**

The subprogram targets multi-family property owners, property managers, and residents. All multi-family buildings with three or more units in PSE&G's electric or natural gas service territory are eligible to participate, although it is anticipated that the majority of participating units will be from low income or moderate income multi-family units, and will have 12 or more units.

The subprogram will look to achieve direct, easy to install, energy savings through the provision of measures such as LED lighting, low-flow showerheads and faucet aerators, and smart power strips.

### **Delivery Method**

The Multi-Family Subprogram will be delivered by PSE&G and/or a qualified third-party implementation contractor with experience delivering similar subprograms. The subprogram manager will recruit multi-family property owners and oversee the direct installation of free low-cost measures (e.g. lighting, showerheads) in individual units. The service is provided at no cost to property owners or occupants. This subprogram design (including the provision of no cost services) is intended to overcome market barriers and assure that benefits are provided to tenants.

PSE&G and/or the implementation contractor will be responsible for activities including, but not limited to, the following:

- Developing relationships with property management companies, owners, associations, and their members to recruit participants
- Training, education, and coordination with direct-install staff and/or contractors
- Marketing collateral development and deployment
- Procuring energy efficiency equipment and materials
- Reviewing, approving, and tracking of documentation for completed projects
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Customer satisfaction and problem resolution
- Provide notice to tenants and property owners prior to conducting work

### **Proposed Incentives**

Equipment and installation costs for all measures directly installed in tenant units will be provided free to eligible properties.

### **Marketing Approach**

The marketing strategy will focus on informing property owners, managers, associations, tenant groups, municipalities, and community organizations about the availability and benefits of the subprogram and how to participate. Marketing activities will be focused on serving the lower income multi-family sector. Key elements of the marketing strategy include:

- Targeted outreach through direct mailings and presentations to inform property owners, managers, apartment associations, tenant groups, municipalities and community organizations about the benefits of the subprogram and participation processes
- Brochures highlighting the benefits and features of the subprogram as well as the participation processes
- Website content providing subprogram information resources and contact information
- In-person visits by subprogram representatives to properties with three or more units

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- Walk-through energy assessments of properties to encourage the building owners or facility managers to allow participation in the direct installation component of the subprogram as well as encourage participation in the other PSE&G efficiency subprograms

### **Contractor Role**

PSE&G will administer and manage the overall subprogram. Depending on the final design of the delivery process, PSE&G may utilize the support of a third-party implementation contractor(s). In this event, the third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G.

Key elements of the implementation strategy and core responsibilities of the implementation contractor may include:

- **Targeted Outreach to Property Owners:** Subprogram representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the subprogram. The subprogram team will assist customers as necessary to coordinate direct installations and complete rebate application requirements. In addition, property owners will be reached through direct mail, participation in association events, one-on-one meetings with subprogram staff, and other channels. Special emphasis will be placed on properties with as little as three units and greater. This has been traditionally an over-looked segment in other utility-run subprograms around the country.
- **In-Unit Direct Installs:** Subprogram representatives will identify interested property owners and schedule appointments for the free installation of energy saving devices in the individual living units and common areas. In-unit HVAC tune-ups will be offered at no cost to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the energy saving devices installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.
- **Subprogram Operations:** The third-party implementation contractor handles implementation related administrative requirements, including the following:
  - Marketing and educational materials
  - Field services
  - Product ordering and inventory
  - Data tracking and reporting
  - Investment tracking and reporting
  - Prescriptive, custom and comprehensive application processing
  - Trade ally and customer outreach/training
  - Customer satisfaction/problem resolution

To select a qualified third-party contractor, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualifications
- Cost

In the event PSE&G delivers the program with its own workforce, contractor role would be minimal, limited to customer acquisition and alignment with other subprograms.

### **1.3. Commercial & Industrial Sector Subprograms**

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PSE&G's commercial and industrial customers are very diverse. These subprograms address each segment, including those with limited time and resources to make efficiency improvements. The subprogram designs are intended to enable PSE&G to address the unique needs of each sub-sector. For example, if a large customer has ready access to financing and more advanced approaches to energy management, PSE&G will offer customized financial support to reduce paybacks on investments and bring about increased installation of measures. For small businesses or municipal customers, PSE&G will provide more substantial management, financial support, and on-bill repayment.

### **1.3.1. C&I Prescriptive**

The C&I Prescriptive Subprogram will promote the installation of high-efficiency electric and natural gas equipment by C&I customers. The subprogram is designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls
- Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by participating trade allies such as electrical contractors, mechanical contractors, and their distributors
- Ensure the participation process is clear and simple

The subprogram will offer a broad range of energy efficient equipment and appliances through a variety of channels, including reduced point of sale costs, and a network of trade allies. The subprogram will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. These measures will range in type and price but include both electric and natural gas technologies that improve energy efficiency. Up-front rebates will be offered on all technologies to reduce initial costs and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique customer relationships to positively impact the entire sales process surrounding efficient equipment, from education and awareness with customers, engagement with trade ally contractors and equipment distributors, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

### **Market Segment/Efficiency Targeted**

The C&I Prescriptive Subprogram will be available to all commercial, industrial, and other non-residential electric and natural gas customers located within PSE&G's service territory. The subprogram is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates. Potential technologies incentivized through this subprogram include energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures.

### **Delivery Method**

To maximize customer participation and streamline the customer experience, PSE&G will use its strong customer and marketplace relationships to support multiple implementation strategies to achieve subprogram goals.

- **Trade Allies:** PSE&G will establish a network of trade allies (e.g. electricians, HVAC contractors, lighting retailers and distributors, building energy managers, etc.) to promote the efficiency opportunities and incentives to their clients, and deliver the subprogram with a consistent



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experience to the customer. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G or the third-party implementation contractor can refer customers to a list of qualified trade allies to perform more intricate work. By allowing participants to select a partner they are comfortable with (either through an existing relationship or by reference from PSE&G or the third-party implementation contractor), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will oversee trade ally performance to verify quality standards are met and qualify contractors to participate in the Trade Ally network. By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms include:

- Design, engineering, and controls firms
- HVAC distributors, contractors, and retail providers
- Food service retailers and service providers
- Commercial lighting distributors and wholesalers
- **Retail:** PSE&G subprogram staff, third-party implementation contractors, and field representatives will work with retailers and distributors that directly target C&I customers so they are aware of the participation process and available equipment incentives. This will include training and instruction to participating retailers and distributors about the PSE&G prescriptive rebate forms as well as enrollment of distributors to participate in midstream subprogram offerings.
- **Midstream:** PSE&G will aggressively promote a midstream component for specific equipment types to encourage purchase of efficient equipment via directly marking down the cost of the efficient equipment at the point of sale. Midstream rebates encourage market transformation and wider availability of efficient equipment. PSE&G anticipates offering midstream point of sale discounts across numerous equipment types, including, but not limited to: LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream subprogram approach will not be eligible for rebates in any other PSE&G rebate subprogram.
- **Digital:** The subprogram will be marketed directly to C&I customers on the PSE&G website, where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, and incentives across all efficient equipment types and end-uses. In addition, the website will offer information on qualified local trade allies to enable easy access to equipment retailers for customers.
- **Rebate-as-a-Service:** PSE&G will evaluate the viability of using a digital, smartphone based application platform, where business customers purchasing efficient equipment for commercial use at traditional consumer retail outlets can instantly redeem rebates at point-of-sale in both physical stores and online. This channel will help PSE&G offer rebates to very small commercial customers and local businesses outside of the C&I Small Non-Residential Efficiency Subprogram.
- **Targeted Customer Outreach:** In select cases, PSE&G staff and its third-party implementation contractor may choose to reach out directly to large business and commercial customers to develop relationships with energy and facilities managers, operations staff, and procurement personnel. Subprogram staff can help facilitate completion of rebate applications and serve as a direct resource to these customers.

### **Proposed Incentives**

Incentive levels and the list of eligible equipment will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures. Incentive levels will vary depending on the efficient measure, and the unit level being rebated (e.g. incentives for equipment, and/or incentive based on the system size or square footage where the system is being applied).

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### **Marketing Approach**

The C&I Prescriptive Subprogram will engage with customers and trade allies at multiple levels, including broad-based energy efficiency awareness campaigns, direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. In some cases, subprogram staff and representatives will reach out directly to large commercial customers. Use of appropriate types of media are anticipated to be included in the marketing plan, such as direct mail, email, print, and digital media. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the subprogram, raise awareness and encourage participation.

### **Contractor Role**

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will assist with optimizing the subprogram's strategic direction, including but not limited to:

- Customer outreach/subprogram delivery strategy
- Offered efficiency measures and efficiency levels
- Promotion of emerging technologies
- Incentive levels and strategies
- Customer/trade ally/retailer engagement and enrollment in the subprogram
- Marketing
- Customer satisfaction
- Equipment installation and subprogram data tracking
- Rebate processing

### **1.3.2. C&I Custom**

The Commercial and Industrial (C&I) Custom Subprogram will offer incentives for electric and natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by the C&I Prescriptive Subprogram, or any other proposed custom subprogram offering including the C&I Engineered Solutions Subprogram. Typical measures incentivized by the C&I Custom Subprogram are either less common measures or efficiency opportunities in specialized applications that may include specialized manufacturing processes or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Large customers with facilities and engineering teams will develop and submit custom efficiency project rebate applications for review. A third-party implementation contractor will also play an active role in supporting project identification, developing energy savings calculations, and assessing project economics as required. Potential participants are required to submit an application for pre-approval to reserve funding, and if accepted by PSE&G, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

### **Market Segment/Efficiency Targeted**

The C&I Custom Subprogram targets all C&I customers in PSE&G's electric and/or natural gas service territory with cost effective savings opportunities that are not covered by the C&I Prescriptive or Small

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Non-Residential Efficiency Programs, and in building types not eligible for participating in the C&I Engineered Solutions Subprogram (non-MUSH/multifamily common areas/non-profit). However, customers participating in the C&I Custom Subprogram will generally be larger energy users with more complex needs and non-standard efficiency opportunities. Customers targeted for participation typically include building types such as light/heavy industrial, manufacturing, data centers, and distribution centers, among others.

**Delivery Method**

The C&I Custom Subprogram will be supervised by PSE&G and delivered by a qualified third-party implementation contractor. The following delivery strategies will be pursued:

- **Targeted Customer Outreach:** High-use customers will be targeted by subprogram staff to develop relationships with facilities and energy managers, operations staff, and procurement personnel to inform them of the benefits of participating in the custom subprogram. Subprogram staff will provide technical support, assist customers in identifying efficiency opportunities, and assist with review and preparation of their rebate application.
- **Technical Customer Assistance:** An important element of the C&I Custom Subprogram is the availability of technical support from qualified subprogram staff. PSE&G subprogram management staff and their representatives will be available to support customers with project identification and analysis, including assistance with targeted energy audits and savings estimates.
- **Trade Allies:** Developing relationships in the trade ally community will spread broader awareness of the existence of the custom subprogram option and obtain referrals for potential projects.

Measurement & Verification (M&V) for projects above a certain estimated incentive size, or projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after project implementation to determine savings and incentive levels. PSE&G is evaluating a threshold of approximately \$100k to necessitate energy monitoring before and after implementation. The Company is also considering the impact of the type of equipment as a driver for energy monitor. PSE&G plans to coordinate with the other utilities to use a consistent approach to the extent feasible.

**Proposed Incentives**

The C&I Custom Subprogram incentives will be set based on an incentive level per first year kWh or therm saved. These incentive levels will be reviewed and updated periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across a full spectrum of market opportunities. Incentive level design may change over time based on the specific end-use where the savings are being acquired. Additionally, incentive level restrictions may be established that could include limits to total incentives as a percentage of project costs or minimum project payback periods. Overall total facility and customer level incentive limits may also be established to ensure funding is available to as many C&I customers as possible, while also still providing robust incentives to capture the full suite of energy savings from large projects. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

**Marketing Approach**

The C&I Custom Subprogram will engage with customers and trade allies at multiple levels, including a combination of direct customer, trade ally, and local organization outreach, promotion through key industry events and conferences, and digital marketing, including an informational/engagement web platform to educate and reach relevant contractors and customers. Use of all types of media are anticipated to be included in the marketing plan, including, but not limited to, online and targeted print advertising. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the

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subprogram and raise awareness and encourage participation. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

### **Contractor Role**

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction, including, but not limited to, the following activities:

- Offered incentive levels and strategies
- Customer satisfaction
- Measurement and verification during on-site visits
- Subprogram data tracking
- Rebate payments

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

### **1.3.3. C&I Small Non-Residential Efficiency**

The C&I Small Non-Residential Efficiency Subprogram is focused on installation of efficiency measures in small non-residential customers that typically lack the time, knowledge, or financial resources necessary to pursue energy efficiency. The subprogram is designed to provide non-residential owners with easy investment decisions for the direct installation of energy efficiency projects. The subprogram will pay the up-front cost to install the recommended energy efficiency measures with the participating customer repaying a portion of the cost either in a lump sum or interest-free on their PSE&G bill. The reduced overall costs and on-bill repayments mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The C&I Small Non-Residential Efficiency Subprogram plays an important role in the marketplace because private providers of energy efficiency services typically do not target small non-residential customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small non-residential customers are often hard to reach, and the subprogram fills an important gap by delivering efficiency services to these customers directly.

The audit will be provided to customers free of charge and will offer recommendations on energy efficiency projects to reduce energy usage and costs. The aggregation of this data will allow PSE&G to better understand its customers and can be used to inform other subprograms and future subprogram designs, such as the C&I Prescriptive Subprogram, the C&I New Construction Subprogram, and the Business Energy Reports Pilot Subprogram.

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The subprogram will also focus on the smallest customers within the small business segment. PSE&G anticipates portions of the subprogram to be directed at restaurants, small offices, and other small businesses that often are left behind in less-comprehensive energy efficiency subprograms. Through a number of delivery mechanisms, PSE&G will assure that all business types are able to participate in this subprogram.

**Market Segment/Efficiency Targeted**

PSE&G expects small non-residential customers with an average 12-month individual facility annual electricity peak demand usage of less than 200 kW to be the eligibility threshold; however, this figure may be adjusted by PSE&G up to 500 kW subject to Staff approval and alignment with the threshold established by the Joint Utilities, to ensure the subprogram is properly addressing the market in PSE&G's service territory. The subprogram will also be structured to focus on and secure participants especially in the lower-usage tiers.

The subprogram seeks to address high-return, relatively low-cost measures (e.g. LED lighting retrofits), but customers may choose to pursue further retrofits that are eligible for additional incentives. Example end-use categories covered by the subprogram include lighting, HVAC, controls, refrigeration, motors, low-flow devices, pipe wrap and domestic hot water equipment.

**Delivery Method**

The C&I Small Non-Residential Efficiency Subprogram interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site audit to identify energy efficiency retrofit opportunities. Following the audit, participants are provided with a report assessing the site and recommending investments that could further improve the energy efficiency of the facility.

Based on the results of the audit report, the subprogram will offer to initially pay 100% of the project cost to install the recommended energy efficiency measures with the participating customer (or landlord) repaying a portion of the cost either in a lump sum or interest free on their PSE&G bill. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers. PSE&G will provide for the installation of all work and assure it is completed on time and to specifications. This approach frees up the participant, which, as a small non-residential customer, may not have the time or resources to focus on implementation issues.

The subprogram budget will be split into tranches based upon customer consumption size, or other designated factors, to focus contractors to complete work on specific tranches. This will assure that non-residential customers, even those that are the smallest and often overlooked, receive ample focus. Contractors will be limited to specific tranches to assure minimum volumes and scale can be reached while also providing for adequate cost effectiveness. PSE&G may also elect to provide additional contractor-focused bonus incentives to further encourage contractor emphasis on specific sectors. The tranche divisions will be implemented to combat contractors' inherent focus on larger customer facilities. The subprogram may also be marketed and structured into customer types. For example, one element of the subprogram structure may focus on restaurants, while another is focused on convenience stores and bodegas.

**Proposed Incentives**

One of the key benefits of the subprogram is that it is a simple, turnkey solution for small non-residential customers that requires no up-front customer investment. The initial site visit, energy audit, and installation of recommended efficiency measures are provided at no initial cost to participants. This up-front incentive value will be evaluated periodically to assure that the subprogram incentive is adequate and provides the correct signal to the marketplace regarding energy efficiency. Participants will reimburse PSE&G a portion

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of total project cost interest-free through on-bill repayments, thereby eliminating the up-front cost burden of installing energy efficiency measures. The incentive portion of the total project cost is up to 70%, with the option to provide up to 80% incentive for underserved markets such as small businesses up to 100kW, or customers in Urban Enterprise Zones, etc. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers.

### **Marketing Approach**

The C&I Small Non-Residential Efficiency Subprogram will be marketed to customers through a combination of direct outreach by subprogram staff and a third-party implementation contractor, web-based engagement and customer information analytics, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Direct outreach from a third-party implementation contractor may include unsolicited visits to customer premises to distribute hard-copy subprogram materials, inform customers about the subprogram directly, and solicit participation. This strategy is useful for enrolling small non-residential customers that may be interested in participating, but have not heard of the subprogram and do not have resources to prioritize reaching out to PSE&G.

PSE&G will evaluate the potential to utilize Business Energy Reports or customer information analytics to identify and target customers best suited for participation in the subprogram.

### **Contractor Role**

PSE&G will administer and manage the subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's management and strategic direction, including, but not limited to:

- Initial participant recruitment, audit, and equipment installation
- Subprogram data tracking
- Direct customer outreach/subprogram delivery strategy
- Development of measure mix
- Marketing
- Promotion of emerging technology
- Customer satisfaction

The third-party implementation contractor will take on the responsibility of managing the subprogram, directing the qualification of contractors, and will work to assure that ample contractors are available to complete all work derived from the subprogram.

A group of selected vendors will perform the audits and installations, working with PSE&G and the third-party implementation contractor's oversight to undertake all construction and installation work identified in the audit process.

#### **1.3.4. C&I Energy Management**

The C&I Energy Management Subprogram includes two major subprogram initiatives: Retro-commissioning and Strategic Energy Management. Both subprograms are designed to optimize energy consumption in existing C&I buildings through management of major energy using systems, user behavior, and low-cost, easy-to-install efficiency measures at the time of an initial site visit or a follow-up. In many cases, revised building management processes can produce meaningful energy savings without capital

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investment in new equipment or controls; however, recommended investment areas may also be identified through this subprogram. Details of the subprogram initiatives are as follows:

- **Retro-commissioning (RCx):** Also known as ‘existing building commissioning’, retro-commissioning focuses on identifying operations and maintenance improvements in existing commercial buildings to ensure optimal performance of building systems and system interactions. Retro-commissioning applies the same systematic process to buildings as is applied during initial building commissioning, and may be performed every three to five years to ensure optimal building performance. Retro-commissioning is typically among the most cost-effective energy savings strategies applied in commercial buildings and may produce other non-energy benefits, including extending the life of existing equipment and improving thermal comfort and indoor air quality.
- **Strategic Energy Management (SEM):** This subprogram is primarily geared toward industrial and manufacturing buildings and is a holistic approach to managing energy usage focused on management of existing systems and processes (including behavior), as well as tracking and benchmarking performance to identify and evaluate energy optimization efforts. SEM is a long-term effort typically led by an external instructor focused on developing and executing an energy management strategy via workshops, webinars, and group/individual training sessions with cohorts of facility managers. SEM applies continuous improvement principles to energy management to encourage and enable a culture of energy efficiency within an organization to develop measurable long-term savings.

#### **Market Segment/Efficiency Targeted**

All commercial, industrial, and other non-residential customers located within PSE&G’s electric and/or natural gas territory are eligible to participate in this subprogram.

RCx targets the existing commercial building stock, and is particularly relevant for medium to large non-industrial building types including office, lodging, education, healthcare, laboratory, warehouse/storage, supermarkets, and more. The primary target market for the RCx subprogram will be C&I customers utilizing a building management system.

SEM targets existing large and very large commercial and industrial customers and building types, and is particularly relevant to large energy users engaged in manufacturing processes. For SEM to be successful, the subprogram will invest significant resources upfront to focus on recruiting and pre-qualifying customers to participate in the subprogram. SEM’s objective is to change a company’s focus and engagement with energy management over the long-term, in a continuous manner. A core goal is to recruit customers who demonstrate genuine and committed interest in working with PSE&G over a long period of time. These “energy champions” will ideally include multiple staff at each company, placed in different departments and various levels of seniority and decision making in the company.

Eligible measures will vary depending on the business segment served, but are likely to include at least the following:

- Optimizing chiller and boiler operations to better match building load conditions
- Reducing ventilation in over-ventilated areas
- Fixing ventilation dampers that are open when they should be closed, or vice versa
- System rebalancing and decreasing supply air pressure set-point
- Reducing supply air temperature and fan speed in air handling units
- Aligning zone temperature set-points to match the building’s occupancy patterns
- Operating equipment only when building is occupied or when equipment is needed
- Lighting controls including occupancy/vacancy controls, photo-sensors, and timer controls

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**Delivery Method**

The RCx and SEM Programs will be delivered by a third-party implementation contractor(s). Both subprograms require customer and trade ally involvement in the form of on-site access to existing equipment, management protocols, and energy management/facilities staff.

To support the marketplace and develop a project pipeline, the following delivery strategies, among others, will be pursued:

- **Targeted Customer Outreach:** Subprogram staff and their representatives will make outreach efforts directly to PSE&G customers that own or operate facilities identified by internal screening activity as potential participants. Factors considered in initial screening may include building age/size/type and historical energy use patterns.
- **Technical Customer Assistance:** An important element of the C&I Energy Management Subprogram is the availability of technical support, guidance, training and orientation from PSE&G's third-party implementation contractor(s). Subprogram staff will be available to support customers and determine if they may qualify for participation for either RCx or SEM. Depending on the customer's goals and likely energy savings potential, significant customer engagement may be undertaken for the SEM subprogram.
- **On-Site Implementation:** Both the RCx and SEM subprograms require subprogram staff to visit customer premises to identify energy savings opportunities (including through the logging and analysis of energy consumption data) and develop strategies and solutions for acquiring these savings.

The RCx subprogram will be delivered through a network of approved retro-commissioning service providers (RSPs) operating in PSE&G's service territory that have been trained in subprogram protocols and participation processes. Once an application has been accepted, one of the expert engineering RSPs conducts a detailed energy assessment to investigate and identify low-cost energy-saving operational improvements through a systematic evaluation of energy using systems. RCx involves a series of steps to qualify appropriate customers for participation and to ensure the subprogram will produce meaningful energy savings. These steps may include:

- **Initial Customer Screening:** Customer-submitted applications are reviewed to assess the likelihood of energy savings. Customers may also be identified through a data analytics engine using PSE&G data and through data acquired via the Business Energy Reports Pilot or other methods.
- **Project Scoping:** The building owner or primary representative will be contacted by PSE&G subprogram staff or their representatives to schedule a time for an on-site visit. This visit will entail inspecting the building and major energy using equipment, reviewing past energy consumption, and identifying preliminary opportunities for energy-use reduction.
- **Agreement and Implementation:** A rigorous evaluation of building systems is conducted and an incentive agreement is finalized with the customer regarding project measures, implementation strategy, and incentives.
- **Follow-up:** Additional training may be provided to building owners/operators after completion of an RCx project to ensure savings persistence.

Example SEM implementation efforts also include the following:

- **Onsite Energy Management Assessment:** Identify current strengths and weaknesses in existing energy management practices.



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- **Metering Training:** Instruction on the use of metering equipment to identify energy saving opportunities and an introduction to energy modelling.
- **Coach-led Training Sessions:** Targeted at any combination of building operations/facilities staff, management personnel, and other company staff, training sessions are used to build awareness and detect inefficient operating practices.
- **Benchmarking:** Energy consumption benchmarking is a key aspect of SEM, and both baseline and ongoing energy use monitoring strategies are employed to encourage data-driven energy management and short-term feedback.

### **Proposed Incentives**

Incentives will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure the incentive design is optimally driving energy savings and participation. The incentive design structure and payment per first year kWh and therm saved may be different between the RCx and SEM subprogram participants. Additionally, incentive levels may vary depending on the end-use where the savings are achieved, and the overall comprehensiveness and estimated longevity of the energy savings. These incentives are subject to change based on final subprogram design and the go-to-market implementation plan.

### **Marketing Approach**

The C&I Energy Management Subprogram will engage with customers at multiple levels, including through a combination of direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Engagement with building and facilities managers for large commercial and industrial customers will all be an important pathway for PSE&G to present information about the subprogram, raise awareness, and encourage participation. PSE&G's brand and its relationships with these customer types will drive participation. The subprogram will leverage PSE&G's existing relationships with customers through subprogram staff and account management team.

Education and promotional materials will be developed for building owners and operators to reinforce the benefits of energy efficiency improvements and improved systems performance, including educational brochures, customer and market provider seminars, subprogram promotional material, and website content.

The marketing strategy will identify key customer segments and vertical markets for targeting, and will prepare specific outreach activities for these customers. The strategy will be designed to inform customers of the availability and benefits of the subprogram and how they can participate in the RCx or SEM subprograms.

The marketing and communications plan will include:

- Creating and updating Subprogram Fact Sheets, Case Studies
- Hosting an annual Subprogram product knowledge workshop
- Participating in local conferences and industry events to promote the RCx and SEM programs

### **Contractor Role**

PSE&G will administer and manage the overall subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction including, but not limited to, conducting the following tasks:

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- Customer outreach/subprogram delivery strategy
- Select, train and manage network of RCx trade ally contractors
- Energy modeling and equipment metering
- Leading SEM coaching and engagement sessions
- Incentive levels and strategies
- Marketing
- Customer satisfaction
- Subprogram data tracking
- Rebate processing

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

### **1.3.5. C&I Engineered Solutions**

The C&I Engineered Solutions Subprogram will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals (MUSH), non-profit entities and multi-family facilities. The subprogram will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on-site, while requiring no up-front funding from the customer.

Through this subprogram, customers will be provided with an in-depth audit of their facilities, as well as a detailed assessment and recommendation of energy efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis, and participants may select their preferred installation providers. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through interest free on-bill repayments over a period of five years (and ten years for HMFA qualified multi-family facilities). Through this subprogram design, participants in market segments that have typically been underserved are able to achieve greater energy savings.

#### **Market Segment/Efficiency Targeted**

C&I public service (MUSH), non-profit, and multi-family entities located within PSE&G's electric and/or natural gas service territory are eligible to participate in this subprogram. The subprogram will provide energy audits and incentives to entities that directly serve the public, but often have difficulty investing in energy efficiency. The measures included in this subprogram may include HVAC, building envelope, motors, lighting, controls, energy storage, and other energy consuming equipment.

#### **Delivery Method**

PSE&G will retain qualified vendors to undertake the audit and engineering services required to deliver this subprogram. Participants will contract with their preferred installation providers to install the measures included in projects.

The subprogram delivery will typically occur in four steps:

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- **Audit:** PSE&G shall assess the required level of American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) audit to perform, based on the complexity of the facility and the potential energy efficiency measures; an investment grade audit may not be required for all facilities. The selected PSE&G vendor will then perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. PSE&G and its representatives will then review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project.
- **Engineering Analysis of Project:** Based on the audit results, an engineering analysis may be required. PSE&G will conduct a screening of the payback and project cost effectiveness and select a set of approved energy efficiency measures for the project. The subprogram engineering vendor will prepare bid-ready documents and work with the participant to prepare a project scope of work, which will be used by the customer to obtain installation cost estimates for the project.
- **Scope of Work/Contractor Bids:** The participant will issue a scope of work to obtain bids to complete the identified project. PSE&G, the subprogram engineering vendor and the participant will review and evaluate the bids/costs received, with the participant making the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness and the participant is presented the funding commitment proposal from PSE&G. Once (i) the participant and PSE&G have executed the funding commitment and (ii) the installation provider and the participant have executed applicable agreements and contracts, the first progress payment equal to approximately 30% of the installation cost can be issued to the customer to initiate the project (Stage 1 Progress Payment).
- **Measures Installation and Inspections:** PSE&G and the energy engineering vendor, acting as construction administration agent, will monitor project progress. Upon verification of satisfactory project progress, a series of Stage 2 progress payments up to 50% of total project commitment can be issued. When the project is 100% complete, a final project true-up, and final inspection are undertaken. The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.

The progress payment schedule described above is designed to ensure that building owners can pay their contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by PSE&G or a designated third-party implementation contractor.

### **Proposed Incentives**

The subprogram will provide a 100% incentive for an up-front ASHRAE Level I, II, or III audit. The specific audit level will be determined based upon the type, size, and age of the facility. In addition, PSE&G will buy-down the simple payback of the recommended energy efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the subprogram with participants repaying the balance of the project costs on-bill.

PSE&G will retain the option and flexibility to adjust the incentive offered to participants to enable a whole-building approach that will include additional ECMs in the project.

The full cost of the energy efficiency projects (including engineering, transaction costs and cost of construction) will be covered through a combination of subprogram incentive and customer repayments.

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### **Marketing Approach**

PSE&G will leverage existing relationships with municipalities, universities, schools, and other public agencies to promote the subprogram and will conduct further outreach through school, university, and municipal associations. In addition, PSE&G will generate a marketing campaign to hospitals, healthcare facilities, non-profits, and multi-family agencies to increase awareness of the subprogram. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

### **Contractor Role**

PSE&G will select qualified subprogram participating vendors to undertake all auditing and engineering work associated with the subprogram. Participants are permitted to select their preferred installation providers to complete work on-site. PSE&G may also utilize a third-party implementation contractor to assist in the outreach, marketing, and trade ally coordination, to support the large number of municipalities and schools within the PSE&G service territory. The installation provider will adhere to the project specifications set forth by PSE&G and the engineering vendor and approved by the participant. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and vendor availability and provide suggestions for improvement.

To select a qualified third-party implementation contractor, PSE&G will prioritize criteria such as:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

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## APPENDIX A – MEASURE-LEVEL DETAILS

The chart below contains preliminary measure-by-measure details used to develop the subprograms. It is anticipated that incentive levels may change prior to and during the implementation of each Subprogram.

**Table 1. Measure Level Details**

| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|------------------|---|-------------------|--------------------------|-----------------------|
| Res Eff Products | Storage WH, EF=0.82                                     | GAS               | per water heater         | \$125.00              |
| Res Eff Products | Instant WH, EF>=0.82                                    | GAS               | per water heater         | \$150.00              |
| Res Eff Products | Heat Pump WH  | ELEC              | per water heater         | \$400.00              |
| Res Eff Products | Circulator with demand control                          | GAS               | per water heater         | \$40.00               |
| Res Eff Products | Indirect water heater with Energy Star hot water boiler | GAS               | per water heater         | \$400.00              |
| Res Eff Products | Condensing Boiler 90-95%                                | GAS               | Per Boiler               | \$400.00              |
| Res Eff Products | ENERGY STAR RAC   | ELEC              | Per Room AC              | \$50.00               |
| Res Eff Products | ENERGY STAR CAC (16 SEER 13 EER)                        | ELEC              | Per Air Conditioner      | \$400.00              |
| Res Eff Products | ENERGY STAR Fan   | ELEC              | Per Fan                  | \$15.00               |
| Res Eff Products | ENERGY STAR Mini Split HP                               | ELEC              | Per Heat Pump            | \$400.00              |
| Res Eff Products | SEER 18 HSPF 8.5, installed according to specifications | ELEC              | Per Heat Pump            | \$450.00              |
| Res Eff Products | ENERGY STAR heat pump                                   | ELEC              | Per System               | \$450.00              |
| Res Eff Products | WiFi thermostat   | ELEC              | Per Thermostat           | \$100.00              |
| Res Eff Products | WiFi thermostat   | GAS               | Per Thermostat           | \$75.00               |
| Res Eff Products | Condensing Furnace 95-97%                               | GAS               | Per Furnace              | \$400.00              |
| Res Eff Products | VRF Heat Pump   | ELEC              | Per VRF System           | \$400.00              |
| Res Eff Products | Most efficient Direct Unit Heater available             | GAS               | Per Direct Heater        | \$400.00              |
| Res Eff Products | ECM circulator pump                                     | ELEC              | Per pump                 | \$75.00               |
| Res Eff Products | ECM Motor   | ELEC              | Per HVAC system          | \$100.00              |
| Res Eff Products | Condensing boiler combo                                 | GAS               | Per Water Heating System | \$350.00              |
| Res Eff Products | Properly maintained CAC, 2.6 ton                        | ELEC              | Per AC System            | \$25.00               |
| Res Eff Products | ENERGY STAR Freezer                                     | ELEC              | per Freezer              | \$75.00               |
| Res Eff Products | ENERGY STAR Most Efficient Refrigerator                 | ELEC              | per Refrigerator         | \$75.00               |

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| Subprogram Name  | Measure                                     | Primary Fuel Type | Unit Basis            | Modeled AVG Incentive |
|------------------|---|-------------------|-----------------------|-----------------------|
| Res Eff Products | Heat Pump Clothes Dryer                     | ELEC              | per dryer             | \$75.00               |
| Res Eff Products | EnergyStar Side-Loading Clothes Washer      | GAS               | Per Clothes Washer    | \$75.00               |
| Res Eff Products | EnergyStar Side-Loading Clothes Washer      | ELEC              | Per Clothes Washer    | \$75.00               |
| Res Eff Products | EnergyStar Ceiling Fan, no light            | ELEC              | per Ceiling Fan       | \$15.00               |
| Res Eff Products | EnergyStar Portable Dehumidifier            | ELEC              | per Dehumidifier      | \$35.00               |
| Res Eff Products | Energy Star Dryer                           | ELEC              | per Dryer             | \$50.00               |
| Res Eff Products | Energy Star Dryer                           | GAS               | PER DRYER             | \$50.00               |
| Res Eff Products | Energy Star Air Cleaner                     | ELEC              | per Air Cleaner       | \$50.00               |
| Res Eff Products | Energy Star Television                      | ELEC              | per Television        | \$10.00               |
| Res Eff Products | Energy Star 5.0 TV Set Top Box              | ELEC              | per TV Set Top Box    | \$1.50                |
| Res Eff Products | Energy Star 7.0 LCD Monitor                 | ELEC              | Per Monitor           | \$2.50                |
| Res Eff Products | ECM Whole Home Fan                          | ELEC              | per Fan               | \$15.00               |
| Res Eff Products | Induction Cooktop Stove                     | ELEC              | per stove             | \$25.00               |
| Res Eff Products | Variable Speed Pool Pump                    | ELEC              | per in-ground pool    | \$250.00              |
| Res Eff Products | Above ground pool with pump timer           | ELEC              | per above-ground pool | \$10.00               |
| Res Eff Products | LED Screw-in General Service Lamp           | ELEC              | Per Bulb              | \$3.00                |
| Res Eff Products | Networked/ Connected - Indoor LED Lamp      | ELEC              | Per Bulb              | \$5.00                |
| Res Eff Products | LED Replacement Lamp (Tube)                 | ELEC              | Per Bulb              | \$3.00                |
| Res Eff Products | LED ENERGY STAR Fixture                     | ELEC              | Per Fixture           | \$10.00               |
| Res Eff Products | Networked/ Connected - Indoor LED Luminaire | ELEC              | Per Fixture           | \$10.00               |
| Res Eff Products | LED Outdoor Flood Light Fixture             | ELEC              | Per Fixture           | \$5.00                |
| Res Eff Products | LED Nightlight                              | ELEC              | Per Bulb              | \$1.59                |
| Res Eff Products | Manual Dimming Control All Types            | ELEC              | Per Bulb              | \$2.21                |
| Res Eff Products | Occupancy Sensor                            | ELEC              | Per Bulb              | \$5.33                |
| Res Eff Products | Daylighting Control                         | ELEC              | Per Bulb              | \$5.00                |
| Res Eff Products | Low flow aerator                            | ELEC              | per faucet            | \$6.00                |
| Res Eff Products | Low flow aerator                            | GAS               | per faucet            | \$7.00                |
| Res Eff Products | Low flow showerhead                         | GAS               | per shower            | \$8.00                |

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| Subprogram Name    | Measure                                     | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|--------------------|---|-------------------|--------------------------|-----------------------|
| Res Eff Products   | Low flow showerhead                         | ELEC              | per shower               | \$9.00                |
| Res Eff Products   | Pipe wrap (hot water)                       | GAS               | per house                | \$10.00               |
| Res Eff Products   | Pipe wrap (hot water)                       | ELEC              | per house                | \$10.00               |
| Res Eff Products   | Secondary Freezer Not Replaced              | ELEC              | per Freezer              | \$75.00               |
| Res Eff Products   | Secondary Refrigerator Not Replaced         | ELEC              | per Refrigerator         | \$75.00               |
| Res Eff Products   | Smart (Tier 1) Power Strip                  | ELEC              | per smart power strip    | \$15.00               |
| Res Eff Products   | Advanced Smart (Tier 2) Power Strip         | ELEC              | per advanced power strip | \$25.00               |
| Res Existing Homes | Sealed duct in unconditioned spaces         | ELEC              | Per Household            | \$150.00              |
| Res Existing Homes | Ground Source Heat Pump                     | ELEC              | Per GSHP                 | \$450.00              |
| Res Existing Homes | ENERGY STAR RAC                             | ELEC              | Per Room AC              | \$35.00               |
| Res Existing Homes | ENERGY STAR CAC (16 SEER 13 EER)            | ELEC              | Per Air Conditioner      | \$450.00              |
| Res Existing Homes | ENERGY STAR heat pump                       | ELEC              | Per System               | \$350.00              |
| Res Existing Homes | VRF Heat Pump                               | ELEC              | Per VRF System           | \$350.00              |
| Res Existing Homes | Fan system with heat recovery               | GAS               | Per Fan System           | \$300.00              |
| Res Existing Homes | Properly installed CAC                      | ELEC              | Per Air Conditioner      | \$50.00               |
| Res Existing Homes | Added Desuperheater                         | ELEC              | per GSHP                 | \$250.00              |
| Res Existing Homes | Drainwater Heat Exchanger                   | ELEC              | per house                | \$300.00              |
| Res Existing Homes | LED Screw-in General Service Lamp           | ELEC              | Per Bulb                 | \$10.00               |
| Res Existing Homes | Networked/ Connected - Indoor LED Lamp      | ELEC              | Per Bulb                 | \$10.00               |
| Res Existing Homes | LED Replacement Lamp (Tube)                 | ELEC              | Per Bulb                 | \$5.00                |
| Res Existing Homes | LED ENERGY STAR Fixture                     | ELEC              | Per Fixture              | \$8.00                |
| Res Existing Homes | Networked/ Connected - Indoor LED Luminaire | ELEC              | Per Fixture              | \$10.00               |
| Res Existing Homes | LED Outdoor Flood Light Fixture             | ELEC              | Per Fixture              | \$5.00                |
| Res Existing Homes | LED Nightlight                              | ELEC              | Per Bulb                 | \$2.00                |
| Res Existing Homes | Manual Dimming Control All Types            | ELEC              | Per Bulb                 | \$2.00                |
| Res Existing Homes | Occupancy Sensor                            | ELEC              | Per Bulb                 | \$5.00                |
| Res Existing Homes | Daylighting Control                         | ELEC              | Per Bulb                 | \$5.00                |
| Res Existing Homes | Condensing Boiler 90-95%                    | GAS               | Per Boiler               | \$400.00              |

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| Subprogram Name    | Measure                             | Primary Fuel Type | Unit Basis       | Modeled AVG Incentive |
|--------------------|-------------------------------------|-------------------|------------------|-----------------------|
| Res Existing Homes | Condensing Furnace 95-97%           | GAS               | Per Furnace      | \$400.00              |
| Res Existing Homes | Low flow aerator                    | ELEC              | per faucet       | \$4.00                |
| Res Existing Homes | Low flow aerator                    | GAS               | per faucet       | \$4.00                |
| Res Existing Homes | Low flow showerhead                 | ELEC              | per shower       | \$11.00               |
| Res Existing Homes | Low flow showerhead                 | GAS               | per shower       | \$11.00               |
| Res Existing Homes | Pipe wrap (hot water)               | GAS               | per house        | \$22.00               |
| Res Existing Homes | Pipe wrap (hot water)               | ELEC              | per house        | \$22.48               |
| Res Existing Homes | Standard flow showerhead with TSV   | ELEC              | per shower       | \$34.00               |
| Res Existing Homes | Water Heater set to 120F            | ELEC              | per water heater | \$5.00                |
| Res Existing Homes | Instant WH, EF>=0.82                | GAS               | per water heater | \$300.00              |
| Res Existing Homes | WH timer                            | ELEC              | per water heater | \$5.00                |
| Res Existing Homes | Single-Pane window with low-E film  | ELEC              | per living unit  | \$138.60              |
| Res Existing Homes | Home that has air sealing performed | ELEC              | per house        | \$350.00              |
| Res Existing Homes | Home that has air sealing performed | GAS               | per house        | \$350.00              |
| Res Existing Homes | Insulated ductwork                  | GAS               | per living unit  | \$300.00              |
| Res Existing Homes | Home with insulated basement        | GAS               | per house        | \$500.00              |
| Res Existing Homes | Home with insulated ceiling roof    | GAS               | per house        | \$500.00              |
| Res Existing Homes | Home with insulated knee walls      | GAS               | per house        | \$400.00              |
| Res Existing Homes | Home with insulated rim joists      | GAS               | per house        | \$350.00              |
| Res Existing Homes | Home with insulated walls           | GAS               | per house        | \$350.00              |
| Res Existing Homes | Insulated ductwork                  | ELEC              | per living unit  | \$500.00              |
| Res Existing Homes | Home with insulated basement        | ELEC              | per house        | \$500.00              |
| Res Existing Homes | Home with insulated ceiling roof    | ELEC              | per house        | \$500.00              |
| Res Existing Homes | Home with insulated knee walls      | ELEC              | per house        | \$350.00              |
| Res Existing Homes | Home with insulated rim joists      | ELEC              | per house        | \$350.00              |
| Res Existing Homes | Home with insulated walls           | ELEC              | per house        | \$500.00              |
| Res Existing Homes | Boiler with reset controls          | GAS               | Per Boiler       | \$200.00              |
| Res Existing Homes | Insulated piping                    | GAS               | Per Household    | \$11.00               |



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| Subprogram Name      | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|----------------------|---|-------------------|--------------------------|-----------------------|
| Res Existing Homes   | HVAC system sized according to Manual J           | ELEC              | Per System               | \$125.00              |
| Res Existing Homes   | Heat Pump operating according to specifications   | ELEC              | Per Heat Pump            | \$75.00               |
| Res Existing Homes   | Properly maintained furnace                       | GAS               | Per Furnace              | \$25.00               |
| Res Existing Homes   | Steam heating system with properly adjusted vents | GAS               | Per household            | \$40.00               |
| Res Existing Homes   | Secondary Freezer Not Replaced                    | ELEC              | per Freezer              | \$50.00               |
| Res Existing Homes   | Secondary Refrigerator Not Replaced               | ELEC              | per Refrigerator         | \$50.00               |
| Res Existing Homes   | Smart (Tier 1) Power Strip                        | ELEC              | per smart power strip    | \$20.00               |
| Res Existing Homes   | Advanced Smart (Tier 2) Power Strip               | ELEC              | per advanced power strip | \$30.00               |
| Res Behavior         | Home Energy Reports                               | ELEC              | per report               | \$11.00               |
| Res K-12 Education   | K-12 Education Behavior (HER)                     | GAS               | per report               | \$0.00                |
| Res K-12 Education   | K-12 Education Behavior (HER)                     | ELEC              | per report               | \$0.00                |
| Res K-12 Education   | Low flow aerator                                  | ELEC              | per faucet               | \$4.00                |
| Res K-12 Education   | Low flow aerator                                  | GAS               | per faucet               | \$4.00                |
| Res K-12 Education   | Low flow showerhead                               | GAS               | per shower               | \$11.00               |
| Res K-12 Education   | Low flow showerhead                               | ELEC              | per shower               | \$11.00               |
| Res K-12 Education   | LED Screw-in General Service Lamp                 | ELEC              | Per Bulb                 | \$9.00                |
| Res K-12 Education   | Networked/ Connected - Indoor LED Lamp            | ELEC              | Per Bulb                 | \$41.00               |
| Res K-12 Education   | LED Nightlight                                    | ELEC              | Per Bulb                 | \$9.00                |
| Res New Construction | Res New Construction - Per Home Gas Component     | GAS               | per living unit          | \$1,250.00            |
| Res New Construction | Res New Construction - Per Home Elec Component    | ELEC              | per living unit          | \$1,250.00            |
| Res MF               | Home Energy Reports                               | ELEC              | per report               | \$6.00                |
| Res MF               | Home Energy Reports                               | GAS               | per report               | \$6.00                |
| Res MF               | Low flow aerator                                  | ELEC              | per faucet               | \$4.00                |
| Res MF               | Low flow aerator                                  | GAS               | per faucet               | \$4.00                |
| Res MF               | Low flow showerhead                               | GAS               | per shower               | \$11.00               |
| Res MF               | Low flow showerhead                               | ELEC              | per shower               | \$11.00               |
| Res MF               | Standard flow showerhead with TSV                 | ELEC              | per shower               | \$34.00               |
| Res MF               | Smart (Tier 1) Power Strip                        | ELEC              | per smart power strip    | \$33.00               |

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| Subprogram Name | Measure                             | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|-----------------|-------------------------------------|-------------------|--------------------------|-----------------------|
| Res MF          | Advanced Smart (Tier 2) Power Strip | ELEC              | per advanced power strip | \$45.00               |
| Res MF          | LED Screw-in General Service Lamp   | ELEC              | Per Bulb                 | \$9.00                |
| Res MF          | LED Nightlight                      | ELEC              | Per Bulb                 | \$0.00                |
| Income Eligible | Condensing Furnace 95-97%           | GAS               | Per Furnace              | \$2,637.98            |
| Income Eligible | Condensing Boiler 90-95%            | GAS               | Per Boiler               | \$3,754.57            |
| Income Eligible | LED Outdoor Flood Light Fixture     | ELEC              | Per Fixture              | \$60.30               |
| Income Eligible | LED Screw-in General Service Lamp   | ELEC              | Per Bulb                 | \$8.76                |
| Income Eligible | LED ENERGY STAR Fixture             | ELEC              | Per Fixture              | \$43.17               |
| Income Eligible | LED Nightlight                      | ELEC              | Per Bulb                 | \$9.17                |
| Income Eligible | Low flow aerator                    | ELEC              | per faucet               | \$4.00                |
| Income Eligible | Low flow aerator                    | GAS               | per faucet               | \$4.00                |
| Income Eligible | Low flow showerhead                 | GAS               | per shower               | \$11.00               |
| Income Eligible | Low flow showerhead                 | ELEC              | per shower               | \$11.00               |
| Income Eligible | Pipe wrap (hot water)               | GAS               | per house                | \$22.48               |
| Income Eligible | Pipe wrap (hot water)               | ELEC              | per house                | \$22.48               |
| Income Eligible | Standard flow showerhead with TSV   | ELEC              | per shower               | \$34.00               |
| Income Eligible | Water Heater set to 120F            | GAS               | per water heater         | \$5.00                |
| Income Eligible | Instant WH, EF>=0.82                | GAS               | per water heater         | \$1,828.65            |
| Income Eligible | WH timer                            | GAS               | per water heater         | \$136.00              |
| Income Eligible | Single-Pane window with low-E film  | ELEC              | per living unit          | \$789.60              |
| Income Eligible | Home that has air sealing performed | ELEC              | per house                | \$1,007.40            |
| Income Eligible | Home that has air sealing performed | GAS               | per house                | \$1,007.40            |
| Income Eligible | Insulated ductwork                  | ELEC              | per living unit          | \$667.00              |
| Income Eligible | Home with insulated basement        | ELEC              | per house                | \$1,500.00            |
| Income Eligible | Home with insulated ceiling roof    | ELEC              | per house                | \$1,800.00            |
| Income Eligible | Home with insulated knee walls      | ELEC              | per house                | \$900.00              |
| Income Eligible | Home with insulated rim joists      | ELEC              | per house                | \$500.00              |
| Income Eligible | Home with insulated walls           | ELEC              | per house                | \$1,500.00            |

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| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|------------------|---|-------------------|--------------------------|-----------------------|
| Income Eligible  | Boiler with reset controls                        | GAS               | Per Boiler               | \$300.00              |
| Income Eligible  | Insulated ductwork                                | GAS               | per living unit          | \$667.00              |
| Income Eligible  | Home with insulated basement                      | GAS               | per house                | \$1,500.00            |
| Income Eligible  | Home with insulated ceiling roof                  | GAS               | per house                | \$1,800.00            |
| Income Eligible  | Home with insulated knee walls                    | GAS               | per house                | \$900.00              |
| Income Eligible  | Home with insulated rim joists                    | GAS               | per house                | \$500.00              |
| Income Eligible  | Home with insulated walls                         | GAS               | per house                | \$1,500.00            |
| Income Eligible  | Insulated piping                                  | GAS               | Per Household            | \$22.48               |
| Income Eligible  | HVAC system sized according to Manual J           | ELEC              | Per System               | \$250.00              |
| Income Eligible  | Heat Pump operating according to specifications   | ELEC              | Per Heat Pump            | \$130.00              |
| Income Eligible  | Properly maintained furnace                       | GAS               | Per Furnace              | \$125.00              |
| Income Eligible  | Steam heating system with properly adjusted vents | GAS               | Per household            | \$125.02              |
| Income Eligible  | Smart (Tier 1) Power Strip                        | ELEC              | per smart power strip    | \$33.00               |
| Income Eligible  | Advanced Smart (Tier 2) Power Strip               | ELEC              | per advanced power strip | \$50.00               |
| C&I Prescriptive | Instant WH 0.82 or 0.94 TE (Gas)                  | GAS               | per kBtu/hr              | \$2.00                |
| C&I Prescriptive | Comm Storage WH Et=0.8, with heat recovery (Gas)  | GAS               | per kBtu/hr              | \$200.00              |
| C&I Prescriptive | HW Recirc System w Demand control (Gas)           | GAS               | per recirculation system | \$1,000.00            |
| C&I Prescriptive | Insulated HW pipe in unconditioned space (Gas)    | GAS               | per linear foot pipe     | \$8.00                |
| C&I Prescriptive | Advanced Smart (Tier 2) Power Strip (Electric)    | ELEC              | per Power Strip          | \$20.00               |
| C&I Prescriptive | Boiler with reset controls (Gas)                  | GAS               | Per kBtu/h               | \$0.24                |
| C&I Prescriptive | HVAC with WiFi thermostat (Gas)                   | GAS               | per thermostat           | \$75.00               |
| C&I Prescriptive | HVAC with WiFi thermostat (Electric)              | ELEC              | per thermostat           | \$75.00               |
| C&I Prescriptive | HVAC system with EMS (Gas)                        | GAS               | Per 1000 sqft            | \$500.00              |
| C&I Prescriptive | HVAC with CO2-based control (Gas)                 | GAS               | Per 1000 sqft            | \$30.00               |
| C&I Prescriptive | HVAC with CO2-based control (Electric)            | ELEC              | Per 1000 sqft            | \$40.00               |
| C&I Prescriptive | Boiler Tune-Up                                    | GAS               | kbtu/hr input            | \$0.33                |
| C&I Prescriptive | Furnace Tune-Up                                   | GAS               | kbtu/hr input            | \$0.33                |
| C&I Prescriptive | Furnace with ECM Fan Motor (Electric)             | ELEC              | Per kBtu/h               | \$1.00                |

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| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis           | Modeled AVG Incentive |
|------------------|---|-------------------|----------------------|-----------------------|
| C&I Prescriptive | VFD-Controlled Motor (Electric)                 | ELEC              | per HP               | \$100.00              |
| C&I Prescriptive | ECM Circulator Pump (Electric)                  | ELEC              | Per HP               | \$635.00              |
| C&I Prescriptive | Insulated pipe (Gas)                            | GAS               | per linear foot pipe | \$8.00                |
| C&I Prescriptive | Chilled Water Pump with VFD (Electric)          | ELEC              | per HP               | \$150.00              |
| C&I Prescriptive | Variable Air Volume HVAC (Electric)             | ELEC              | Per ton              | \$200.00              |
| C&I Prescriptive | Cooling Tower Fan with VFD (Electric)           | ELEC              | per HP               | \$100.00              |
| C&I Prescriptive | PTAC/PTHP with occupancy sensor (Electric)      | ELEC              | Per ton              | \$100.00              |
| C&I Prescriptive | Air Handler with DOAS (Gas)                     | GAS               | Per ton              | \$275.00              |
| C&I Prescriptive | Ventilation with heat recovery (Gas)            | GAS               | Per ventilator       | \$375.00              |
| C&I Prescriptive | Hotel Guest Room Occupancy Sensor (Electric)    | ELEC              | per 1000 sq ft       | \$150.00              |
| C&I Prescriptive | Interior Occupancy Sensor (Electric)            | ELEC              | per 1000 sq ft       | \$100.00              |
| C&I Prescriptive | LED Outdoor Building Exterior (Electric)        | ELEC              | per 1000 sq ft       | \$25.00               |
| C&I Prescriptive | Exterior Occupancy Sensor (Electric)            | ELEC              | per 1000 sq ft       | \$10.00               |
| C&I Prescriptive | LED Track Lighting (Electric)                   | ELEC              | per 1000 sq ft       | \$7.50                |
| C&I Prescriptive | Solid State (LED) Recessed Downlight (Electric) | ELEC              | per 1000 sq ft       | \$30.00               |
| C&I Prescriptive | LED Refrigerator/Freezer Case (Electric)        | ELEC              | per 1000 sq ft       | \$0.10                |
| C&I Prescriptive | Refrigerator Case Light Sensor (Electric)       | ELEC              | per 1000 sq ft       | \$1.50                |
| C&I Prescriptive | Freezer Case Light Sensor (Electric)            | ELEC              | per 1000 sq ft       | \$0.50                |
| C&I Prescriptive | LED Exit Sign (Electric)                        | ELEC              | per 1000 sq ft       | \$25.00               |
| C&I Prescriptive | Bi-Level Stairway Lighting (Electric)           | ELEC              | per 1000 sq ft       | \$15.00               |
| C&I Prescriptive | LED Bollard (Electric)                          | ELEC              | per 1000 sq ft       | \$0.50                |
| C&I Prescriptive | Daylight Dimming Control (Electric)             | ELEC              | per 1000 sq ft       | \$200.00              |
| C&I Prescriptive | LED Troffer/Surface/Suspended (Electric)        | ELEC              | per 1000 sq ft       | \$300.00              |
| C&I Prescriptive | LED Display Case Lighting (Electric)            | ELEC              | per 1000 sq ft       | \$1.50                |
| C&I Prescriptive | LED Replacement Lamp (Tube) (Electric)          | ELEC              | per 1000 sq ft       | \$50.00               |
| C&I Prescriptive | LED Other Linear Fixture (Electric)             | ELEC              | per 1000 sq ft       | \$50.00               |
| C&I Prescriptive | LED Low/High Bay (Electric)                     | ELEC              | per 1000 sq ft       | \$250.00              |
| C&I Prescriptive | LED Pole/Arm Mounted (Electric)                 | ELEC              | per 1000 sq ft       | \$50.00               |

ATTACHMENT 1

| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|------------------|---|-------------------|--------------------------|-----------------------|
| C&I Prescriptive | LLLC - Low Impact Application (Electric)                        | ELEC              | per 1000 sq ft           | \$400.00              |
| C&I Prescriptive | LED Channel Signage (Electric)                                  | ELEC              | per 1000 sq ft           | \$3.00                |
| C&I Prescriptive | LED Parking Garage and Canopy (Electric)                        | ELEC              | per 1000 sq ft           | \$50.00               |
| C&I Prescriptive | Market Avg Eff Spray Valve (1.16 GPM) (Gas)                     | GAS               | per Spray Valve          | \$25.00               |
| C&I Prescriptive | ENERGY STAR Commercial Refrigerator (Electric)                  | ELEC              | per Refrigerator         | \$300.00              |
| C&I Prescriptive | ENERGY STAR Commercial Freezer (Electric)                       | ELEC              | per Freezer              | \$300.00              |
| C&I Prescriptive | Pool with Cover (Gas)   | GAS               | per sqft of pool surface | \$1.00                |
| C&I Prescriptive | Demand Controlled Ventilation (DCV) Exhaust Hood (Electric)     | ELEC              | per HP                   | \$800.00              |
| C&I Prescriptive | Refrigerated Vending Machine with control system (Electric)     | ELEC              | Vending Machine          | \$100.00              |
| C&I Prescriptive | Non-Refrigerated Vending Machine with control system (Electric) | ELEC              | Vending Machine          | \$100.00              |
| C&I Prescriptive | Refrigeration – Cooler Night Covers LT (Electric)               | ELEC              | Per foot                 | \$6.00                |
| C&I Prescriptive | Refrigeration – Cooler Night Covers MT (Electric)               | ELEC              | Per foot                 | \$6.00                |
| C&I Prescriptive | Refrigeration – Cooler Night Covers HT (Electric)               | ELEC              | Per foot                 | \$6.00                |
| C&I Prescriptive | Evaporator Fan Control (Electric)                               | ELEC              | Per Compressor HP        | \$30.00               |
| C&I Prescriptive | Add Door to Open Display Case (Electric)                        | ELEC              | Per foot                 | \$200.00              |
| C&I Prescriptive | electronically commutated motors Motor (Electric)               | ELEC              | Motor                    | \$75.00               |
| C&I Prescriptive | Automatic door Closer (Electric)                                | ELEC              | autocloser               | \$75.00               |
| C&I Prescriptive | Freezer and Cooler Door Strip Curtians (Electric)               | ELEC              | Per square foot          | \$2.00                |
| C&I Prescriptive | Insulated Lines (Electric)                                      | ELEC              | Per foot                 | \$1.00                |
| C&I Prescriptive | Anti sweat heat control (Electric)                              | ELEC              | Per foot                 | \$20.00               |
| C&I Prescriptive | Defrost Controls (Electric)                                     | ELEC              | Per evap Fan             | \$125.00              |
| C&I Prescriptive | Floating Head- Air Cooled (Electric)                            | ELEC              | Per Ton                  | \$100.00              |
| C&I Prescriptive | Floating Head- Evap Cooled (Electric)                           | ELEC              | Per Ton                  | \$40.00               |
| C&I Prescriptive | Freezer and Cooler Door Gaskets (Electric)                      | ELEC              | Per foot                 | \$20.00               |
| C&I Prescriptive | Condensing Storage WH 90% TE (Gas)                              | GAS               | per kBtu/hr              | \$5.00                |
| C&I Prescriptive | Indirect WH 85% CAE (Gas)                                       | GAS               | per kBtu/hr              | \$4.00                |
| C&I Prescriptive | Elec Storage WH 2.30 Et (Electric)                              | ELEC              | per kBtu/hr              | \$2.00                |
| C&I Prescriptive | Volume Water Heater 92% TE (Gas)                                | GAS               | per kBtu/hr              | \$5.00                |

ATTACHMENT 1

| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis                   | Modeled AVG Incentive |
|------------------|---|-------------------|------------------------------|-----------------------|
| C&I Prescriptive | High performance hood (Gas)   | GAS               | Hood                         | \$500.00              |
| C&I Prescriptive | hood controls (Gas)   | GAS               | Hood                         | \$1,000.00            |
| C&I Prescriptive | High Pressure Steam Trap, Greater than 75 PSIG, Tested                  | GAS               | PER UNIT                     | \$300.00              |
| C&I Prescriptive | Medium Pressure Steam Trap, 15 PSIG to 75 PSIG, Tested                  | GAS               | PER UNIT                     | \$200.00              |
| C&I Prescriptive | 95% or 97% AFUE and ECM motor (Gas)                                     | GAS               | Per kBtu/h                   | \$2.76                |
| C&I Prescriptive | ENERGY STAR RAC (Electric)  | ELEC              | per kBtu/hr                  | \$1.47                |
| C&I Prescriptive | 90% Et Condensing Boiler (Gas)  | GAS               | Per kBtu/h                   | \$7.92                |
| C&I Prescriptive | CEE-compliant heat pump (Electric)                                      | ELEC              | per ton cooling              | \$100.00              |
| C&I Prescriptive | ENERGY STAR Minisplit (Electric)  | ELEC              | per ton cooling              | \$100.00              |
| C&I Prescriptive | VRF HP (Electric)   | ELEC              | per ton cooling              | \$1,250.00            |
| C&I Prescriptive | 15.0 EER Ground-Source HP (Electric)                                    | ELEC              | Per Ton                      | \$80.00               |
| C&I Prescriptive | ROB DX Packaged System, EER=10.8, 30 tons (Electric)                    | ELEC              | Per Ton                      | \$24.93               |
| C&I Prescriptive | ROB DX Packaged System, EER=10.8, 30 tons, AFUE 95% (Gas)               | GAS               | Per Ton                      | \$90.00               |
| C&I Prescriptive | Condensing integrated boiler and water heater (Gas)                     | GAS               | Per kbtuhr                   | \$1.36                |
| C&I Prescriptive | Variable Speed Centrifugal Chiller (Electric)                           | ELEC              | Per ton                      | \$100.00              |
| C&I Prescriptive | 95 AFUE make-up air unit (Gas)  | GAS               | Per kBtu/h                   | \$2.61                |
| C&I Prescriptive | HVLS fan (Electric)   | ELEC              | Per 1000 sqft                | \$100.00              |
| C&I Prescriptive | High-efficiency PTHP (Electric)   | ELEC              | Per ton                      | \$40.00               |
| C&I Prescriptive | High-efficiency PTAC (Electric)   | ELEC              | Per ton                      | \$40.00               |
| C&I Prescriptive | Condensing unit heater, 90% AFUE (Gas)                                  | GAS               | per kBtu/h                   | \$5.32                |
| C&I Prescriptive | Gas-fired low-intensity infrared heating unit (Gas)                     | GAS               | per kBtu/h                   | \$1.10                |
| C&I Prescriptive | HVAC system with high-efficiency air-cooled chiller (Electric)          | ELEC              | Per ton cooling              | \$100.00              |
| C&I Prescriptive | HVAC system with high-efficiency water-cooled chiller (Electric)        | ELEC              | Per ton cooling              | \$100.00              |
| C&I Prescriptive | HVAC system with dual enthalpy sensor outside air economizer (Electric) | ELEC              | Per tons cooling             | \$80.00               |
| C&I Prescriptive | Heat Pump Multi-Family Laundromat Dryer (Electric)                      | ELEC              | per Dryer                    | \$300.00              |
| C&I Prescriptive | Variable Speed Pool Pump (Electric)                                     | ELEC              | per in-ground pool           | \$300.00              |
| C&I Prescriptive | ENERGY STAR Refrigerator-Freezer (Electric)                             | ELEC              | per Refrigerator             | \$61.00               |
| C&I Prescriptive | ES 3.0 Beverage Vending Machine (Electric)                              | ELEC              | per Beverage Vending Machine | \$100.00              |

ATTACHMENT 1

| Subprogram Name                      | Measure  | Primary Fuel Type | Unit Basis                   | Modeled AVG Incentive |
|--------------------------------------|--|-------------------|------------------------------|-----------------------|
| C&I Prescriptive                     | Electric Clothes Dryer - High Efficiency- Electric (Electric)                          | ELEC              | per Dryer                    | \$100.00              |
| C&I Prescriptive                     | Electric Clothes Dryer - High Efficiency- Gas (Gas)                                    | GAS               | per Dryer                    | \$200.00              |
| C&I Prescriptive                     | HE Commercial Cloths Washer (Gas)  | GAS               | Per Washer                   | \$100.00              |
| C&I Prescriptive                     | Ozone Laundry Washing Machine (Gas)  | GAS               | Per Washer                   | \$2,500.00            |
| C&I Prescriptive                     | ENERGY STAR Electric Convection Oven (Electric)  | ELEC              | per oven                     | \$750.00              |
| C&I Prescriptive                     | ENERGY STAR Electric Combination Oven (Electric)                                       | ELEC              | per oven                     | \$750.00              |
| C&I Prescriptive                     | ENERGY STAR Gas Convection Oven (Gas)  | GAS               | per oven                     | \$600.00              |
| C&I Prescriptive                     | ENERGY STAR Gas Combination Oven (Gas)   | GAS               | per oven                     | \$1,250.00            |
| C&I Prescriptive                     | ENERGY STAR Hot Food Holding Cabinet (Electric)  | ELEC              | per hot food holding cabinet | \$750.00              |
| C&I Prescriptive                     | ENERGY STAR Ice Machine or CEE Tier 2 (Electric)                                       | ELEC              | per ice machine              | \$100.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Electric (Electric)     | ELEC              | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Gas (Gas)               | GAS               | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - electric (Electric) | ELEC              | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - gas (Gas)           | GAS               | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR Low Temperature Commercial Dishwasher - Electric (Electric)                | ELEC              | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR Low Temperature Commercial Dishwasher - Gas (Gas)                          | GAS               | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | Existing Compressor (Electric)   | ELEC              | Per compressor               | \$275.00              |
| C&I Prescriptive                     | High Efficiency Compressor (Electric)  | ELEC              | Per compressor               | \$125.00              |
| C&I Prescriptive                     | Oversized Condenser- Air Cooled (Electric)   | ELEC              | Per Ton                      | \$125.00              |
| C&I Prescriptive                     | Oversized Condenser- Evap Cooled (Electric)  | ELEC              | Per Ton                      | \$125.00              |
| C&I Prescriptive                     | Refrigeration/Freezer Door Heater Controls   | ELEC              | per door                     | \$20.00               |
| C&I Prescriptive                     | ENERGY STAR Commercial Fryers  | ELEC              | per fryer                    | \$300.00              |
| C&I Custom                           | C&I Custom - Elec  | ELEC              | per kWh                      | \$0.20                |
| C&I Custom                           | C&I Custom - Gas   | GAS               | per therm                    | \$1.64                |
| C&I Small Non-Residential Efficiency | C&I Small Non-Residential Efficiency Electric  | ELEC              | per kWh                      | \$0.20                |
| C&I Small Non-Residential Efficiency | C&I Small Non-Residential Efficiency Gas   | GAS               | per therm                    | \$1.50                |
| C&I New Construction                 | C&I NC Electric  | ELEC              | per kWh                      | \$0.16                |

ATTACHMENT 1

| Subprogram Name          | Measure  | Primary Fuel Type | Unit Basis     | Modeled AVG Incentive |
|--------------------------|--|-------------------|----------------|-----------------------|
| C&I New Construction     | C&I NC Gas   | GAS               | per therm      | \$2.00                |
| C&I Energy Management    | RCX Electric   | ELEC              | per kWh        | \$0.05                |
| C&I Energy Management    | RCX Gas  | GAS               | per therm      | \$0.96                |
| C&I Energy Management    | Strategic Energy Mgmt Electric                             | ELEC              | per kWh        | \$0.05                |
| C&I Energy Management    | Strategic Energy Mgmt Gas                                  | GAS               | per therm      | \$0.96                |
| C&I Engineered Solutions | MUSH Engineered Solution - Audit                           | ELEC              | PROGRAM        | \$21,223.14           |
| C&I Engineered Solutions | MUSH Engineered Solution - Audit                           | GAS               | PROGRAM        | \$9,987.36            |
| C&I Engineered Solutions | MUSH Engineered Solution - Engineering                     | ELEC              | PROGRAM        | \$43,889.46           |
| C&I Engineered Solutions | MUSH Engineered Solution - Engineering                     | GAS               | PROGRAM        | \$20,653.86           |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Begins (1st Pay)   | ELEC              | PROGRAM        | \$129,696.98          |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Begins (1st Pay)   | GAS               | PROGRAM        | \$61,033.87           |
| C&I Engineered Solutions | MUSH Engineered Solution - 50% Complete (2nd Pay)          | ELEC              | PROGRAM        | \$129,696.98          |
| C&I Engineered Solutions | MUSH Engineered Solution - 50% Complete (2nd Pay)          | GAS               | PROGRAM        | \$61,033.87           |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Finished (3rd Pay) | ELEC              | PROGRAM        | \$129,696.98          |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Finished (3rd Pay) | GAS               | PROGRAM        | \$61,033.87           |
| C&I Streetlight          | STREETLIGHTING - HPS 58 TO LED 36                          | ELEC              | PER FIXTURE    | \$305.83              |
| C&I Streetlight          | STREETLIGHTING - HPS 117 TO LED 56                         | ELEC              | PER FIXTURE    | \$309.23              |
| C&I Streetlight          | STREETLIGHTING - HPS 171 TO LED 73                         | ELEC              | PER FIXTURE    | \$353.44              |
| C&I Streetlight          | STREETLIGHTING - HPS 300 TO LED 107                        | ELEC              | PER FIXTURE    | \$353.41              |
| C&I Streetlight          | STREETLIGHTING - HPS 450 TO LED 180                        | ELEC              | PER FIXTURE    | \$473.49              |
| C&I Streetlight          | LED CONTROLLER   | ELEC              | PER FIXTURE    | \$124.74              |
| C&I Streetlight          | LED CONTROLLER INSTALL                                     | ELEC              | PER FIXTURE    | \$0.00                |
| C&I Streetlight          | INDUCTION CONTROLLER                                       | ELEC              | PER FIXTURE    | \$124.74              |
| C&I Streetlight          | INDUCTION CONTROLLER INSTALL                               | ELEC              | PER FIXTURE    | \$61.43               |
| C&I Streetlight          | Smart City Pilot   | ELEC              | Per Controller | \$90.33               |



ATTACHMENT 1

## APPENDIX B: Enrollment

| Subprogram                           | Enrollment   |
|--------------------------------------|--|
| Residential Efficient Products       | Customer application received                                      |
| Residential Existing Homes           | Customer application received                                      |
| Residential Behavioral               | Customer included in treatment group                               |
| Residential Multi-Family             | Customer application received                                      |
| Residential Income Eligible          | Customer application received                                      |
| C&I Prescriptive                     | Customer application received                                      |
| C&I Custom                           | Customer application received                                      |
| C&I Small Non-Residential Efficiency | Customer application received (Audit Access Agreement)             |
| C&I Energy Management                | Customer application received                                      |
| C&I Engineered Solutions             | Customer application received (Customer Access Consent Agreement ) |

**ATTACHMENT 2 – IT COST BREAKDOWN**

| Platform                          | Description  | Investment (\$M) |
|-----------------------------------|--|------------------|
| SAP                               | ERP/Billing platform   | 8.9              |
| Salesforce                        | Customer relationship management platform  | 5.5              |
| Mulesoft                          | Integration system using Application Programming Interfaces (APIs)   | 2.9              |
| Online Integration                | Web based customer self-service portal, Mobile App, Digital Assistant, IVR integration, and e-signature enablement                                       | 6.1              |
| Energy Efficiency Tracking System | Platform for tracking EE program investments, energy savings, enrollments and customer participation, and tracking BPU reporting requirements            | 2.8              |
| Program-specific support          | Support for Behavioral and Marketplace platforms   | 1.0              |
| Analytics                         | Platform to provide insights into program participation, energy savings and overall program effectiveness, leveraging data lakes and advanced algorithms | 5.8              |
| Total                             |  | 33.0             |

*Note: values rounded to the nearest \$0.1M*

Note: The cost breakdown above is based on program scope as documented in this Stipulation. PSE&G will have flexibility to move the dollars among the platforms within the approved budget of \$33M.

## Benefit Cost Analysis Results

| Subprograms                          | NJCT*      | SCT        | TRC        | PCT        | PAC        | RIM        |
|--------------------------------------|------------|------------|------------|------------|------------|------------|
| Res Eff Products                     | 1.7        | 2.3        | 0.7        | 7.7        | 0.9        | 0.6        |
| Res Existing Homes                   | 1.6        | 2.4        | 0.8        | 4.9        | 1.2        | 0.7        |
| Res Behavior                         | 2.2        | 2.6        | 1.2        | n/a**      | 1.2        | 0.6        |
| Res MF                               | 1.3        | 2.4        | 0.7        | n/a**      | 0.7        | 0.5        |
| Income Eligible                      | 1.2        | 1.8        | 0.5        | n/a**      | 0.5        | 0.4        |
| C&I Prescriptive                     | 2.7        | 3.5        | 1.3        | 6.6        | 2.0        | 1.2        |
| C&I Custom                           | 3.0        | 4.7        | 1.5        | 6.9        | 2.1        | 1.3        |
| C&I Small Non-Residential Efficiency | 2.7        | 4.3        | 1.3        | 5.4        | 1.9        | 1.1        |
| C&I Energy Management                | 1.8        | 4.0        | 1.3        | 8.7        | 1.4        | 1.0        |
| C&I Engineered Solutions             | 1.8        | 3.0        | 0.9        | 5.3        | 1.1        | 0.9        |
| Residential Programs                 | 1.7        | 2.4        | 0.8        | 8.7        | 1.0        | 0.6        |
| Commercial & Industrial Programs     | 2.5        | 3.7        | 1.2        | 6.1        | 1.8        | 1.1        |
| Low Income Programs                  | 1.2        | 1.8        | 0.5        | n/a*       | 0.5        | 0.4        |
| <b>Total Portfolio</b>               | <b>2.2</b> | <b>3.2</b> | <b>1.0</b> | <b>7.0</b> | <b>1.4</b> | <b>0.9</b> |

\*- NJCT assumptions and calculations are consistent with the August 24th, 2020 order and subsequent guidance

\*\* - PCT results for Res Behavior, Res MF, & Income Eligible are n/a as these subprograms are provided at no cost

### Cost-to-Achieve Savings Analysis

| CEF-EE CTA                 | Electric (\$/annualized kWh) |            | Gas (\$/annualized therm) |            |
|----------------------------|------------------------------|------------|---------------------------|------------|
|                            | Guidance +/- 10%*            | CEF-EE CTA | Guidance +/- 10%*         | CEF-EE CTA |
| <b>Residential Sector</b>  | 0.29 - 0.35                  | 0.19       | 7.82 - 9.56               | 2.06       |
| Eff Products               |                              | 0.32       |                           | 3.42       |
| Existing Homes             |                              | 0.59       |                           | 12.50      |
| Behavior                   |                              | 0.05       |                           | 0.68       |
|                            |                              |            |                           |            |
| <b>C&amp;I Sector</b>      | 0.33 - 0.41                  | 0.46       | 3.72 - 4.54               | 2.36       |
| Prescriptive               |                              | 0.45       |                           | 0.16       |
| Custom                     |                              | 0.31       |                           | 2.46       |
| Direct Install             |                              | 0.27       |                           | 1.94       |
| Energy Management          |                              | 0.17       |                           | 3.16       |
| Engineered Solutions       |                              | 1.91       |                           | 9.03       |
|                            |                              |            |                           |            |
| <b>Multifamily Sector</b>  | 1.09 - 1.33                  | 0.35       | 16.82 - 20.56             | 2.54       |
| Multifamily                |                              | 0.35       |                           | 2.54       |
|                            |                              |            |                           |            |
| <b>Low Income Sector**</b> | 1.89 - 2.31                  | 0.88       | 25.53 - 31.21             | 20.98      |
| Income Eligible            |                              | 0.88       |                           | 20.98      |

\* Guidance is based on Core Program Cost Guidelines established in the June 10th Board Order.

\*\* Co-managed low income sector targets used for income eligible subprogram

Values for the QPIs in years 1-3

| <b>Electric Results*</b>                     | <b>PY1 (Jul21-Jun22)</b> | <b>PY2 (Jul22-Jun23)</b> | <b>PY3 (Jul23-Jun24)</b> |
|--|--------------------------|--------------------------|--------------------------|
| Annual Energy Savings (kWh)                  | 439,366,569              | 487,189,790              | 368,845,495              |
| Annual Peak Demand Savings (MW)              | 38,277                   | 50,580                   | 41,190                   |
| Lifetime Energy Savings (kWh)                | 2,985,212,297            | 4,705,957,570            | 4,110,966,390            |
| Lifetime Persistent Peak Demand Savings (MW) | 376,882                  | 634,685                  | 525,044                  |
| Utility Cost Test (NPV of Benefits)**        | 1.43                     | 1.43                     | 1.43                     |
| Low-Income Lifetime Savings (kWh)            | 137,524,557              | 33,327,854               | 20,891,897               |
| Small Business Lifetime Savings (kWh)        | 547,176,929              | 615,127,006              | 920,902,348              |

| <b>Gas Results*</b>                        | <b>PY1 (Jul21-Jun22)</b> | <b>PY2 (Jul22-Jun23)</b> | <b>PY3 (Jul23-Jun24)</b> |
|--|--------------------------|--------------------------|--------------------------|
| Annual Energy Savings (Therms)             | 12,425,905               | 19,736,673               | 11,701,416               |
| Annual Peak Demand Savings***              | -                        | -                        | -                        |
| Lifetime Energy Savings (Therms)           | 94,604,425               | 151,631,297              | 108,635,745              |
| Lifetime Persistent Peak Demand Savings*** | -                        | -                        | -                        |
| Utility Cost Test (NPV of Benefits)**      | 1.43                     | 1.43                     | 1.43                     |
| Low-Income Lifetime Savings (Therms)       | 13,104,732               | 18,229,550               | 11,427,375               |
| Small Business Lifetime Savings (Therms)   | 2,162,032                | 2,430,520                | 3,638,714                |

\* QPIs are based on July 2021 to June 2024 program years as established in the June 10th Board Order. Should PSE&G's program year be changed to align with the schedule of its program, these values will be adjusted accordingly. Currently PY3 represents a partial year of programs that would be supplemented with PSE&G's second triennial program approval.

\*\* The Utility Cost Test, also known as the Program Administrator Cost Test (PAC) result represents the result across the entire program cycle.

\*\*\* The approach to calculating the Gas Peak Demand Savings has not yet been finalized. Collaboration with other utilities to establish the appropriate methodology is ongoing.

**PSE&G Clean Energy Future Energy Efficiency Program  
Weighted Average Cost of Capital (WACC)**

Schedule SS-CEF-EE-1

|                   | <u>Percent</u> | <u>Cost</u> | <u>Weighted<br/>Cost</u> | <u>Revenue<br/>Conversion<br/>Factor</u> | <u>Pre-Tax<br/>Weighted<br/>Cost</u> | <u>Discount<br/>Rate</u> |
|-------------------|----------------|-------------|--------------------------|--|--------------------------------------|--------------------------|
| Long Term Debt    | 45.53%         | 3.9567%     | 1.8017%                  | 1.0000                                   | 1.8017%                              |                          |
| Customer Deposits | <u>0.47%</u>   | 0.8700%     | <u>0.0041%</u>           | 1.0000                                   | <u>0.0041%</u>                       |                          |
| Sub-total         | 46.00%         |             | 1.8058%                  |  | 1.8058%                              | 1.2982%                  |
| Common Equity     | <u>54.00%</u>  | 9.60%       | <u>5.1836%</u>           | 1.3910                                   | <u>7.2105%</u>                       | <u>5.1836%</u>           |
| Total             | 100.00%        |             | 6.99%                    |  | 9.02%                                | 6.4818%                  |
| Monthly WACC      |                |             | 0.5825%                  |  | 0.7514%                              |                          |

Reflects a tax rate of 28.11%

**PSE&G Clean Energy Future Energy Efficiency Program  
Electric Revenue Requirements Calculation**

Schedule SS-CEF-EE-2E  
Page 1 of 2

|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                            | (1)                                 | (2)  | (3)                                     | (4)                                    | (5)  | (6)                                      | (7)                             | (8)              | (9)                                      | (10)                                     | (11)                                     | (12)   |
|----------------------------|-------------------------------------|--|---|--|--|--|---------------------------------|------------------|--|--|--|--|
|                            | <u>PSE&amp;G Program Investment</u> | <u>Program Investment from/to Partner utility</u>                  | <u>Capitalized IT Costs</u>             | <u>Gross Plant</u>                     | <u>PSE&amp;G + Partner Utility Program Investment Amortization</u> | <u>IT Cost Amortization</u>              | <u>Accumulated Amortization</u> | <u>Net Plant</u> | <u>Tax Depreciation</u>                  | <u>Book Depreciation Tax Basis</u>       | <u>Deferred Income Tax</u>               | <u>Beginning Accumulated Deferred Income Tax</u> |
| <b>Monthly Calculation</b> |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| Jan-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Feb-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Mar-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Apr-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| May-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jun-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jul-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Aug-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Sep-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Oct-20                     | 1,176,140                           | -  | -                                       | 1,176,140                              | 4,901  | -  | 4,901                           | 1,171,239        | 1,127,626                                | 4,895                                    | 79,826                                   | -  |
| Nov-20                     | 1,130,607                           | -  | -                                       | 2,306,746                              | 14,512   | -  | 19,413                          | 2,287,334        | 1,082,291                                | 14,298                                   | 75,934                                   | 79,826   |
| Dec-20                     | 1,148,983                           | -  | -                                       | 3,455,729                              | 24,010   | -  | 43,423                          | 3,412,306        | 1,100,865                                | 23,588                                   | 76,594                                   | 155,760  |
| Jan-21                     | 1,594,628                           | -  | -                                       | 5,050,357                              | 35,442   | -  | 78,865                          | 4,971,492        | 1,570,964                                | 34,815                                   | 109,220                                  | 232,355  |
| Feb-21                     | 1,631,273                           | -  | -                                       | 6,681,630                              | 48,883   | -  | 127,748                         | 6,553,882        | 1,607,708                                | 48,152                                   | 110,884                                  | 341,575  |
| Mar-21                     | 1,669,128                           | -  | 1,079,699                               | 9,430,457                              | 62,635   | 8,997                                    | 199,381                         | 9,231,076        | 1,675,654                                | 70,797                                   | 114,105                                  | 452,459  |
| Apr-21                     | 5,557,437                           | -  | -                                       | 14,987,893                             | 92,746   | 17,995                                   | 310,121                         | 14,677,772       | 2,736,810                                | 111,421                                  | 186,665                                  | 566,565  |
| May-21                     | 5,557,437                           | -  | -                                       | 20,545,330                             | 139,058  | 17,995                                   | 467,174                         | 20,078,156       | 2,750,365                                | 147,412                                  | 185,070                                  | 753,230  |
| Jun-21                     | 5,575,813                           | -  | 538,053                                 | 26,659,196                             | 185,446  | 22,479                                   | 675,099                         | 25,984,097       | 2,797,243                                | 187,964                                  | 185,520                                  | 938,300  |
| Jul-21                     | 5,558,892                           | -  | -                                       | 32,218,088                             | 231,841  | 26,963                                   | 933,902                         | 31,284,186       | 4,025,683                                | 227,541                                  | 270,048                                  | 1,123,820  |
| Aug-21                     | 14,067,634                          | -  | -                                       | 46,285,723                             | 313,618  | 17,965                                   | 1,265,485                       | 45,020,238       | 9,797,815                                | 294,631                                  | 675,676                                  | 1,393,868  |
| Sep-21                     | 15,544,425                          | -  | 4,619,024                               | 66,449,172                             | 437,002  | 65,454                                   | 1,767,941                       | 64,681,231       | 11,422,265                               | 448,332                                  | 780,247                                  | 2,069,544  |
|                            | Program Assumption                  | Investment in Shared Service Territory shared with Partner Utility | See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht | Prior Month + (Col 1 + Col 1a + Col 2) | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht                           | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | Prior Month + (Col 4 + Col 5)   | Col 3 - Col 6    | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht         |
| <b>Annual Summary</b>      |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| 2019                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| 2020                       | 3,455,729                           | -  | -                                       | 3,455,729                              | 43,423   | -  | 43,423                          | 3,412,306        | 3,310,782                                | 42,782                                   | 232,355                                  | 155,760  |
| 2021                       | 99,654,053                          | -  | 10,863,771                              | 113,973,553                            | 3,588,398  | 523,761                                  | 4,155,583                       | 109,817,970      | 69,063,488                               | 3,692,730                                | 4,647,861                                | 4,211,396  |
| 2022                       | 239,530,305                         | -  | 12,478,752                              | 365,982,611                            | 20,957,581   | 3,360,096                                | 28,473,260                      | 337,509,350      | 162,949,482                              | 21,538,237                               | 10,054,340                               | 13,986,581                                       |
| 2023                       | 279,773,822                         | -  | 3,218,796                               | 648,975,229                            | 46,558,204   | 5,043,982                                | 80,075,446                      | 568,899,782      | 189,887,627                              | 44,811,604                               | 10,314,905                               | 24,164,264                                       |
| 2024                       | 125,289,009                         | -  | -                                       | 774,264,237                            | 70,371,913   | 5,312,264                                | 155,759,623                     | 618,504,614      | 71,713,143                               | 68,084,403                               | 258,003                                  | 25,591,912                                       |
| 2025                       | 32,434,923                          | -  | -                                       | 806,699,160                            | 76,457,933   | 5,312,264                                | 237,529,820                     | 569,169,340      | 48,486,675                               | 83,158,064                               | (2,465,136)                              | 23,291,523                                       |
| 2026                       | 7,938,174                           | -  | -                                       | 814,637,334                            | 78,456,999   | 4,865,553                                | 320,852,372                     | 493,784,962      | 46,648,952                               | 93,434,179                               | (3,326,430)                              | 20,008,840                                       |
| 2027                       | -                                   | -  | -                                       | 814,637,334                            | 78,807,601   | 1,901,990                                | 401,561,963                     | 413,075,371      | -  | 47,278,621                               | (3,361,510)                              | 16,628,966                                       |
| 2028                       | -                                   | -  | -                                       | 814,637,334                            | 78,807,601   | 241,410                                  | 480,610,974                     | 334,026,360      | -  | 45,618,041                               | (3,243,443)                              | 13,379,802                                       |
| 2029                       | -                                   | -  | -                                       | 814,637,334                            | 78,807,601   | -  | 559,418,576                     | 255,218,758      | -  | 45,376,631                               | (3,226,278)                              | 10,153,524                                       |
| 2030                       | -                                   | -  | -                                       | 814,637,334                            | 78,764,179   | -  | 638,182,754                     | 176,454,580      | -  | 45,335,035                               | (3,223,321)                              | 6,928,568  |
| 2031                       | -                                   | -  | -                                       | 814,637,334                            | 75,219,203   | -  | 713,401,957                     | 101,235,377      | -  | 42,878,837                               | (3,048,685)                              | 3,842,556  |
| 2032                       | -                                   | -  | -                                       | 814,637,334                            | 57,850,020   | -  | 771,251,977                     | 43,385,356       | -  | 31,337,150                               | (2,228,071)                              | 1,525,463  |
| 2033                       | -                                   | -  | -                                       | 814,637,334                            | 32,249,397   | -  | 803,501,375                     | 11,135,959       | -  | 15,296,581                               | (1,087,587)                              | 337,153  |
| 2034                       | -                                   | -  | -                                       | 814,637,334                            | 8,435,688  | -  | 811,937,063                     | 2,700,271        | -  | 3,153,014                                | (224,179)                                | 82,627   |
| 2035                       | -                                   | -  | -                                       | 814,637,334                            | 2,349,668  | -  | 814,286,731                     | 350,603          | -  | 891,253                                  | (63,368)                                 | 11,418   |
| 2036                       | -                                   | -  | -                                       | 814,637,334                            | 350,603  | -  | 814,637,334                     | -                | -  | 132,987                                  | (9,455)                                  | -  |
| 2037                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2038                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2039                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2040                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2041                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2042                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2043                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2044                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| Total                      | 788,076,014                         | -  | 26,561,319                              | 788,076,014                            | 788,076,014  | 26,561,319                               | 592,060,149                     | 592,060,149      | 592,060,149                              | 1,613,847                                | (0)                                      | 2,849,791  |
| Oct 20 - Sep 21            | 60,212,396                          | -  | -                                       | 60,212,396                             | 1,590,093  | 177,848                                  | 61,802,489                      | 61,802,489       | 61,802,489                               | 1,613,847                                | 2,849,791                                | -  |

**PSE&G Clean Energy Future Energy Efficiency Program  
Electric Revenue Requirements Calculation**

Schedule SS-CEF-EE-2E

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|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                                | (13)   | (14)  | (15)                                | (16)                                     | (17)               | (18)                   | (19)                                       | (20)                                       | (21)                                       | (22)  |
|--------------------------------|--|---|-------------------------------------|--|--------------------|------------------------|--|--|--|---|
|                                | <u>Ending<br/>Acumulated<br/>Deferred Income<br/>Tax</u> | <u>Average Net<br/>Investment</u>             | <u>Return Requirement</u>           | <u>Program Investment<br/>Repayments</u> | <u>Expenses</u>    | <u>Revenue Offsets</u> | <u>Tax Flow-through</u>                    | <u>Tax Flow-Through<br/>Gross-up</u>       | <u>Tax Adjustment<br/>on Loan</u>          | <u>Revenue<br/>Requirements</u>   |
| <b>Monthly<br/>Calculation</b> |  |   |                                     |  |                    |                        |  |  |  |   |
| Jan-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Feb-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Mar-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Apr-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| May-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Jun-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Jul-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Aug-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Sep-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Oct-20                         | 79,826   | 545,706                                       | 4,100                               | (1,002)                                  | 1,544,650          | -                      | (235,774)                                  | (92,191)                                   | (313)                                      | 1,224,371   |
| Nov-20                         | 155,760  | 1,611,493                                     | 12,108                              | (2,005)                                  | 1,544,650          | -                      | (224,278)                                  | (87,696)                                   | (546)                                      | 1,256,745   |
| Dec-20                         | 232,355  | 2,655,762                                     | 19,954                              | (3,007)                                  | 1,544,650          | -                      | (226,228)                                  | (88,458)                                   | (779)                                      | 1,270,142   |
| Jan-21                         | 341,575  | 3,904,934                                     | 29,340                              | (3,508)                                  | 1,544,650          | -                      | (322,591)                                  | (126,138)                                  | (856)                                      | 1,156,338   |
| Feb-21                         | 452,459  | 5,365,669                                     | 40,315                              | (4,010)                                  | 1,544,650          | -                      | (327,507)                                  | (128,060)                                  | (973)                                      | 1,173,299   |
| Mar-21                         | 566,565  | 7,382,967                                     | 55,473                              | (4,511)                                  | 1,544,650          | -                      | (337,020)                                  | (131,780)                                  | (1,089)                                    | 1,197,355   |
| Apr-21                         | 753,230  | 11,294,527                                    | 84,862                              | (65,398)                                 | 1,544,650          | -                      | (551,332)                                  | (215,578)                                  | (20,190)                                   | 887,755   |
| May-21                         | 938,300  | 16,532,199                                    | 124,216                             | (126,286)                                | 1,544,650          | -                      | (546,620)                                  | (213,736)                                  | (34,662)                                   | 904,615   |
| Jun-21                         | 1,123,820  | 22,000,067                                    | 165,299                             | (187,173)                                | 1,544,650          | -                      | (547,948)                                  | (214,256)                                  | (49,134)                                   | 919,363   |
| Jul-21                         | 1,393,868  | 27,375,298                                    | 205,687                             | (221,470)                                | 1,693,621          | -                      | (797,610)                                  | (311,877)                                  | (55,226)                                   | 771,929   |
| Aug-21                         | 2,069,544  | 36,420,506                                    | 273,649                             | (313,233)                                | 1,693,621          | -                      | (1,995,669)                                | (780,334)                                  | (81,315)                                   | (871,699)   |
| Sep-21                         | 2,849,791  | 52,391,067                                    | 393,645                             | (404,997)                                | 1,693,621          | -                      | (2,304,526)                                | (901,102)                                  | (102,913)                                  | (1,123,818)   |
|                                | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh               | (Prev Col 7 - Col 11 +<br>Col 7 - Col 12) / 2 | Col 15<br>* Monthly Pre Tax<br>WACC | Program Assumption                       | Program Assumption | Program Assumption     | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh | Col 4 + Col 5 + Col 14<br>+ Col 15 + Col 68 + Col<br>17 + Col 18 + Col 19 +<br>Col 20 |
| <b>Annual<br/>Summary</b>      |  |   |                                     |  |                    |                        |  |  |  |   |
| 2019                           | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| 2020                           | 232,355  | 2,655,762                                     | 36,163                              | (6,014)                                  | 4,633,949          | -                      | (686,280)                                  | (268,345)                                  | (1,637)                                    | 3,751,257   |
| 2021                           | 4,880,216  | 96,342,826                                    | 3,219,489                           | (3,099,098)                              | 19,429,621         | -                      | (13,727,859)                               | (5,367,786)                                | (785,349)                                  | 3,781,178   |
| 2022                           | 14,934,555   | 311,294,740                                   | 18,353,621                          | (18,386,694)                             | 21,092,020         | -                      | (29,696,361)                               | (11,611,695)                               | (4,484,382)                                | (415,814)   |
| 2023                           | 25,249,460   | 530,542,055                                   | 37,834,675                          | (41,320,776)                             | 16,667,803         | -                      | (30,465,965)                               | (11,912,620)                               | (9,713,815)                                | 12,691,488  |
| 2024                           | 25,507,464   | 593,032,269                                   | 52,976,305                          | (72,606,000)                             | 7,731,777          | -                      | (762,035)                                  | (297,967)                                  | (17,383,587)                               | 45,342,670  |
| 2025                           | 23,042,328   | 548,677,208                                   | 51,433,652                          | (93,135,722)                             | 2,880,357          | -                      | 7,280,992                                  | 2,846,970                                  | (23,915,657)                               | 29,160,789  |
| 2026                           | 19,715,898   | 477,375,614                                   | 46,027,738                          | (105,755,396)                            | 1,040,221          | -                      | 9,824,898                                  | 3,841,673                                  | (28,364,957)                               | 9,936,727   |
| 2027                           | 16,354,388   | 399,907,578                                   | 39,237,031                          | -  | 516,795            | -                      | 9,928,510                                  | 3,882,187                                  | 13,071,979                                 | 147,346,094   |
| 2028                           | 13,110,946   | 324,064,636                                   | 32,346,228                          | -  | 422,115            | -                      | 9,579,789                                  | 3,745,832                                  | 13,071,979                                 | 138,214,954   |
| 2029                           | 9,884,667  | 248,483,313                                   | 25,527,377                          | -  | 249,541            | -                      | 9,529,093                                  | 3,726,009                                  | 13,071,979                                 | 130,911,600   |
| 2030                           | 6,661,346  | 172,931,267                                   | 18,713,060                          | -  | 94,352             | -                      | 9,520,357                                  | 3,722,593                                  | 13,071,265                                 | 123,885,806   |
| 2031                           | 3,612,661  | 100,391,324                                   | 11,984,336                          | -  | 97,182             | -                      | 9,004,556                                  | 3,520,908                                  | 12,645,538                                 | 112,471,722   |
| 2032                           | 1,384,590  | 43,838,449                                    | 6,121,047                           | -  | 100,098            | -                      | 6,580,801                                  | 2,573,186                                  | 10,366,905                                 | 83,592,057  |
| 2033                           | 297,003  | 11,577,462                                    | 2,179,155                           | -  | 103,101            | -                      | 3,212,282                                  | 1,256,047                                  | 6,628,789                                  | 45,628,775  |
| 2034                           | 72,824   | 2,804,292                                     | 518,269                             | -  | 52,312             | -                      | 662,133                                    | 258,903                                    | 2,065,600                                  | 11,992,902  |
| 2035                           | 9,455  | 376,549                                       | 109,011                             | -  | -                  | -                      | 187,163                                    | 73,183                                     | 570,261                                    | 3,289,286   |
| 2036                           | -  | -   | 9,503                               | -  | -                  | -                      | 27,927                                     | 10,920                                     | 85,091                                     | 484,044   |
| 2037                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2038                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2039                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2040                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2041                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2042                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2043                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2044                           | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Total                          |  |   | 346,626,660                         | (334,309,700)                            | 75,111,241         | -                      | (0)  | 0  | (0)  | 902,065,534   |
| Oct 20 - Sep 21                |  |   | 1,408,648                           | (1,336,600)                              | 18,982,707         | -                      | (8,417,103)                                | (3,291,206)                                | (347,994)                                  | 8,766,394   |



**PSE&G Clean Energy Future Energy Efficiency Program  
Gas Revenue Requirements Calculation**

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|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                            | (1)                                 | (1a)   | (2)                                     | (3)                                    | (4)  | (5)                                      | (6)                             | (7)              | (8)                                      | (9)                                      | (10)                                     | (11)   |
|----------------------------|-------------------------------------|--|---|--|--|--|---------------------------------|------------------|--|--|--|--|
|                            | <u>PSE&amp;G Program Investment</u> | <u>Program Investment from/to Partner utility</u>                  | <u>Capitalized IT Costs</u>             | <u>Gross Plant</u>                     | <u>PSE&amp;G + Partner Utility Program Investment Amortization</u> | <u>IT Cost Amortization</u>              | <u>Accumulated Amortization</u> | <u>Net Plant</u> | <u>Tax Depreciation</u>                  | <u>Book Depreciation Tax Basis</u>       | <u>Deferred Income Tax</u>               | <u>Beginning Accumulated Deferred Income Tax</u> |
| <b>Monthly Calculation</b> |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| Jan-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Feb-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Mar-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Apr-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| May-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jun-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jul-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Aug-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Sep-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Oct-20                     | 507,155                             | -  | -                                       | 507,155                                | 2,113  | -  | 2,113                           | 505,042          | 462,150                                  | 2,496                                    | 32,681                                   | -  |
| Nov-20                     | 485,728                             | -  | -                                       | 992,884                                | 6,250  | -  | 8,363                           | 984,520          | 441,295                                  | 6,825                                    | 30,891                                   | 32,681   |
| Dec-20                     | 494,376                             | -  | -                                       | 1,487,259                              | 10,334   | -  | 18,697                          | 1,468,562        | 450,515                                  | 11,101                                   | 31,242                                   | 63,572   |
| Jan-21                     | 899,980                             | -  | -                                       | 2,387,240                              | 16,144   | -  | 34,841                          | 2,352,399        | 879,194                                  | 16,912                                   | 61,308                                   | 94,815   |
| Feb-21                     | 880,082                             | -  | -                                       | 3,267,322                              | 23,561   | -  | 58,402                          | 3,208,920        | 859,583                                  | 24,425                                   | 59,380                                   | 156,123  |
| Mar-21                     | 890,199                             | -  | 269,897                                 | 4,427,418                              | 30,937   | 2,249                                    | 91,588                          | 4,335,830        | 877,483                                  | 34,147                                   | 59,961                                   | 215,503  |
| Apr-21                     | 1,020,595                           | -  | -                                       | 5,448,013                              | 38,898   | 4,498                                    | 134,984                         | 5,313,028        | 912,406                                  | 45,268                                   | 61,654                                   | 275,464  |
| May-21                     | 1,020,595                           | -  | -                                       | 6,468,608                              | 47,403   | 4,498                                    | 186,886                         | 6,281,722        | 913,910                                  | 54,278                                   | 61,120                                   | 337,117  |
| Jun-21                     | 1,029,242                           | -  | 134,499                                 | 7,632,349                              | 55,944   | 5,619                                    | 248,450                         | 7,383,900        | 927,797                                  | 64,446                                   | 61,384                                   | 398,237  |
| Jul-21                     | 1,461,993                           | -  | -                                       | 9,094,343                              | 66,325   | 6,740                                    | 321,514                         | 8,772,829        | 1,199,440                                | 77,834                                   | 79,746                                   | 459,621  |
| Aug-21                     | 3,878,186                           | -  | -                                       | 12,972,529                             | 88,575   | 4,491                                    | 414,580                         | 12,557,949       | 3,064,136                                | 103,753                                  | 210,483                                  | 539,368  |
| Sep-21                     | 4,573,146                           | -  | 1,154,637                               | 18,700,312                             | 123,789  | 16,362                                   | 554,731                         | 18,145,580       | 3,801,799                                | 154,412                                  | 259,329                                  | 749,851  |
|                            | Program Assumption                  | Investment in Shared Service Territory shared with Partner Utility | See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht | Prior Month + (Col 1 + Col 1a + Col 2) | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht                           | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | Prior Month + (Col 4 + Col 5)   | Col 3 - Col 6    | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht         |
| <b>Annual Summary</b>      |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| 2019                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| 2020                       | 1,487,259                           | -  | -                                       | -                                      | 18,697   | -  | -                               | 18,697           | 1,353,960                                | 20,422                                   | 94,815                                   | 31,242   |
| 2021                       | 27,250,846                          | -  | 2,715,662                               | 1,156,629                              | 1,066,868  | 130,927                                  | 35,622                          | 1,216,492        | 22,841,563                               | 1,301,031                                | 1,531,532                                | 198,903  |
| 2022                       | 62,141,088                          | -  | 3,119,366                               | 402,312                                | 5,581,838  | 839,937                                  | 93,898                          | 7,638,267        | 49,804,758                               | 7,000,332                                | 3,043,395                                | 291,141  |
| 2023                       | 80,242,992                          | -  | 804,616                                 | -                                      | 12,679,129   | 1,260,865                                | 110,661                         | 21,578,261       | 61,319,860                               | 14,977,401                               | 3,294,949                                | 322,589  |
| 2024                       | 24,802,695                          | -  | -                                       | -                                      | 18,337,416   | 1,327,929                                | 110,661                         | 41,243,606       | 17,902,923                               | 20,885,185                               | (212,039)                                | 2,764  |
| 2025                       | 15,263,493                          | -  | -                                       | -                                      | 20,386,672   | 1,327,929                                | 110,661                         | 62,958,207       | 15,160,029                               | 23,770,732                               | (612,221)                                | (69,327)   |
| 2026                       | 3,735,611                           | -  | -                                       | -                                      | 21,327,409   | 1,216,262                                | 84,677                          | 85,501,878       | 11,733,070                               | 25,589,120                               | (985,165)                                | (90,141)   |
| 2027                       | -                                   | -  | -                                       | -                                      | 21,492,399   | 475,448                                  | 20,115                          | 107,469,725      | -  | 14,673,001                               | (1,043,250)                              | (85,551)   |
| 2028                       | -                                   | -  | -                                       | -                                      | 21,492,399   | 60,346                                   | -                               | 129,022,470      | -  | 14,257,899                               | (1,013,737)                              | (84,121)   |
| 2029                       | -                                   | -  | -                                       | -                                      | 21,492,399   | -  | -                               | 150,514,869      | -  | 14,197,553                               | (1,009,446)                              | (84,121)   |
| 2030                       | -                                   | -  | -                                       | -                                      | 21,473,701   | -  | -                               | 171,988,570      | -  | 14,180,565                               | (1,008,238)                              | (83,453)   |
| 2031                       | -                                   | -  | -                                       | -                                      | 20,425,531   | -  | -                               | 192,414,101      | -  | 13,274,221                               | (943,797)                                | (70,960)   |
| 2032                       | -                                   | -  | -                                       | -                                      | 15,910,561   | -  | -                               | 208,324,661      | -  | 9,694,892                                | (689,307)                                | (43,815)   |
| 2033                       | -                                   | -  | -                                       | -                                      | 8,813,269  | -  | -                               | 217,137,931      | -  | 4,613,887                                | (328,047)                                | (11,461)   |
| 2034                       | -                                   | -  | -                                       | -                                      | 3,154,983  | -  | -                               | 220,292,913      | -  | 1,197,926                                | (85,173)                                 | (4,613)  |
| 2035                       | -                                   | -  | -                                       | -                                      | 1,105,726  | -  | -                               | 221,398,640      | -  | 419,413                                  | (29,820)                                 | (924)  |
| 2036                       | -                                   | -  | -                                       | -                                      | 164,989  | -  | -                               | 221,563,629      | -  | 62,582                                   | (4,450)                                  | -  |
| 2037                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2038                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2039                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2040                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2041                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2042                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2043                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2044                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| Total                      | 214,923,986                         | -  | 6,639,644                               | -                                      | 214,923,986  | 6,639,644                                | -                               | 180,116,163      | 180,116,163                              | -  | (0)                                      | -  |
| Oct 20 - Sep 21            | 17,141,279                          | -  | -                                       | -                                      | 510,274  | 44,457                                   | -                               | 14,789,709       | 595,897                                  | -  | 1,009,180                                | -  |

**PSE&G Clean Energy Future Energy Efficiency Program  
Gas Revenue Requirements Calculation**

Schedule SS-CEF-EE-2G  
Page 2 of 2

|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                                | (12)  | (13)  | (14)                                | (15)                                     | (16)                  | (17)                   | (18)  | (19)  | (20)  | (21)  |
|--------------------------------|---|---|-------------------------------------|--|-----------------------|------------------------|---|---|---|---|
|                                | <u>Ending<br/>Accumulated<br/>Deferred Income<br/>Tax</u> | <u>Average Net<br/>Investment</u>             | <u>Return Requirement</u>           | <u>Program Investment<br/>Repayments</u> | <u>Expenses</u>       | <u>Revenue Offsets</u> | <u>Tax Flow-through</u>                     | <u>Tax Flow-Through<br/>Gross-up</u>        | <u>Tax Adjustment<br/>on Loan</u>           | <u>Revenue<br/>Requirements</u>   |
| <b>Monthly<br/>Calculation</b> |   |   |                                     |  |                       |                        |   |   |   |   |
| Jan-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Feb-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Mar-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Apr-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| May-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Jun-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Jul-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Aug-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Sep-20                         | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Oct-20                         | 32,681  | 236,180                                       | 1,775                               | (1,325)                                  | 524,340               | -                      | (96,527)                                    | (37,744)                                    | (444)                                       | 392,188   |
| Nov-20                         | 63,572  | 696,654                                       | 5,234                               | (2,650)                                  | 524,340               | -                      | (91,239)                                    | (35,676)                                    | (814)                                       | 405,446   |
| Dec-20                         | 94,815  | 1,147,348                                     | 8,621                               | (3,976)                                  | 524,340               | -                      | (92,277)                                    | (36,082)                                    | (1,183)                                     | 409,777   |
| Jan-21                         | 156,123   | 1,785,012                                     | 13,412                              | (4,638)                                  | 524,340               | -                      | (181,079)                                   | (70,805)                                    | (1,331)                                     | 296,043   |
| Feb-21                         | 215,503   | 2,594,847                                     | 19,497                              | (5,301)                                  | 524,340               | -                      | (175,383)                                   | (68,577)                                    | (1,516)                                     | 316,620   |
| Mar-21                         | 275,464   | 3,526,892                                     | 26,500                              | (5,964)                                  | 524,340               | -                      | (177,101)                                   | (69,249)                                    | (1,701)                                     | 330,012   |
| Apr-21                         | 337,117   | 4,518,139                                     | 33,947                              | (6,646)                                  | 524,340               | -                      | (182,099)                                   | (71,203)                                    | (2,830)                                     | 336,106   |
| May-21                         | 398,237   | 5,429,698                                     | 40,796                              | (7,428)                                  | 524,340               | -                      | (180,523)                                   | (70,587)                                    | (3,801)                                     | 349,199   |
| Jun-21                         | 459,621   | 6,403,881                                     | 48,116                              | (8,311)                                  | 524,340               | -                      | (181,304)                                   | (70,892)                                    | (4,773)                                     | 360,640   |
| Jul-21                         | 539,368   | 7,578,870                                     | 56,944                              | (9,461)                                  | 572,406               | -                      | (235,537)                                   | (92,098)                                    | (7,348)                                     | 342,750   |
| Aug-21                         | 749,851   | 10,020,779                                    | 75,292                              | (10,456)                                 | 572,406               | -                      | (621,681)                                   | (243,086)                                   | (15,130)                                    | (188,429)   |
| Sep-21                         | 1,009,180   | 14,472,249                                    | 108,738                             | (13,312)                                 | 572,406               | -                      | (765,951)                                   | (299,498)                                   | (21,997)                                    | (340,062)   |
|                                | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksht               | (Prev Col 7 - Col 11 +<br>Col 7 - Col 12) / 2 | Col 15<br>* Monthly Pre Tax<br>WACC | Program Assumption                       | Program<br>Assumption | Program<br>Assumption  | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksht | Col 4 + Col 5 + Col 14<br>+ Col 15 + Col 68 + Col<br>17 + Col 18 + Col 19 +<br>Col 20 |
| <b>Annual<br/>Summary</b>      |   |   |                                     |  |                       |                        |   |   |   |   |
| 2019                           | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| 2020                           | 63,572  | 94,815  | 15,630                              | (7,951)                                  | 1,573,020             | -                      | (280,043)                                   | (109,501)                                   | (2,441)                                     | 1,207,411   |
| 2021                           | 1,427,443   | 1,626,346                                     | 932,227                             | (571,464)                                | 6,580,479             | -                      | (4,523,512)                                 | (1,768,757)                                 | (167,326)                                   | 1,679,442   |
| 2022                           | 4,378,600   | 4,669,741                                     | 4,807,551                           | (3,838,899)                              | 7,087,828             | -                      | (8,988,929)                                 | (3,514,798)                                 | (1,079,090)                                 | 895,437   |
| 2023                           | 7,642,101   | 7,964,690                                     | 10,192,106                          | (9,570,699)                              | 5,806,282             | -                      | (9,731,917)                                 | (3,805,316)                                 | (2,531,908)                                 | 4,298,543   |
| 2024                           | 7,749,887   | 7,752,651                                     | 13,610,437                          | (15,185,839)                             | 2,687,298             | -                      | 626,275                                     | 244,882                                     | (3,850,726)                                 | 17,797,672  |
| 2025                           | 7,209,757   | 7,140,430                                     | 13,621,233                          | (20,065,205)                             | 784,992               | -                      | 1,808,248                                   | 707,050                                     | (5,261,748)                                 | 13,309,172  |
| 2026                           | 6,245,406   | 6,155,265                                     | 12,535,441                          | (23,708,399)                             | 260,028               | -                      | 2,909,771                                   | 1,137,761                                   | (6,457,973)                                 | 9,220,301   |
| 2027                           | 5,197,565   | 5,112,015                                     | 10,764,574                          | -  | 129,185               | -                      | 3,081,330                                   | 1,204,843                                   | 2,852,387                                   | 40,000,167  |
| 2028                           | 4,182,398   | 4,098,278                                     | 8,898,731                           | -  | 105,518               | -                      | 2,994,159                                   | 1,170,758                                   | 2,852,387                                   | 37,574,297  |
| 2029                           | 3,172,952   | 3,088,832                                     | 7,050,873                           | -  | 62,379                | -                      | 2,981,486                                   | 1,165,803                                   | 2,852,387                                   | 35,605,327  |
| 2030                           | 2,164,047   | 2,080,594                                     | 5,204,208                           | -  | 23,585                | -                      | 2,977,919                                   | 1,164,408                                   | 2,851,719                                   | 33,695,540  |
| 2031                           | 1,207,756   | 1,136,797                                     | 3,385,371                           | -  | 24,293                | -                      | 2,787,586                                   | 1,089,985                                   | 2,796,263                                   | 30,509,029  |
| 2032                           | 491,305   | 447,490                                       | 1,795,788                           | -  | 25,022                | -                      | 2,035,927                                   | 796,076                                     | 2,430,414                                   | 22,993,788  |
| 2033                           | 130,903   | 119,442                                       | 712,780                             | -  | 25,773                | -                      | 968,916                                     | 378,860                                     | 1,642,017                                   | 12,541,616  |
| 2034                           | 38,883  | 34,270  | 231,028                             | -  | 13,077                | -                      | 251,564                                     | 98,365                                      | 765,237                                     | 4,514,254   |
| 2035                           | 5,373   | 4,450   | 51,299                              | -  | -                     | -                      | 88,077                                      | 34,439                                      | 268,358                                     | 1,547,899   |
| 2036                           | -   | -   | 4,472                               | -  | -                     | -                      | 13,142                                      | 5,139                                       | 40,043                                      | 227,785   |
| 2037                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2038                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2039                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2040                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2041                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2042                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2043                           | -   | -   | (0)                                 | -  | -                     | -                      | -   | -   | -   | (0)   |
| 2044                           | -   | -   | -                                   | -  | -                     | -                      | -   | -   | -   | -   |
| Total                          |   |   | 93,813,750                          | (72,948,457)                             | 25,188,759            | -                      | 0   | 0   | (0)   | 267,617,681   |
| Oct 20 - Sep 21                |   |   | 438,873                             | (210,528)                                | 6,436,280             | -                      | (2,980,701)                                 | (1,165,496)                                 | (62,868)                                    | 3,010,291   |

## PSE&G Clean Energy Future Energy Efficiency Program Proposed Rate Calculations

Schedule SS-CEF-EE-3

(\$'s Unless Specified)

Current SUT Rate 6.625%

| <u>Line</u> | <u>Date(s)</u>     |  | <u>Electric</u> | <u>Gas</u> | <u>Source/Description</u>         |
|-------------|--------------------|--|-----------------|------------|-----------------------------------|
| 1           | Oct 20 -<br>Sep 21 | Revenue Requirements                                   | 8,766,394       | 3,010,291  | SS-2E/G, Col 23                   |
| 2           | Oct 20 -<br>Sep 21 | Forecasted (\$/kWh or \$/Therm)                        | 40,681,934      | 2,852,756  |                                   |
| 3           |                    | Proposed Rate w/o SUT (\$/kWh or \$/Therm)             | 0.000215        | 0.001055   | Line 1 / Line 2 [Rnd 6]           |
| 4           |                    | Public Notice Rate w/o SUT (\$/kWh)                    | 0.000215        | 0.001055   | Line 3                            |
| 5           |                    | Proposed Rate w/ SUT (\$/kWh or \$/Therm)              | 0.000229        | 0.001125   | (Line 3 * (1 + SUT Rate)) [Rnd 6] |
| 6           |                    | Existing Rate w/o SUT (\$/kWh or \$/Therm)             | 0.000000        | 0.000000   |                                   |
| 7           |                    | Difference in Proposed and Existing Rate               | 0.000215        | 0.001055   | (Line 3 - Line 6)                 |
| 8           |                    | Resultant CEF-EE Program Revenue Increase / (Decrease) | 8,746,616       | 3,009,657  | (Line 2 * Line 7 * 1,000)         |

**PSE&G Clean Energy Future Energy Efficiency Program**  
**Electric GPRC Recovery Charge (GPRC) - Rate Impact Analysis**

Schedule SS-CEF-EE-4E

6.625% SUT Rate effective 1/1/2018  
40,681,934 kWh Sales (000) - Oct 20 - Sep 21  
40,681,934 kWh Sales (000) - Oct 20 - thereafter

6,920 Avg RS kWh / yr.  
740 Avg RS kWh / Summer Month  
495 Avg RS kWh / Winter Month

0.001901 Current electric GPRC (\$/kWh)

| (1)<br>Current  | (2)<br>Electric CEF-EE Revenue Requirements <sup>2</sup> | (3)<br>Electric CEF-EEC w/o SUT (\$/kWh) | (4)<br>Electric CEF-EEC w/ SUT (\$/kWh) <sup>3</sup> | (6) Class Average Rate w/SUT - \$/kWh <sup>1</sup>                     |          |          |          |           |           |           | (12) Typical RS GPRC (\$)                      |  |                             | (14)<br>Change in RS Typical Annual Bill (\$'s) | (15)<br>RS Typical Annual Bill (\$'s) <sup>3</sup> | (16)<br>% Change in RS Typical Annual Bill |
|-----------------|--|--|--|--|----------|----------|----------|-----------|-----------|-----------|--|--|-----------------------------|---|--|--|
|                 |  |  |  | (5) RS   | (5) RHS  | (5) RLM  | (5) GLP  | (5) LPL-S | (5) LPL-P | (5) HTS-S | (11) Summer Monthly Bill                       | (11) Winter Monthly Bill                       | (11) Annual Bill            |   |  |  |
|                 |  |  |  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       |   |  |  |
| Oct 20 - Sep 21 | 8,766,394  | 0.000215                                 | 0.000229   | 0.189928   | 0.144099 | 0.189178 | 0.168632 | 0.130827  | 0.106124  | 0.090903  | 1.58   | 1.05   | 14.72                       | \$1.56  | 1,314.28   | 0.12%                                      |
| Oct 21 - Sep 22 | (2,310,773)  | (0.000057)                               | (0.000061)   | 0.189638   | 0.143809 | 0.188888 | 0.168342 | 0.130537  | 0.105834  | 0.090613  | 1.36   | 0.91   | 12.72                       | -\$0.44   | 1,312.28   | -0.03%                                     |
| Oct 22 - Sep 23 | 11,493,290   | 0.000283                                 | 0.000302   | 0.190001   | 0.144172 | 0.189251 | 0.168705 | 0.130900  | 0.106197  | 0.090976  | 1.63   | 1.09   | 15.24                       | \$2.08  | 1,314.80   | 0.16%                                      |
| Oct 23 - Sep 24 | 35,878,508   | 0.000882                                 | 0.000940   | 0.190639   | 0.144810 | 0.189889 | 0.169343 | 0.131538  | 0.106835  | 0.091614  | 2.10   | 1.41   | 19.68                       | \$6.52  | 1,319.24   | 0.50%                                      |
| Oct 24 - Sep 25 | 36,083,142   | 0.000887                                 | 0.000946   | 0.190645   | 0.144816 | 0.189895 | 0.169349 | 0.131544  | 0.106841  | 0.091620  | 2.11   | 1.41   | 19.72                       | \$6.56  | 1,319.28   | 0.50%                                      |
| Oct 25 - Sep 26 | 12,344,026   | 0.000303                                 | 0.000323   | 0.190022   | 0.144193 | 0.189272 | 0.168726 | 0.130921  | 0.106218  | 0.090997  | 1.65   | 1.10   | 15.40                       | \$2.24  | 1,314.96   | 0.17%                                      |
| Oct 26 - Sep 27 | 113,476,801  | 0.002789                                 | 0.002974   | 0.192673   | 0.146844 | 0.191923 | 0.171377 | 0.133572  | 0.108869  | 0.093648  | 3.61   | 2.41   | 33.72                       | \$20.56   | 1,333.28   | 1.57%                                      |
| Oct 27 - Sep 28 | 140,246,121  | 0.003447                                 | 0.003675   | 0.193374   | 0.147545 | 0.192624 | 0.172078 | 0.134273  | 0.109570  | 0.094349  | 4.13   | 2.76   | 38.60                       | \$25.44   | 1,338.16   | 1.94%                                      |
| Oct 28 - Sep 29 | 132,693,551  | 0.003262                                 | 0.003478   | 0.193177   | 0.147348 | 0.192427 | 0.171881 | 0.134076  | 0.109373  | 0.094152  | 3.98   | 2.66   | 37.20                       | \$24.04   | 1,336.76   | 1.83%                                      |
| Oct 29 - Sep 30 | 125,644,735  | 0.003088                                 | 0.003293   | 0.192992   | 0.147163 | 0.192242 | 0.171696 | 0.133891  | 0.109188  | 0.093967  | 3.84   | 2.57   | 35.92                       | \$22.76   | 1,335.48   | 1.73%                                      |
| Oct 30 - Sep 31 | 116,766,520  | 0.002870                                 | 0.003060   | 0.192759   | 0.146930 | 0.192009 | 0.171463 | 0.133658  | 0.108955  | 0.093734  | 3.67   | 2.46   | 34.36                       | \$21.20   | 1,333.92   | 1.61%                                      |
| Oct 31 - Sep 32 | 92,363,341   | 0.002270                                 | 0.002420   | 0.192119   | 0.146290 | 0.191369 | 0.170823 | 0.133018  | 0.108315  | 0.093094  | 3.20   | 2.14   | 29.92                       | \$16.76   | 1,329.48   | 1.28%                                      |
| Oct 32 - Sep 33 | 55,444,874   | 0.001363                                 | 0.001453   | 0.191152   | 0.145323 | 0.190402 | 0.169856 | 0.132051  | 0.107348  | 0.092127  | 2.48   | 1.66   | 23.20                       | \$10.04   | 1,322.76   | 0.76%                                      |
| Oct 33 - Sep 34 | 17,734,940   | 0.000436                                 | 0.000465   | 0.190164   | 0.144335 | 0.189414 | 0.168868 | 0.131063  | 0.106360  | 0.091139  | 1.75   | 1.17   | 16.36                       | \$3.20  | 1,315.92   | 0.24%                                      |
| Oct 34 - Sep 35 | 4,558,249  | 0.000112                                 | 0.000119   | 0.189818   | 0.143989 | 0.189068 | 0.168522 | 0.130717  | 0.106014  | 0.090793  | 1.49   | 1.00   | 13.96                       | \$0.80  | 1,313.52   | 0.06%                                      |
| Oct 35 - Sep 36 | 854,834  | 0.000021                                 | 0.000022   | 0.189721   | 0.143892 | 0.188971 | 0.168425 | 0.130620  | 0.105917  | 0.090696  | 1.42   | 0.95   | 13.28                       | \$0.12  | 1,312.84   | 0.01%                                      |
| Oct 36 - Sep 37 | 26,982   | 0.000001                                 | 0.000001   | 0.189700   | 0.143871 | 0.188950 | 0.168404 | 0.130599  | 0.105896  | 0.090675  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 37 - Sep 38 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 38 - Sep 39 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 39 - Sep 40 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 40 - Sep 41 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 41 - Sep 42 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 42 - Sep 43 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 43 - Sep 44 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
|                 | From Schedule SS-CEF-EE-2E Col 23                        | Col 1 / [kWh Sales] (Rnd to 6 dec.)      | Col 2 * (1 + SUT Rate) Rnd 6                         | Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 11) |          |          |          |           |           |           | (Cur. eGPRC + Col 3) * Avg RS kWh Sum Mo Rnd 2 | (Cur. eGPRC + Col 3) * Avg RS kWh Win Mo Rnd 2 | (4 * Col 11) + (8 * Col 12) | Col 13 - Current Col 13                         | Current Col 15 + Col 14                            | Col 14 / Current Col 15 Rnd 4              |

|                 | % Change from Current Class Average Rate w/SUT |        |        |        |        |        |        |       |
|-----------------|--|--------|--------|--------|--------|--------|--------|-------|
|                 | RS   | RHS    | RLM    | GLP    | LPL-S  | LPL-P  | HTS-S  |       |
| Apr 19 - Sep 20 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00% |
| Oct 20 - Sep 21 | 0.12%  | 0.16%  | 0.12%  | 0.14%  | 0.18%  | 0.22%  | 0.25%  |       |
| Oct 21 - Sep 22 | -0.03%   | -0.04% | -0.03% | -0.04% | -0.05% | -0.06% | -0.07% |       |
| Oct 22 - Sep 23 | 0.16%  | 0.21%  | 0.16%  | 0.18%  | 0.23%  | 0.29%  | 0.33%  |       |
| Oct 23 - Sep 24 | 0.50%  | 0.65%  | 0.50%  | 0.56%  | 0.72%  | 0.89%  | 1.04%  |       |
| Oct 24 - Sep 25 | 0.50%  | 0.66%  | 0.50%  | 0.56%  | 0.72%  | 0.89%  | 1.04%  |       |
| Oct 25 - Sep 26 | 0.17%  | 0.22%  | 0.17%  | 0.19%  | 0.25%  | 0.31%  | 0.36%  |       |
| Oct 26 - Sep 27 | 1.57%  | 2.07%  | 1.57%  | 1.77%  | 2.28%  | 2.81%  | 3.28%  |       |
| Oct 27 - Sep 28 | 1.94%  | 2.55%  | 1.94%  | 2.18%  | 2.81%  | 3.47%  | 4.05%  |       |
| Oct 28 - Sep 29 | 1.83%  | 2.42%  | 1.84%  | 2.07%  | 2.66%  | 3.28%  | 3.84%  |       |
| Oct 29 - Sep 30 | 1.74%  | 2.29%  | 1.74%  | 1.96%  | 2.52%  | 3.11%  | 3.63%  |       |
| Oct 30 - Sep 31 | 1.61%  | 2.13%  | 1.62%  | 1.82%  | 2.34%  | 2.89%  | 3.37%  |       |
| Oct 31 - Sep 32 | 1.28%  | 1.68%  | 1.28%  | 1.44%  | 1.85%  | 2.29%  | 2.67%  |       |
| Oct 32 - Sep 33 | 0.77%  | 1.01%  | 0.77%  | 0.86%  | 1.11%  | 1.37%  | 1.60%  |       |
| Oct 33 - Sep 34 | 0.25%  | 0.32%  | 0.25%  | 0.28%  | 0.36%  | 0.44%  | 0.51%  |       |
| Oct 34 - Sep 35 | 0.06%  | 0.08%  | 0.06%  | 0.07%  | 0.09%  | 0.11%  | 0.13%  |       |
| Oct 35 - Sep 36 | 0.01%  | 0.02%  | 0.01%  | 0.01%  | 0.02%  | 0.02%  | 0.02%  |       |
| Oct 36 - Sep 37 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 37 - Sep 38 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 38 - Sep 39 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 39 - Sep 40 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 40 - Sep 41 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 41 - Sep 42 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 42 - Sep 43 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |

<sup>1</sup> All customers assumed to have BGS Supply

<sup>2</sup> Initial Rate period is October 2020 to September 2021 for the CEF-EE Program

<sup>3</sup> SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program

<sup>4</sup> The rates are based on a typical residential bill as of September 1, 2020

**PSE&G Clean Energy Future Energy Efficiency Program**  
**Gas GPRC Recovery Charge (GPRC) - Rate Impact Analysis**

Schedule SS-CEF-EE-4G

1,040 Typical RSG Therms / yr.  
0.004361 Current Gas GPRC (\$/therm)  
2,852,756 Therm Sales (000) Oct 20 - Sep 21  
172 89 29 Monthly Therms  
2,852,756 Therm Sales (000) Oct 20 - thereafter  
4 2 6 # of Months/year

| (1)             | (2)        | (3)      | (4) - (9) Class Average Rate w/SUT - \$/therm <sup>1</sup> |                                |  |          |          |          | (10) - (13) Typical RSG GPRC (\$) |        |      |                      | (14) Change in RSG Typical Annual Bill (\$'s) | (15) RSG Typical Annual Bill (\$'s) <sup>4</sup> | (16) % Change in RSG Typical Annual Bill |                        |                      |             |
|-----------------|------------|----------|--|--------------------------------|--|----------|----------|----------|-----------------------------------|--------|------|----------------------|---|--|--|------------------------|----------------------|-------------|
|                 |            |          | Gas CEF-EE Revenue Requirements <sup>2</sup>               | Gas CEF-EEC w/o SUT (\$/therm) | Gas CEF-EEC w/ SUT (\$/therm) <sup>3</sup> | RSG      | GSG      | LVG      | TSG-F                             | TSG-NF | CIG  | Dec-Mar Monthly Bill |   |  |  | Nov & Apr Monthly Bill | May-Oct Monthly Bill | Annual Bill |
|                 |            |          |  |                                |  |          |          |          |                                   |        |      |                      |   |  |  |                        |                      |             |
| Current         |            |          | 0.839154   | 0.905645                       | 0.728062                                   | 0.614771 | 0.570814 | 0.413154 | 0.75                              | 0.39   | 0.13 | 4.56                 |   | 872.72   |  |                        |                      |             |
| Oct 20 - Sep 21 | 3,010,291  | 0.001055 | 0.001125   | 0.840279                       | 0.906770                                   | 0.729187 | 0.615896 | 0.571939 | 0.414209                          | 0.94   | 0.49 | 0.16                 | 5.70  | \$1.14   | 873.86                                   | 0.13%                  |                      |             |
| Oct 21 - Sep 22 | 339,194    | 0.000119 | 0.000127   | 0.839281                       | 0.905772                                   | 0.728189 | 0.614898 | 0.570941 | 0.413273                          | 0.77   | 0.40 | 0.13                 | 4.66  | \$0.10   | 872.82                                   | 0.01%                  |                      |             |
| Oct 22 - Sep 23 | 3,657,933  | 0.001282 | 0.001367   | 0.840521                       | 0.907012                                   | 0.729429 | 0.616138 | 0.572181 | 0.414436                          | 0.99   | 0.51 | 0.17                 | 6.00  | \$1.44   | 874.16                                   | 0.17%                  |                      |             |
| Oct 23 - Sep 24 | 14,760,013 | 0.005174 | 0.005517   | 0.844671                       | 0.911162                                   | 0.733579 | 0.620288 | 0.576331 | 0.418328                          | 1.70   | 0.88 | 0.29                 | 10.30   | \$5.74   | 878.46                                   | 0.66%                  |                      |             |
| Oct 24 - Sep 25 | 14,685,113 | 0.005148 | 0.005489   | 0.844643                       | 0.911134                                   | 0.733551 | 0.620260 | 0.576303 | 0.418302                          | 1.69   | 0.88 | 0.29                 | 10.26   | \$5.70   | 878.42                                   | 0.65%                  |                      |             |
| Oct 25 - Sep 26 | 9,791,235  | 0.003432 | 0.003659   | 0.842813                       | 0.909304                                   | 0.731721 | 0.618430 | 0.574473 | 0.416586                          | 1.38   | 0.71 | 0.23                 | 8.32  | \$3.76   | 876.48                                   | 0.43%                  |                      |             |
| Oct 26 - Sep 27 | 32,421,115 | 0.011365 | 0.012118   | 0.851272                       | 0.917763                                   | 0.740180 | 0.626889 | 0.582932 | 0.424519                          | 2.83   | 1.47 | 0.48                 | 17.14   | \$12.58  | 885.30                                   | 1.44%                  |                      |             |
| Oct 27 - Sep 28 | 38,117,867 | 0.013362 | 0.014247   | 0.853401                       | 0.919892                                   | 0.742309 | 0.629018 | 0.585061 | 0.426516                          | 3.20   | 1.66 | 0.54                 | 19.36   | \$14.80  | 887.52                                   | 1.70%                  |                      |             |
| Oct 28 - Sep 29 | 36,086,599 | 0.012650 | 0.013488   | 0.852642                       | 0.919133                                   | 0.741550 | 0.628259 | 0.584302 | 0.425804                          | 3.07   | 1.59 | 0.52                 | 18.58   | \$14.02  | 886.74                                   | 1.61%                  |                      |             |
| Oct 29 - Sep 30 | 34,181,256 | 0.011982 | 0.012776   | 0.851930                       | 0.918421                                   | 0.740838 | 0.627547 | 0.583590 | 0.425136                          | 2.95   | 1.53 | 0.50                 | 17.86   | \$13.30  | 886.02                                   | 1.52%                  |                      |             |
| Oct 30 - Sep 31 | 31,682,744 | 0.011106 | 0.011842   | 0.850996                       | 0.917487                                   | 0.739904 | 0.626613 | 0.582656 | 0.424260                          | 2.79   | 1.44 | 0.47                 | 16.86   | \$12.30  | 885.02                                   | 1.41%                  |                      |             |
| Oct 31 - Sep 32 | 25,257,132 | 0.008854 | 0.009441   | 0.848595                       | 0.915086                                   | 0.737503 | 0.624212 | 0.580255 | 0.422008                          | 2.37   | 1.23 | 0.40                 | 14.34   | \$9.78   | 882.50                                   | 1.12%                  |                      |             |
| Oct 32 - Sep 33 | 15,335,201 | 0.005376 | 0.005732   | 0.844886                       | 0.911377                                   | 0.733794 | 0.620503 | 0.576546 | 0.418530                          | 1.74   | 0.90 | 0.29                 | 10.50   | \$5.94   | 878.66                                   | 0.68%                  |                      |             |
| Oct 33 - Sep 34 | 5,731,956  | 0.002009 | 0.002142   | 0.841296                       | 0.907787                                   | 0.730204 | 0.616913 | 0.572956 | 0.415163                          | 1.12   | 0.58 | 0.19                 | 6.78  | \$2.22   | 874.94                                   | 0.25%                  |                      |             |
| Oct 34 - Sep 35 | 2,145,058  | 0.000752 | 0.000802   | 0.839956                       | 0.906447                                   | 0.728864 | 0.615573 | 0.571616 | 0.413906                          | 0.89   | 0.46 | 0.15                 | 5.38  | \$0.82   | 873.54                                   | 0.09%                  |                      |             |
| Oct 35 - Sep 36 | 402,275    | 0.000141 | 0.000150   | 0.839304                       | 0.905795                                   | 0.728212 | 0.614921 | 0.570964 | 0.413295                          | 0.78   | 0.40 | 0.13                 | 4.70  | \$0.14   | 872.86                                   | 0.02%                  |                      |             |
| Oct 36 - Sep 37 | 12,697     | 0.000004 | 0.000004   | 0.839158                       | 0.905649                                   | 0.728066 | 0.614775 | 0.570818 | 0.413158                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 37 - Sep 38 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 38 - Sep 39 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 39 - Sep 40 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 40 - Sep 41 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 41 - Sep 42 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 42 - Sep 43 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 43 - Sep 44 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                          | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |

|                 | % Change from Current Class Average Rate w/SUT |       |       |       |        |       |
|-----------------|--|-------|-------|-------|--------|-------|
|                 | RSG  | GSG   | LVG   | TSG-F | TSG-NF | CIG   |
| Apr 19 - Sep 20 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 20 - Sep 21 | 0.13%  | 0.12% | 0.15% | 0.18% | 0.20%  | 0.27% |
| Oct 21 - Sep 22 | 0.02%  | 0.01% | 0.02% | 0.02% | 0.02%  | 0.03% |
| Oct 22 - Sep 23 | 0.16%  | 0.15% | 0.19% | 0.22% | 0.24%  | 0.33% |
| Oct 23 - Sep 24 | 0.66%  | 0.61% | 0.76% | 0.90% | 0.97%  | 1.34% |
| Oct 24 - Sep 25 | 0.65%  | 0.61% | 0.75% | 0.89% | 0.96%  | 1.33% |
| Oct 25 - Sep 26 | 0.44%  | 0.40% | 0.50% | 0.60% | 0.64%  | 0.89% |
| Oct 26 - Sep 27 | 1.44%  | 1.34% | 1.66% | 1.97% | 2.12%  | 2.93% |
| Oct 27 - Sep 28 | 1.70%  | 1.57% | 1.96% | 2.32% | 2.50%  | 3.45% |
| Oct 28 - Sep 29 | 1.61%  | 1.49% | 1.85% | 2.19% | 2.36%  | 3.26% |
| Oct 29 - Sep 30 | 1.52%  | 1.41% | 1.75% | 2.08% | 2.24%  | 3.09% |
| Oct 30 - Sep 31 | 1.41%  | 1.31% | 1.63% | 1.93% | 2.07%  | 2.87% |
| Oct 31 - Sep 32 | 1.13%  | 1.04% | 1.30% | 1.54% | 1.65%  | 2.29% |
| Oct 32 - Sep 33 | 0.68%  | 0.63% | 0.79% | 0.93% | 1.00%  | 1.39% |
| Oct 33 - Sep 34 | 0.26%  | 0.24% | 0.29% | 0.35% | 0.38%  | 0.52% |
| Oct 34 - Sep 35 | 0.10%  | 0.09% | 0.11% | 0.13% | 0.14%  | 0.19% |
| Oct 35 - Sep 36 | 0.02%  | 0.02% | 0.02% | 0.02% | 0.03%  | 0.04% |
| Oct 36 - Sep 37 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 37 - Sep 38 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 38 - Sep 39 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 39 - Sep 40 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 40 - Sep 41 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 41 - Sep 42 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 42 - Sep 43 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |

<sup>1</sup> All customers assumed to have BGSS Supply  
<sup>2</sup> Initial Rate period is October 2020 to September 2021 for the CEF-EE Program  
<sup>3</sup> SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program  
<sup>4</sup> The rates are based on a typical residential bill as of September 1, 2020

**PSE&G Clean Energy Future Energy Efficiency Program  
Electric Over/(Under) Calculation**

Schedule SS-CEF-EE-6E

|                               |          |
|-------------------------------|----------|
| Reflects a tax rate of        | 28.11%   |
| Existing Rate / kWh (w/o SUT) | 0.000000 |
| Proposed Rate / kWh (w/o SUT) | 0.000215 |

|                                | (1)  | (2)                            | (3)   | (4)                                | (5)   | (6)   | (7)                                   | (8)   | (9)                     | (10)                           |
|--------------------------------|--|--------------------------------|---|------------------------------------|---|---|---------------------------------------|---|-------------------------|--------------------------------|
|                                | <u>Over / (Under)<br/>Recovery Beginning<br/>Balance</u> | <u>Electric<br/>Revenues</u>   | <u>Revenue<br/>Requirement</u>                | <u>Over / (Under)<br/>Recovery</u> | <u>Over / (Under)<br/>Recovery Ending<br/>Balance</u> | <u>Over / (Under)<br/>Average Monthly<br/>Balance</u> | <u>Interest Rate<br/>(Annualized)</u> | <u>Interest On Over /<br/>(Under) Average<br/>Monthly Balance</u> | <u>Interest Roll-In</u> | <u>Cumulative<br/>Interest</u> |
| <b>Monthly<br/>Calculation</b> |  |                                |   |                                    |   |   |                                       |   |                         |                                |
| Jan-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Feb-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Mar-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Apr-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| May-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Jun-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Jul-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Aug-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Sep-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Oct-20                         | -  | 666,051                        | 1,224,371                                     | (558,320)                          | (558,320)   | (279,160)   | 2.14%                                 | (358)   | -                       | (358)                          |
| Nov-20                         | (558,320)  | 629,938                        | 1,256,745                                     | (626,807)                          | (1,185,127)   | (871,724)   | 2.14%                                 | (1,118)   | -                       | (1,475)                        |
| Dec-20                         | (1,185,127)  | 718,729                        | 1,270,142                                     | (551,413)                          | (1,736,540)   | (1,460,833)   | 2.14%                                 | (1,873)   | -                       | (3,348)                        |
| Jan-21                         | (1,736,540)  | 758,469                        | 1,156,338                                     | (397,869)                          | (2,134,409)   | (1,935,474)   | 2.14%                                 | (2,481)   | -                       | (5,830)                        |
| Feb-21                         | (2,134,409)  | 688,465                        | 1,173,299                                     | (484,834)                          | (2,619,243)   | (2,376,826)   | 2.14%                                 | (3,047)   | -                       | (8,877)                        |
| Mar-21                         | (2,619,243)  | 692,767                        | 1,197,355                                     | (504,587)                          | (3,123,830)   | (2,871,537)   | 2.14%                                 | (3,681)   | -                       | (12,558)                       |
| Apr-21                         | (3,123,830)  | 599,517                        | 887,755                                       | (288,237)                          | (3,412,068)   | (3,267,949)   | 2.14%                                 | (4,190)   | -                       | (16,748)                       |
| May-21                         | (3,412,068)  | 671,801                        | 904,615                                       | (232,814)                          | (3,644,881)   | (3,528,475)   | 2.14%                                 | (4,524)   | -                       | (21,272)                       |
| Jun-21                         | (3,644,881)  | 781,108                        | 919,363                                       | (138,255)                          | (3,783,137)   | (3,714,009)   | 2.14%                                 | (4,762)   | -                       | (26,033)                       |
| Jul-21                         | (3,783,137)  | 911,272                        | 771,929                                       | 139,343                            | (3,643,794)   | (3,713,465)   | 2.14%                                 | (4,761)   | -                       | (30,794)                       |
| Aug-21                         | (3,643,794)  | 908,713                        | (871,699)                                     | 1,780,412                          | (1,863,382)   | (2,753,588)   | 2.14%                                 | (3,530)   | -                       | (34,324)                       |
| Sep-21                         | (1,863,382)  | 719,786                        | (1,123,818)                                   | 1,843,604                          | (19,778)  | (941,580)   | 2.14%                                 | (1,207)   | -                       | (35,531)                       |
|                                | (Prior Col 5) + (Col 9)                                  | Forecasted kWh * Proposed Rate | See Revenue Requirements Schedule for Details | Col 2 - Col 3                      | Col 1 + Col 4   | (Col 1 + Col 5) / 2                                   |                                       | (Col 6 * (Col 7) / 12)*net of tax rate                            |                         | Prior Month + Col 8 - Col 9    |

**PSE&G Clean Energy Future Energy Efficiency Program  
Gas Over/(Under) Calculation**

Schedule SS-CEF-EE-6G

|                                  |          |
|----------------------------------|----------|
| Reflects a tax rate of           | 28.11%   |
| Existing Rate / Therms (w/o SUT) | 0.000000 |
| Proposed Rate /Therms (w/o SUT)  | 0.001055 |

|                                 | (1)  | (2)                 | (3)   | (4)                                | (5)   | (6)   | (7)  | (8)   | (9)                     | (10)                           |
|---------------------------------|--|---------------------|---|------------------------------------|---|---|--|---|-------------------------|--------------------------------|
|                                 | <u>Over / (Under)<br/>Recovery Beginning<br/>Balance</u> | <u>Gas Revenues</u> | <u>Revenue<br/>Requirement</u>                | <u>Over / (Under)<br/>Recovery</u> | <u>Over / (Under)<br/>Recovery Ending<br/>Balance</u> | <u>Over / (Under)<br/>Average Monthly<br/>Balance</u> | <u>Interest Rate<br/>(Annualized)</u>          | <u>Interest On Over /<br/>(Under) Average<br/>Monthly Balance</u> | <u>Interest Roll-In</u> | <u>Cumulative<br/>Interest</u> |
| <b>Monthly<br/>Calculations</b> |  |                     |   |                                    |   |   |  |   |                         |                                |
| Jan-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Feb-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Mar-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Apr-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| May-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Jun-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Jul-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Aug-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Sep-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Oct-20                          | -  | 154,120             | 392,188                                       | (238,067)                          | (238,067)   | (119,034)   | 2.14%  | (153)   | -                       | (153)                          |
| Nov-20                          | (238,067)  | 293,829             | 405,446                                       | (111,617)                          | (349,684)   | (293,875)   | 2.14%  | (377)   | -                       | (529)                          |
| Dec-20                          | (349,684)  | 441,840             | 409,777                                       | 32,063                             | (317,621)   | (333,652)   | 2.14%  | (428)   | -                       | (957)                          |
| Jan-21                          | (317,621)  | 537,726             | 296,043                                       | 241,683                            | (75,938)  | (196,779)   | 2.14%  | (252)   | -                       | (1,209)                        |
| Feb-21                          | (75,938)   | 479,764             | 316,620                                       | 163,144                            | 87,206  | 5,634   | 2.14%  | 7   | -                       | (1,202)                        |
| Mar-21                          | 87,206   | 388,702             | 330,012                                       | 58,690                             | 145,896   | 116,551   | 2.14%  | 149   | -                       | (1,053)                        |
| Apr-21                          | 145,896  | 241,498             | 336,106                                       | (94,608)                           | 51,288  | 98,592  | 2.14%  | 126   | -                       | (926)                          |
| May-21                          | 51,288   | 122,145             | 349,199                                       | (227,054)                          | (175,766)   | (62,239)  | 2.14%  | (80)  | -                       | (1,006)                        |
| Jun-21                          | (175,766)  | 101,527             | 360,640                                       | (259,113)                          | (434,880)   | (305,323)   | 2.14%  | (391)   | -                       | (1,398)                        |
| Jul-21                          | (434,880)  | 80,892              | 342,750                                       | (261,858)                          | (696,737)   | (565,809)   | 2.14%  | (725)   | -                       | (2,123)                        |
| Aug-21                          | (696,737)  | 84,379              | (188,429)                                     | 272,808                            | (423,929)   | (560,333)   | 2.14%  | (718)   | -                       | (2,841)                        |
| Sep-21                          | (423,929)  | 83,234              | (340,062)                                     | 423,296                            | (634)   | (212,281)   | 2.14%  | (272)   | -                       | (3,113)                        |
|                                 | (Prior Col 5) + (Col 9)                                  |                     | See Revenue Requirements Schedule for Details | Col 2 - Col 3                      | Col 1 + Col 4   | (Col 1 + Col 5) / 2                                   | PSE&G CP/STD Wght Avg Rate from Previous Month | (Col 6 * (Col 7) / 12)*net of tax rate                            |                         | Prior Month + Col 8 - Col 9    |

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 65**

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

**Superseding  
XXX Revised Sheet No. 65**

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatt-hour)**

**Component:**

|   |                   |
|---|-------------------|
| Carbon Abatement Program .....                              | \$0.000022        |
| Energy Efficiency Economic Stimulus Program.....            | (\$0.000060)      |
| Demand Response Program .....                               | \$0.000000        |
| Solar Generation Investment Program .....                   | \$0.000767        |
| Solar Loan II Program .....                                 | \$0.000282        |
| Energy Efficiency Economic Extension Program.....           | (\$0.000079)      |
| Solar Generation Investment Extension Program .....         | (\$0.000035)      |
| Solar Loan III Program .....                                | (\$0.000060)      |
| Energy Efficiency Economic Extension Program II.....        | \$0.000274        |
| Solar Generation Investment Extension II Program .....      | (\$0.000035)      |
| Energy Efficiency 2017 Program .....                        | \$0.000175        |
| Transition Renewable Energy Certificate Program.....        | \$0.000532        |
| <u>Clean Energy Future - Energy Efficiency Program.....</u> | <u>\$0.000000</u> |
| Sub-total per kilowatt-hour .....                           | \$0.001783        |
| <br>  |                   |
| Charge including New Jersey Sales and Use Tax (SUT) .....   | \$0.001901        |

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

Effective:

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

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



**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 65**

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

**Superseding  
XXX Revised Sheet No. 65**

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatt-hour)**

**Component:**

|   |                   |
|---|-------------------|
| Carbon Abatement Program .....                            | \$0.000022        |
| Energy Efficiency Economic Stimulus Program.....          | (\$0.000060)      |
| Demand Response Program .....                             | \$0.000000        |
| Solar Generation Investment Program .....                 | \$0.000767        |
| Solar Loan II Program .....                               | \$0.000282        |
| Energy Efficiency Economic Extension Program.....         | (\$0.000079)      |
| Solar Generation Investment Extension Program .....       | (\$0.000035)      |
| Solar Loan III Program .....                              | (\$0.000060)      |
| Energy Efficiency Economic Extension Program II.....      | \$0.000274        |
| Solar Generation Investment Extension II Program .....    | (\$0.000035)      |
| Energy Efficiency 2017 Program .....                      | \$0.000175        |
| Transition Renewable Energy Certificate Program.....      | \$0.000532        |
| Clean Energy Future - Energy Efficiency Program.....      | <u>\$0.000000</u> |
| Sub-total per kilowatt-hour .....                         | \$0.001783        |
| <br>  |                   |
| Charge including New Jersey Sales and Use Tax (SUT) ..... | \$0.001901        |

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 44**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 44**

**GREEN PROGRAMS RECOVERY CHARGE**

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

**Component:**

|  |                    |
|--|--------------------|
| Carbon Abatement Program .....   | \$ 0.000834        |
| Energy Efficiency Economic Stimulus Program.....                                 | (0.000555)         |
| Energy Efficiency Economic Extension Program.....                                | (0.000369)         |
| Energy Efficiency Economic Extension Program II.....                             | 0.002340           |
| Energy Efficiency 2017 Program .....   | 0.001840           |
| <u>Clean Energy Future - Energy Efficiency Program.....</u>                      | <u>0.000000</u>    |
| Green Programs Recovery Charge .....   | \$ 0.004090        |
| <br>   |                    |
| Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)..... | <u>\$ 0.004361</u> |

**Green Programs Recovery Charge**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

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

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 44**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 44**

**GREEN PROGRAMS RECOVERY CHARGE**

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

**Component:**

|  |                    |
|--|--------------------|
| Carbon Abatement Program .....   | \$ 0.000834        |
| Energy Efficiency Economic Stimulus Program.....                                 | (0.000555)         |
| Energy Efficiency Economic Extension Program.....                                | (0.000369)         |
| Energy Efficiency Economic Extension Program II.....                             | 0.002340           |
| Energy Efficiency 2017 Program .....   | 0.001840           |
| Clean Energy Future - Energy Efficiency Program.....                             | <u>0.000000</u>    |
| Green Programs Recovery Charge .....   | \$ 0.004090        |
| <br>   |                    |
| Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)..... | <u>\$ 0.004361</u> |

**Green Programs Recovery Charge**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

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

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

|          | <b>Conservation Incentive Program</b> | <b>Conservation Incentive Program including SUT</b> |                                     |
|----------|---------------------------------------|---|-------------------------------------|
| RS & RHS | \$0.000000                            | \$0.000000  | Per kilowatt-hour                   |
| RLM      | \$0.000000                            | \$0.000000  | Per kilowatt-hour                   |
| GLP      | \$0.0000                              | \$0.0000  | Per kilowatt of monthly peak demand |
| LPL-S    | \$0.0000                              | \$0.0000  | Per kilowatt of monthly peak demand |

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

- the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program ("CIP") Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company's books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Revenue Per Customer**

- the Actual Revenue per Customer ("ARC") shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company's books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

**3. Adjustment Period**

- shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

- shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

- shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**6. Baseline Revenue per Customer**

– the Baseline Revenue per Customer (“BRC”) shall be stated in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BRC shall be calculated as the current variable margin revenue per rate schedule, including any revenue from Infrastructure Investment Program rate adjustments, divided by the number of customers from the most recent approve base rate case for the rate schedule. Baseline revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

**7. Customer Class Group**

– For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:

|            |          |
|------------|----------|
| Group I:   | RS & RHS |
| Group IA:  | RLM      |
| Group II:  | GLP      |
| Group III: | LPL-S    |

**8. Forecast Annual Usage**

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

**9. Degree Days (DD)**

- the difference between 65°F and the mean daily temperature. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day. Heating Degree Days (HDD) are used to measure winter weather.

**10. Temperature Humidity Index (THI)**

- a measure of the degree of discomfort experienced by an individual in warm weather that includes temperature and humidity which is included by incorporating the dew point in the measure. The daily THI is the sum of the 24 hourly THI observations for a day. THI is used to measure summer weather.

**11. Actual Calendar Month HDD and THI**

- the accumulation of the actual HDD and THI for each day of a calendar month.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**12. Normal Calendar Month HDD and THI**

- the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the XXX-XXX Periods are set forth in the table below:

| <b>Month</b> | <b>Normal Heating Degree Days</b> | <b>Normal Temperature Humidity Index</b> |
|--------------|-----------------------------------|--|
| January      | XXX                               |  |
| February     | XXX                               |  |
| March        | XXX                               |  |
| April        | XXX                               | XXX                                      |
| May          | XXX                               | XXX                                      |
| June         |                                   | XXX                                      |
| July         |                                   | XXX                                      |
| August       |                                   | XXX                                      |
| September    |                                   | XXX                                      |
| October      | XXX                               | XXX                                      |
| November     | XXX                               |  |
| December     | XXX                               |  |

**13. Winter Period**

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

**14. Summer Period**

- shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**15. Consumption Factors**

- the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the XXX-XXX Winter Period for HDD and XXX Summer Period for THI are set forth below and presented as kWh per degree day:

| Month     | Consumption Factors<br>(kWh per HDD and THI) |     |     |     |     |     |
|-----------|--|-----|-----|-----|-----|-----|
|           | RS   |     | RHS |     | RLM |     |
|           | HDD  | THI | HDD | THI | HDD | THI |
| January   | XXX  | XXX | XXX | XXX | XXX | XXX |
| February  | XXX  | XXX | XXX | XXX | XXX | XXX |
| March     | XXX  | XXX | XXX | XXX | XXX | XXX |
| April     | XXX  | XXX | XXX | XXX | XXX | XXX |
| May       | XXX  | XXX | XXX | XXX | XXX | XXX |
| June      | XXX  | XXX | XXX | XXX | XXX | XXX |
| July      | XXX  | XXX | XXX | XXX | XXX | XXX |
| August    | XXX  | XXX | XXX | XXX | XXX | XXX |
| September | XXX  | XXX | XXX | XXX | XXX | XXX |
| October   | XXX  | XXX | XXX | XXX | XXX | XXX |
| November  | XXX  | XXX | XXX | XXX | XXX | XXX |
| December  | XXX  | XXX | XXX | XXX | XXX | XXX |

**II. BASELINE REVENUE PER CUSTOMER**

- The BRC for each Customer Class Group by month are as follows:

| Month               | RS & RHS     | RLM          | GLP          | LPL-S         |
|---------------------|--------------|--------------|--------------|---------------|
| Jun                 | XXX          | XXX          | XXX          | XXX           |
| Jul                 | XXX          | XXX          | XXX          | XXX           |
| Aug                 | XXX          | XXX          | XXX          | XXX           |
| Sep                 | XXX          | XXX          | XXX          | XXX           |
| Oct                 | XXX          | XXX          | XXX          | XXX           |
| Nov                 | XXX          | XXX          | XXX          | XXX           |
| Dec                 | XXX          | XXX          | XXX          | XXX           |
| Jan                 | XXX          | XXX          | XXX          | XXX           |
| Feb                 | XXX          | XXX          | XXX          | XXX           |
| Mar                 | XXX          | XXX          | XXX          | XXX           |
| Apr                 | XXX          | XXX          | XXX          | XXX           |
| May                 | XXX          | XXX          | XXX          | XXX           |
| <b>Total Annual</b> | <b>249.7</b> | <b>458.5</b> | <b>947.6</b> | <b>21,429</b> |

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM**

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Revenue per Customer from the Actual Revenue per Customer by the Actual Number of Customers.

2. The weather related change in customer usage shall be calculated as the difference between actual HDD and THI and the above HDD and THI multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGS savings test and a Variable Margin Revenue recovery limitation ("recovery tests"). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Variable Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program's Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Electric Distribution Net Plant (including the Electric Distribution allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

**IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM**

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG  
(Per Therm)**

|     | Conservation Incentive Program | Conservation Incentive Program including SUT |
|-----|--------------------------------|--|
| RSG | \$0.000000                     | \$0.000000                                   |
| GSG | \$0.000000                     | \$0.000000                                   |
| LVG | \$0.000000                     | \$0.000000                                   |

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Usage Per Customer**

– the Actual Usage per Customer (“AUC”) shall be determined in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company’s books divided by the ANC for the corresponding month.

**3. Adjustment Period**

– shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

– shall be the twelve consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

**6. Baseline Usage per Customer**

– the Baseline Usage per Customer (“BUC”) shall be stated in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

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**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**7. Customer Class Group**

– For purposes of determining and applying the CIP, customers shall be aggregated into three separate recovery class groups. The Customer Class Groups shall be as follows:

Group I: RSG  
Group II: GSG  
Group III: LVG

**8. Forecast Annual Usage**

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

**9. Margin Revenue Factor**

– the Margin Revenue Factor (“MRF”) shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

Group I (RSG): \$XXX  
Group II (GSG): \$XXX  
Group III (LVG): \$XXX

The MRF shall be reset each time new base rates are placed into effect, including through a base rate case or any Infrastructure Investment Program rate adjustment.

**10. Degree Days (DD)**

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

**11. Actual Calendar Month Degree Days**

- the accumulation of the actual Degree Days for each day of a calendar month.

**12. Normal Calendar Month Degree Days**

- the level of calendar month degree days to which the weather portion of the CIP applies.

The normal calendar month Degree Days will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually. The base level of normal HDD for the defined winter period months for the XXX-XXX Winter Period are set forth in the table below:

| Month    | Normal Heating Degree Days |
|----------|----------------------------|
| October  | XXX                        |
| November | XXX                        |
| December | XXX                        |
| January  | XXX                        |
| February | XXX                        |
| March    | XXX                        |
| April    | XXX                        |
| May      | XXX                        |

**13. Winter Period**

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

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**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**14. Degree Day Consumption Factors**

- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the XXX-XXX Winter Period are set forth below and presented as therms per degree day:

| Month    | Consumption Factors<br>(therms per degree day) |             |         |             |     |
|----------|--|-------------|---------|-------------|-----|
|          | RSG  |             | GSG     |             | LVG |
|          | Heating  | Non-Heating | Heating | Non-Heating |     |
| October  | XXX  | XXX         | XXX     | XXX         | XXX |
| November | XXX  | XXX         | XXX     | XXX         | XXX |
| December | XXX  | XXX         | XXX     | XXX         | XXX |
| January  | XXX  | XXX         | XXX     | XXX         | XXX |
| February | XXX  | XXX         | XXX     | XXX         | XXX |
| March    | XXX  | XXX         | XXX     | XXX         | XXX |
| April    | XXX  | XXX         | XXX     | XXX         | XXX |
| May      | XXX  | XXX         | XXX     | XXX         | XXX |

**II. BASELINE USE PER CUSTOMER**

– The BUC for each Customer Class Group by month are as follows:

| Month               | RSG          | GSG            | LVG             |
|---------------------|--------------|----------------|-----------------|
| Oct.                | XXX          | XXX            | XXX             |
| Nov.                | XXX          | XXX            | XXX             |
| Dec.                | XXX          | XXX            | XXX             |
| Jan.                | XXX          | XXX            | XXX             |
| Feb.                | XXX          | XXX            | XXX             |
| Mar.                | XXX          | XXX            | XXX             |
| Apr.                | XXX          | XXX            | XXX             |
| May                 | XXX          | XXX            | XXX             |
| Jun.                | XXX          | XXX            | XXX             |
| Jul.                | XXX          | XXX            | XXX             |
| Aug.                | XXX          | XXX            | XXX             |
| Sep.                | XXX          | XXX            | XXX             |
| <b>Total Annual</b> | <b>909.7</b> | <b>2,132.3</b> | <b>40,143.9</b> |

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM**

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the Actual Number of Customers and then multiplying the resulting terms by the Margin Revenue Factor.

2. The weather related change in customer usage shall be calculated as the difference between actual degree days and the above normal degree days multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related deficiency in customer usage will be subject to a BGSS savings test and a Variable Margin Revenue recovery limitation ("recovery tests"). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGSS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGSS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program's Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Gas Net Plant (including the Gas allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

**IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM**

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

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ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1  
Page 1 of 3

Public Service Electric and Gas  
Conservation Incentive Program  
Group I: Residential Service RS and RHS  
June 2021 - May 2022

| Customer Class<br>(a) | Actual/<br>Estimate | Actual per Books <sup>1</sup>  |                               | Actual Avg.<br>Revenue / Cust.<br>(d) = (b) / (c) | Baseline<br>Revenue / Cust. <sup>2</sup><br>(e) | Difference<br>(f) = (d) - (e) | Margin<br>Variance    |
|-----------------------|---------------------|--------------------------------|-------------------------------|---|---|-------------------------------|-----------------------|
|                       |                     | Total Class<br>Revenues<br>(b) | Number of<br>Customers<br>(c) |   |   |                               |                       |
| <b>Residential</b>    |                     |                                |                               |   |   |                               |                       |
| June                  | e                   | 49,371,972                     | 1,921,455                     | 25.7  | 33.2  | (7.5)                         | (\$14,451,083)        |
| July                  | e                   | 66,562,969                     | 1,923,694                     | 34.6  | 42.4  | (7.8)                         | (\$15,061,780)        |
| August                | e                   | 62,183,411                     | 1,916,474                     | 32.5  | 42.5  | (10.0)                        | (\$19,204,604)        |
| September             | e                   | 39,442,052                     | 1,916,615                     | 20.6  | 20.4  | 0.2                           | \$419,197             |
| October               | e                   | 27,262,574                     | 1,914,216                     | 14.2  | 12.2  | 2.1                           | \$3,958,738           |
| November              | e                   | 28,180,670                     | 1,921,687                     | 14.7  | 12.5  | 2.2                           | \$4,160,448           |
| December              | e                   | 35,710,474                     | 1,916,894                     | 18.6  | 14.3  | 4.3                           | \$8,271,811           |
| January               | e                   | 37,910,446                     | 1,911,763                     | 19.8  | 15.1  | 4.7                           | \$8,997,068           |
| February              | e                   | 31,534,835                     | 1,916,381                     | 16.5  | 13.9  | 2.6                           | \$4,936,039           |
| March                 | e                   | 29,979,266                     | 1,866,048                     | 16.1  | 13.5  | 2.5                           | \$4,706,744           |
| April                 | e                   | 24,767,541                     | 1,995,221                     | 12.4  | 11.4  | 1.0                           | \$1,954,531           |
| May                   | e                   | 31,047,164                     | 1,906,131                     | 16.3  | 18.3  | (2.0)                         | (\$3,824,224)         |
| Total                 |                     | <u>463,953,374</u>             |                               | <u>241.9</u>                                      | <u>249.7</u>                                    | (7.8)                         | <u>(\$15,137,116)</u> |

|   |           |                 |
|---|-----------|-----------------|
| Margin Deficiency/ (Credit)                                   | \$        | 15,137,116      |
| Prior Period (Over) / Under Recovery <sup>3</sup>             | \$        | -               |
| Total Deficiency/(Credit)                                     | \$        | 15,137,116      |
| Projected Residential kWh Use                                 |           | 12,735,566,204  |
| Pre-tax CIP Charge/(Credit) per kWh                           | \$        | 0.0012          |
| BPU/RC Assessment Factor                                      |           | <u>1.002569</u> |
| CIP Charge/(Credit) including assessments                     | \$        | 0.0012          |
| 6.625% Sales Tax  | \$        | <u>0.0001</u>   |
| <b>Proposed After-tax CIP Charge/(Credit) per kWh</b>         | <b>\$</b> | <b>0.0013</b>   |
| Current After-tax CIP Charge/(Credit) per kWh                 | \$        | -               |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh | \$        | <u>0.0013</u>   |

<sup>1</sup> Per Exhibit C, Schedule 1, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1  
Page 2 of 3

Public Service Electric and Gas  
Customers and Therms

Group I: Residential Service RS and RHS

|                               | Estimate<br>Jun-21   | Estimate<br>Jul-21   | Estimate<br>Aug-21   | Estimate<br>Sep-21   | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21   | Estimate<br>Jan-22   | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Customers</b>              |                      |                      |                      |                      |                    |                    |                      |                      |                    |                    |                    |                    |                      |
| Service Charge Revenues       | 8,915,549            | 8,925,942            | 8,892,438            | 8,893,095            | 8,881,964          | 8,916,629          | 8,894,386            | 8,870,582            | 8,892,006          | 8,658,464          | 9,257,826          | 8,844,450          |                      |
| Service Charge Rate (pre-tax) | 4.64                 | 4.64                 | 4.64                 | 4.64                 | 4.64               | 4.64               | 4.64                 | 4.64                 | 4.64               | 4.64               | 4.64               | 4.64               |                      |
| <b>Total Customers</b>        | <b>1,921,455</b>     | <b>1,923,694</b>     | <b>1,916,474</b>     | <b>1,916,615</b>     | <b>1,914,216</b>   | <b>1,921,687</b>   | <b>1,916,894</b>     | <b>1,911,763</b>     | <b>1,916,381</b>   | <b>1,866,048</b>   | <b>1,995,221</b>   | <b>1,906,131</b>   | <b>1,918,263</b>     |
| <b>Volumes</b>                |                      |                      |                      |                      |                    |                    |                      |                      |                    |                    |                    |                    |                      |
| RS kWh                        | 1,249,731,621        | 1,660,904,132        | 1,555,566,043        | 1,067,201,231        | 812,603,869        | 839,597,043        | 1,063,517,481        | 1,127,566,843        | 937,651,870        | 892,211,731        | 737,944,250        | 869,949,572        |                      |
| RHS kWh                       | 5,492,583            | 6,297,597            | 6,294,388            | 4,952,544            | 6,178,453          | 8,090,827          | 12,380,098           | 15,996,419           | 13,230,413         | 10,650,572         | 6,702,851          | 4,729,049          |                      |
| <b>Total Volumes</b>          | <b>1,255,224,204</b> | <b>1,667,201,729</b> | <b>1,561,860,431</b> | <b>1,072,153,774</b> | <b>818,782,322</b> | <b>847,687,870</b> | <b>1,075,897,579</b> | <b>1,143,563,262</b> | <b>950,882,282</b> | <b>902,862,303</b> | <b>744,647,102</b> | <b>874,678,621</b> | <b>7,043,583,705</b> |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1  
Page 3 of 3

**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group I: Residential Service RS and RHS**  
**June 2021 - May 2022**

|  | Estimate<br>Jun-21 | Estimate<br>Jul-21 | Estimate<br>Aug-21 | Estimate<br>Sep-21 | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | TOTAL          |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| Beginning Under/(Over) Recovery \$         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0              |
| kWh Sales                                  | 1,667,201,729      | 1,561,860,431      | 1,072,153,774      | 818,782,322        | 847,687,870        | 1,075,897,579      | 1,143,563,262      | 950,882,282        | 902,862,303        | 744,647,102        | 874,678,621        | 1,255,224,204      | 12,915,441,480 |
| Pre-tax Recovery Rate per kWh <sup>1</sup> | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             |                |
| Recovery \$                                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0              |
| Ending Under/(Over) Recovery \$            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0              |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1a  
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Public Service Electric and Gas  
Conservation Incentive Program  
Group Ia: Residential Load Management (RLM)  
June 2021 - May 2022

| Customer Class                     | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Revenue /<br>Cust. | Baseline<br>Revenue /<br>Cust. <sup>2</sup> | Difference<br>(f) = (d) - (e) | Margin<br>Variance |
|------------------------------------|---------------------|-------------------------------|------------------------|-----------------------------------|---|-------------------------------|--------------------|
|                                    |                     | Total Class<br>Revenues       | Number of<br>Customers |                                   |   |                               |                    |
| (a)                                |                     | (b)                           | (c)                    | (d) = (b) / (c)                   | (e)   | (f) = (d) - (e)               |                    |
| <b>Residential Load Management</b> |                     |                               |                        |                                   |   |                               |                    |
| June                               | e                   | 833,526                       | 11,427                 | 73.0                              | 61.0  | 12.0                          | \$136,744          |
| July                               | e                   | 1,157,983                     | 11,540                 | 100.3                             | 77.9  | 22.5                          | \$259,110          |
| August                             | e                   | 975,534                       | 11,475                 | 85.0                              | 78.0  | 7.0                           | \$80,869           |
| September                          | e                   | 570,198                       | 11,811                 | 48.3                              | 37.4  | 10.9                          | \$128,776          |
| October                            | e                   | 168,969                       | 11,545                 | 14.6                              | 22.3  | (7.7)                         | (\$88,939)         |
| November                           | e                   | 160,451                       | 11,511                 | 13.9                              | 22.9  | (9.0)                         | (\$103,562)        |
| December                           | e                   | 210,289                       | 11,542                 | 18.2                              | 26.3  | (8.1)                         | (\$92,998)         |
| January                            | e                   | 218,345                       | 11,559                 | 18.9                              | 27.8  | (8.9)                         | (\$102,553)        |
| February                           | e                   | 184,553                       | 11,609                 | 15.9                              | 25.5  | (9.6)                         | (\$111,296)        |
| March                              | e                   | 182,328                       | 11,233                 | 16.2                              | 24.9  | (8.6)                         | (\$97,040)         |
| April                              | e                   | 155,299                       | 11,576                 | 13.4                              | 21.0  | (7.6)                         | (\$87,543)         |
| May                                | e                   | 342,186                       | 11,781                 | 29.1                              | 33.6  | (4.5)                         | (\$53,437)         |
| Total                              |                     | <u>5,159,660</u>              |                        | <u>446.9</u>                      | <u>458.5</u>                                | (11.6)                        | <u>(\$131,868)</u> |

|   |           |                 |
|---|-----------|-----------------|
| Margin Deficiency/ (Credit)                                   | \$        | 131,868         |
| Prior Period (Over) / Under Recovery <sup>3</sup>             | \$        | -               |
| Total Deficiency/(Credit)                                     | \$        | 131,868         |
| Projected Residential kWh Use                                 |           | 186,694,277     |
| Pre-tax CIP Charge/(Credit) per kWh                           | \$        | 0.0007          |
| BPU/RC Assessment Factor                                      |           | <u>1.002569</u> |
| CIP Charge/(Credit) including assessments                     | \$        | 0.000708        |
| 6.625% Sales Tax  | \$        | -               |
| <b>Proposed After-tax CIP Charge/(Credit) per kWh</b>         | <b>\$</b> | <b>0.0007</b>   |
| Current After-tax CIP Charge/(Credit) per kWh                 | \$        | -               |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh | \$        | <u>0.0007</u>   |

<sup>1</sup> Per Exhibit C, Schedule 1a, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3



ILLUSTRATIVE PURPOSES ONLY

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Public Service Electric and Gas  
Customers and Therms

**Group Ia: RLM**

|                               | Estimate<br>Jun-21 | Estimate<br>Jul-21 | Estimate<br>Aug-21 | Estimate<br>Sep-21 | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 |             |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| <b>Customers</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| Service Charge Revenues       | 149,346            | 150,829            | 149,980            | 154,366            | 150,892            | 150,449            | 150,854            | 151,070            | 151,729            | 146,810            | 151,298            | 153,973            |             |
| Service Charge Rate (pre-tax) | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              |             |
| <b>Total Customers</b>        | 11,427             | 11,540             | 11,475             | 11,811             | 11,545             | 11,511             | 11,542             | 11,559             | 11,609             | 11,233             | 11,576             | 11,781             |             |
| <b>Volumes</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| RLM kWh                       | 20,896,208         | 27,849,888         | 25,509,789         | 17,611,308         | 11,449,339         | 10,873,364         | 14,251,120         | 14,837,393         | 12,531,596         | 12,380,556         | 10,545,170         | 14,082,828         |             |
| <b>Total Volumes</b>          | 20,896,208         | 27,849,888         | 25,509,789         | 17,611,308         | 11,449,339         | 10,873,364         | 14,251,120         | 14,837,393         | 12,531,596         | 12,380,556         | 10,545,170         | 14,082,828         | 192,818,561 |

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**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group Ia: Residential Load Management (RLM)**  
**June 2021 - May 2022**

|  | Estimate<br>Jun-21 | Estimate<br>Jul-21 | Estimate<br>Aug-21 | Estimate<br>Sep-21 | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | TOTAL       |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Beginning Under/(Over) Recovery \$         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0           |
| kWh Sales                                  | 27,849,888         | 25,509,789         | 17,611,308         | 11,449,339         | 10,873,364         | 14,251,120         | 14,837,393         | 12,531,596         | 12,380,556         | 10,545,170         | 14,082,828         | 20,896,208         | 192,818,561 |
| Pre-tax Recovery Rate per kWh <sup>1</sup> | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             |             |
| Recovery \$                                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0           |
| Ending Under/(Over) Recovery \$            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0           |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

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Public Service Electric and Gas  
Conservation Incentive Program  
Group II: General Power & Light (GLP)  
June 2021 - May 2022

| Customer Class             | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Revenue / Cust. | Baseline<br>Revenue /<br>Cust. <sup>2</sup> | Difference<br>(f) = (d) - (e) | Margin<br>Variance    |
|----------------------------|---------------------|-------------------------------|------------------------|--------------------------------|---|-------------------------------|-----------------------|
|                            |                     | Total Class<br>Revenues       | Number of<br>Customers |                                |   |                               |                       |
| (a)                        |                     | (b)                           | (c)                    | (d) = (b) / (c)                | (e)   | (f) = (d) - (e)               |                       |
| <b>Residential Heating</b> |                     |                               |                        |                                |   |                               |                       |
| June                       | e                   | 32,681,689                    | 286,513                | 114.1                          | 134.2                                       | (20.1)                        | (\$5,759,173)         |
| July                       | e                   | 36,480,013                    | 283,243                | 128.8                          | 148.9                                       | (20.1)                        | (\$5,705,520)         |
| August                     | e                   | 37,048,243                    | 268,939                | 137.8                          | 156.5                                       | (18.7)                        | (\$5,042,047)         |
| September                  | e                   | 24,295,879                    | 295,678                | 82.2                           | 101.7                                       | (19.5)                        | (\$5,766,077)         |
| October                    | e                   | 14,966,985                    | 288,457                | 51.9                           | 46.9  | 5.0                           | \$1,435,801           |
| November                   | e                   | 12,280,664                    | 280,410                | 43.8                           | 46.9  | (3.1)                         | (\$855,537)           |
| December                   | e                   | 12,319,359                    | 284,876                | 43.2                           | 45.2  | (2.0)                         | (\$558,163)           |
| January                    | e                   | 13,020,503                    | 282,497                | 46.1                           | 45.9  | 0.2                           | \$60,502              |
| February                   | e                   | 12,583,581                    | 283,851                | 44.3                           | 46.8  | (2.4)                         | (\$689,008)           |
| March                      | e                   | 13,114,961                    | 272,327                | 48.2                           | 46.2  | 1.9                           | \$530,016             |
| April                      | e                   | 12,148,504                    | 292,470                | 41.5                           | 46.0  | (4.4)                         | (\$1,299,656)         |
| May                        | e                   | 22,334,793                    | 284,631                | 78.5                           | 82.5  | (4.0)                         | (\$1,145,607)         |
| <b>Total</b>               |                     | <b>243,275,174</b>            |                        | <b>860.3</b>                   | <b>947.6</b>                                | <b>(87.3)</b>                 | <b>(\$24,794,468)</b> |

|  |           |               |
|--|-----------|---------------|
| Margin Deficiency/ (Credit)                                  | \$        | 24,794,468    |
| Prior Period (Over) / Under Recovery <sup>3</sup>            | \$        | -             |
| Total Deficiency/(Credit)                                    | \$        | 24,794,468    |
| Projected GLP Annual kW Use                                  |           | 27,884,493    |
| Pre-tax CIP Charge/(Credit) per kW                           | \$        | 0.8892        |
| BPU/RC Assessment Factor                                     |           | 1.002569      |
| CIP Charge/(Credit) including assessments                    | \$        | 0.8915        |
| 6.625% Sales Tax   | \$        | 0.0591        |
| <b>Proposed After-tax CIP Charge/(Credit) per kW</b>         | <b>\$</b> | <b>0.9506</b> |
| Current After-tax CIP Charge/(Credit) per kW                 | \$        | -             |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW | \$        | 0.9506        |

<sup>1</sup> Per Exhibit C, Schedule 2, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 2, Page 3

ILLUSTRATIVE PURPOSES ONLY

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**Public Service Electric and Gas  
Customers and Therms**

**Group II: General Power & Light (GLP)**

|                               | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> |                   |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------|
| <b><u>Customers</u></b>       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| Service Charge Revenues       | 1,269,252                 | 1,254,767                 | 1,191,401                 | 1,309,853                 | 1,277,865                 | 1,242,218                 | 1,262,002                 | 1,251,462                 | 1,257,459                 | 1,206,409                 | 1,295,640                 | 1,260,914                 |                   |
| Service Charge Rate (pre-tax) | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      |                   |
| <b>Total Customers</b>        | <b>286,513</b>            | <b>283,243</b>            | <b>268,939</b>            | <b>295,678</b>            | <b>288,457</b>            | <b>280,410</b>            | <b>284,876</b>            | <b>282,497</b>            | <b>283,851</b>            | <b>272,327</b>            | <b>292,470</b>            | <b>284,631</b>            |                   |
| <b><u>Demand</u></b>          |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| GLP kW                        | 2,504,424                 | 2,595,005                 | 2,707,023                 | 2,332,346                 | 2,566,230                 | 2,162,933                 | 2,023,033                 | 2,129,087                 | 2,131,198                 | 2,210,824                 | 2,123,320                 | 2,528,576                 |                   |
| <b>Total Demand</b>           | <b>2,504,424</b>          | <b>2,595,005</b>          | <b>2,707,023</b>          | <b>2,332,346</b>          | <b>2,566,230</b>          | <b>2,162,933</b>          | <b>2,023,033</b>          | <b>2,129,087</b>          | <b>2,131,198</b>          | <b>2,210,824</b>          | <b>2,123,320</b>          | <b>2,528,576</b>          | <b>28,013,999</b> |

ILLUSTRATIVE PURPOSES ONLY

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**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group II: General Power & Light (GLP)**  
**June 2021 - May 2022**

|   | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | TOTAL      |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------|
| Beginning Under/(Over) Recovery \$        | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| kW Demand                                 | 2,595,005                 | 2,707,023                 | 2,332,346                 | 2,566,230                 | 2,162,933                 | 2,023,033                 | 2,129,087                 | 2,131,198                 | 2,210,824                 | 2,123,320                 | 2,528,576                 | 2,504,424                 | 28,013,999 |
| Pre-tax Recovery Rate per kW <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |            |
| Recovery \$                               | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| Ending Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

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Public Service Electric and Gas  
Conservation Incentive Program  
Group III: Large Power & Light - Secondday (LPLS)  
June 2021 - May 2022

| Customer Class   | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Use / Cust. | Baseline<br>Use / Cust. <sup>2</sup> | Difference      | Margin<br>Variance    |
|--|---------------------|-------------------------------|------------------------|----------------------------|--------------------------------------|-----------------|-----------------------|
|  |                     | Total Class<br>Therms         | Number of<br>Customers |                            |                                      |                 |                       |
| (a)  |                     | (b)                           | (c)                    | (d) = (b) / (c)            | (e)                                  | (f) = (d) - (e) |                       |
| <u>General Service Small</u>                                 |                     |                               |                        |                            |                                      |                 |                       |
| June   | e                   | 8,638,705                     | 9,018                  | 958                        | 2,464                                | (2,536)         | (\$22,868,738)        |
| July   | e                   | 9,103,155                     | 9,251                  | 984                        | 3,494                                | (2,622)         | (\$24,254,873)        |
| August   | e                   | 9,431,600                     | 9,153                  | 1,030                      | 3,606                                | (1,221)         | (\$11,178,685)        |
| September  | e                   | 8,533,046                     | 9,122                  | 935                        | 2,252                                | (681)           | (\$6,213,948)         |
| October  | e                   | 8,789,688                     | 8,912                  | 986                        | 1,617                                | (122)           | (\$1,088,393)         |
| November   | e                   | 14,464,383                    | 9,026                  | 1,603                      | 1,108                                | 542             | \$4,891,640           |
| December   | e                   | 24,818,028                    | 9,234                  | 2,688                      | 1,061                                | 1,718           | \$15,861,232          |
| January  | e                   | 29,836,602                    | 8,927                  | 3,342                      | 970                                  | 2,237           | \$19,971,315          |
| February   | e                   | 29,402,661                    | 9,273                  | 3,171                      | 1,105                                | 2,092           | \$19,401,571          |
| March  | e                   | 21,209,712                    | 8,598                  | 2,467                      | 1,078                                | 1,457           | \$12,525,184          |
| April  | e                   | 9,727,248                     | 9,819                  | 991                        | 1,010                                | (674)           | (\$6,615,493)         |
| May  | e                   | 9,030,553                     | 8,978                  | 1,006                      | 1,664                                | (1,458)         | (\$13,090,450)        |
| Total  |                     | <u>182,985,380</u>            |                        | <u>20,161</u>              | <u>21,429</u>                        | (1,269)         | <u>(\$12,659,637)</u> |
| Margin Deficiency/ (Credit)                                  |                     |                               |                        |                            |                                      |                 | \$ 12,659,637         |
| Prior Period (Over) / Under Recovery <sup>3</sup>            |                     |                               |                        |                            |                                      |                 | \$ -                  |
| Total Deficiency/(Credit)                                    |                     |                               |                        |                            |                                      |                 | \$ 12,659,637         |
| Projected LPLS Annual kW Use                                 |                     |                               |                        |                            |                                      |                 | 27,994,029            |
| Pre-tax CIP Charge/(Credit) per kW                           |                     |                               |                        |                            |                                      |                 | \$ 0.4522             |
| BPU/RC Assessment Factor                                     |                     |                               |                        |                            |                                      |                 | <u>1.002569</u>       |
| CIP Charge/(Credit) including assessments                    |                     |                               |                        |                            |                                      |                 | \$ 0.4534             |
| 6.625% Sales Tax   |                     |                               |                        |                            |                                      |                 | <u>\$ 0.0300</u>      |
| <b>Proposed After-tax CIP Charge/(Credit) per kW</b>         |                     |                               |                        |                            |                                      |                 | <b>\$ 0.4834</b>      |
| Current After-tax CIP Charge/(Credit) per kW                 |                     |                               |                        |                            |                                      |                 | \$ -                  |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW |                     |                               |                        |                            |                                      |                 | <u>\$ 0.4834</u>      |

<sup>1</sup> Per Exhibit C, Schedule 3, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 3, Page 3

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**Public Service Electric and Gas  
Customers and Therms**

**Group III: LPLS**

|                               | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> |                   |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------|
| <b><u>Customers</u></b>       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| Service Charge Revenues       | 3,136,159                 | 3,217,067                 | 3,182,982                 | 3,172,309                 | 3,099,319                 | 3,138,913                 | 3,211,214                 | 3,104,484                 | 3,224,986                 | 2,990,179                 | 3,414,691                 | 3,122,387                 |                   |
| Service Charge Rate (pre-tax) | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       |                   |
| <b>Total Customers</b>        | <b>9,018</b>              | <b>9,251</b>              | <b>9,153</b>              | <b>9,122</b>              | <b>8,912</b>              | <b>9,026</b>              | <b>9,234</b>              | <b>8,927</b>              | <b>9,273</b>              | <b>8,598</b>              | <b>9,819</b>              | <b>8,978</b>              |                   |
| <b><u>Demand</u></b>          |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| LPLS KW                       | 2,448,613                 | 2,580,259                 | 2,673,356                 | 2,418,664                 | 2,491,408                 | 2,211,925                 | 1,982,675                 | 2,184,804                 | 2,193,451                 | 2,182,891                 | 2,066,302                 | 2,559,680                 |                   |
| <b>Total Demand</b>           | <b>2,448,613</b>          | <b>2,580,259</b>          | <b>2,673,356</b>          | <b>2,418,664</b>          | <b>2,491,408</b>          | <b>2,211,925</b>          | <b>1,982,675</b>          | <b>2,184,804</b>          | <b>2,193,451</b>          | <b>2,182,891</b>          | <b>2,066,302</b>          | <b>2,559,680</b>          | <b>27,994,029</b> |

ILLUSTRATIVE PURPOSES ONLY

**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group III: Large Power & Light - Secondary (LPLS)**  
**June 2021 - May 2022**

|   | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | TOTAL      |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------|
| Beginning Under/(Over) Recovery \$        | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| kW Demand                                 | 2,580,259                 | 2,673,356                 | 2,418,664                 | 2,491,408                 | 2,211,925                 | 1,982,675                 | 2,184,804                 | 2,193,451                 | 2,182,891                 | 2,066,302                 | 2,559,680                 | 2,448,613                 | 27,994,029 |
| Pre-tax Recovery Rate per kW <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |            |
| Recovery \$                               | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| Ending Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.



ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas  
Conservation Incentive Program  
Weather Normalization Calculation

Group I  
RS

|        |   | DEGREE | DEGREE | DEGREE   | HDD         | DEGREE       | THI    |        |          |             | TOTAL        | MARGIN       | MARGIN              |               |
|--------|---|--------|--------|----------|-------------|--------------|--------|--------|----------|-------------|--------------|--------------|---------------------|---------------|
|        |   | DAYS   | DAYS   | DAYS     | CONSUMPTION | DAYS         | THI    | THI    | THI      | CONSUMPTION |              |              |                     | THI           |
|        |   | NORMAL | ACTUAL | VARIANCE | FACTOR      | kWh          | NORMAL | ACTUAL | VARIANCE | FACTOR      | kWh          | kWh          | FACTOR <sup>2</sup> | IMPACT        |
| Jun-21 | e | 989    | 1,010  | 21       | 383,845     | 8,089,540    | 1      | 0      | -1       | 154,244     | (137,662)    | 7,951,878    | \$0.0334            | \$265,911     |
| Jul-21 | e | 836    | 814    | (22)     | 382,431     | (8,462,078)  | 0      | 0      | 0        | 153,675     | (69,538)     | (8,531,616)  | \$0.0334            | (\$285,297)   |
| Aug-21 | e | 685    | 734    | 48       | 385,559     | 18,591,967   | 30     | 23     | -7       | 154,932     | (1,122,483)  | 17,469,484   | \$0.0334            | \$584,180     |
| Sep-21 | e | 350    | 302    | (48)     | 381,946     | (18,330,399) | 182    | 169    | -13      | 153,480     | (1,987,571)  | (20,317,970) | \$0.0334            | (\$679,433)   |
| Oct-21 | e | 126    | 127    | 2        | 386,245     | 580,976      | 925    | 791    | -134     | 155,208     | (20,815,678) | (20,234,702) | \$0.0334            | (\$676,648)   |
| Nov-21 | e | 14     | 2      | (12)     | 386,226     | (4,519,654)  | 3,009  | 2,814  | -195     | 155,200     | (30,331,589) | (34,851,243) | \$0.0380            | (\$1,324,347) |
| Dec-21 | e | 0      | 0      | (0)      | 387,218     | (9,680)      | 5,275  | 6,710  | 1,436    | 155,599     | 223,406,438  | 223,396,757  | \$0.0380            | \$8,489,077   |
| Jan-22 | e | 1      | 0      | (1)      | 386,022     | (260,565)    | 4,673  | 4,522  | -151     | 155,118     | (23,394,951) | (23,655,516) | \$0.0380            | (\$898,910)   |
| Feb-22 | e | 24     | 8      | (16)     | 388,852     | (6,355,305)  | 2,116  | 2,216  | 100      | 156,256     | 15,583,759   | 9,228,454    | \$0.0380            | \$350,681     |
| Mar-22 | e | 240    | 178    | (62)     | 387,280     | (23,975,359) | 345    | 476    | 131      | 155,624     | 20,462,203   | (3,513,155)  | \$0.0334            | (\$117,480)   |
| Apr-22 | e | 511    | 650    | 139      | 389,194     | 54,106,315   | 21     | 0      | -21      | 156,393     | (3,315,921)  | 50,790,394   | \$0.0334            | \$1,698,431   |
| May-22 | e | 824    | 836    | 12       | 387,107     | 4,808,194    | 6      | 0      | -6       | 155,554     | (866,049)    | 3,942,145    | \$0.0334            | \$131,825     |
| TOTAL  |   | 4,600  | 4,662  | 61       |             | 24,263,952   | 16,583 | 17,721 | 1,138    |             | 177,410,958  | 201,674,910  |                     | \$7,537,989   |

Group I  
RHS

|        |   | DEGREE | DEGREE | DEGREE   | HDD         | DEGREE    | THI    |        |          |             | TOTAL     | MARGIN    | MARGIN              |            |
|--------|---|--------|--------|----------|-------------|-----------|--------|--------|----------|-------------|-----------|-----------|---------------------|------------|
|        |   | DAYS   | DAYS   | DAYS     | CONSUMPTION | DAYS      | THI    | THI    | THI      | CONSUMPTION |           |           |                     | THI        |
|        |   | NORMAL | ACTUAL | VARIANCE | FACTOR      | kWh       | NORMAL | ACTUAL | VARIANCE | FACTOR      | kWh       | kWh       | FACTOR <sup>2</sup> | IMPACT     |
| Jun-21 | e | 989    | 1,010  | 21       | 14,674      | 309,255   | 1      | 0      | -1       | 729         | (651)     | 308,604   | \$0.0328            | \$10,117   |
| Jul-21 | e | 836    | 814    | (22)     | 14,576      | (322,516) | 0      | 0      | 0        | 724         | (328)     | (322,844) | \$0.0328            | (\$10,584) |
| Aug-21 | e | 685    | 734    | 48       | 14,560      | 702,100   | 30     | 23     | -7       | 724         | (5,242)   | 696,858   | \$0.0328            | \$22,846   |
| Sep-21 | e | 350    | 302    | (48)     | 14,458      | (693,883) | 182    | 169    | -13      | 719         | (9,305)   | (703,188) | \$0.0328            | (\$23,053) |
| Oct-21 | e | 126    | 127    | 2        | 14,386      | 21,639    | 925    | 791    | -134     | 715         | (95,884)  | (74,245)  | \$0.0328            | (\$2,434)  |
| Nov-21 | e | 14     | 2      | (12)     | 14,287      | (167,192) | 3,009  | 2,814  | -195     | 710         | (138,768) | (305,960) | \$0.0486            | (\$14,874) |
| Dec-21 | e | 0      | 0      | (0)      | 14,260      | (356)     | 5,275  | 6,710  | 1,436    | 709         | 1,017,505 | 1,017,149 | \$0.0486            | \$49,447   |
| Jan-22 | e | 1      | 0      | (1)      | 14,136      | (9,541)   | 4,673  | 4,522  | -151     | 702         | (105,951) | (115,492) | \$0.0486            | (\$5,614)  |
| Feb-22 | e | 24     | 8      | (16)     | 14,018      | (229,109) | 2,116  | 2,216  | 100      | 697         | 69,480    | (159,629) | \$0.0486            | (\$7,760)  |
| Mar-22 | e | 240    | 178    | (62)     | 13,949      | (863,548) | 345    | 476    | 131      | 693         | 91,150    | (772,398) | \$0.0328            | (\$25,322) |
| Apr-22 | e | 511    | 650    | 139      | 13,906      | 1,933,227 | 21     | 0      | -21      | 691         | (14,653)  | 1,918,574 | \$0.0328            | \$62,899   |
| May-22 | e | 824    | 836    | 12       | 13,802      | 171,437   | 6      | 0      | -6       | 686         | (3,819)   | 167,618   | \$0.0328            | \$5,495    |
| TOTAL  |   | 4,600  | 4,662  | 61       |             | 851,511   | 16,583 | 17,721 | 1,138    |             | 803,535   | 1,655,046 |                     | \$61,162   |

Group Ia  
RLM

|        |   | DEGREE | DEGREE | DEGREE   | HDD         | DEGREE    | THI    |        |          |             | TOTAL     | MARGIN    | MARGIN              |            |
|--------|---|--------|--------|----------|-------------|-----------|--------|--------|----------|-------------|-----------|-----------|---------------------|------------|
|        |   | DAYS   | DAYS   | DAYS     | CONSUMPTION | DAYS      | THI    | THI    | THI      | CONSUMPTION |           |           |                     | THI        |
|        |   | NORMAL | ACTUAL | VARIANCE | FACTOR      | kWh       | NORMAL | ACTUAL | VARIANCE | FACTOR      | kWh       | kWh       | FACTOR <sup>2</sup> | IMPACT     |
| Jun-21 | e | 989    | 1,010  | 21       | 6,104       | 128,637   | 1      | 0      | -1       | 2,440       | (2,178)   | 126,459   | \$0.0147            | \$1,862    |
| Jul-21 | e | 836    | 814    | (22)     | 6,015       | (133,099) | 0      | 0      | 0        | 2,405       | (1,088)   | (134,187) | \$0.0147            | (\$1,976)  |
| Aug-21 | e | 685    | 734    | 48       | 6,104       | 294,329   | 30     | 23     | -7       | 2,440       | (17,681)  | 276,648   | \$0.0147            | \$4,074    |
| Sep-21 | e | 350    | 302    | (48)     | 6,077       | (291,660) | 182    | 169    | -13      | 2,430       | (31,466)  | (323,126) | \$0.0147            | (\$4,759)  |
| Oct-21 | e | 126    | 127    | 2        | 6,040       | 9,085     | 925    | 791    | -134     | 2,415       | (323,864) | (314,779) | \$0.0147            | (\$4,636)  |
| Nov-21 | e | 14     | 2      | (12)     | 6,019       | (70,431)  | 3,009  | 2,814  | -195     | 2,406       | (470,298) | (540,730) | \$0.0705            | (\$38,146) |
| Dec-21 | e | 0      | 0      | (0)      | 6,047       | (151)     | 5,275  | 6,710  | 1,436    | 2,418       | 3,471,476 | 3,471,324 | \$0.0705            | \$244,888  |
| Jan-22 | e | 1      | 0      | (1)      | 6,026       | (4,068)   | 4,673  | 4,522  | -151     | 2,409       | (363,389) | (367,456) | \$0.0705            | (\$25,923) |
| Feb-22 | e | 24     | 8      | (16)     | 5,999       | (98,041)  | 2,116  | 2,216  | 100      | 2,398       | 239,200   | 141,159   | \$0.0705            | \$9,958    |
| Mar-22 | e | 240    | 178    | (62)     | 6,089       | (376,968) | 345    | 476    | 131      | 2,435       | 320,118   | (56,850)  | \$0.0147            | (\$837)    |
| Apr-22 | e | 511    | 650    | 139      | 6,095       | 847,372   | 21     | 0      | -21      | 2,437       | (51,671)  | 795,701   | \$0.0147            | \$11,718   |
| May-22 | e | 824    | 836    | 12       | 5,990       | 74,397    | 6      | 0      | -6       | 2,395       | (13,333)  | 61,063    | \$0.0147            | \$899      |
| TOTAL  |   | 4,600  | 4,662  | 61       |             | 379,402   | 16,583 | 17,721 | 1,138    |             | 2,755,824 | 3,135,227 |                     | \$197,124  |

Total  
All Groups

|        |   |  |  |  |  |  |  |  |  |  |  | TOTAL        | MARGIN      |
|--------|---|--|--|--|--|--|--|--|--|--|--|--------------|-------------|
|        |   |  |  |  |  |  |  |  |  |  |  | kWh          | IMPACT      |
| Jun-21 | a |  |  |  |  |  |  |  |  |  |  | 8,386,941    | 277,890     |
| Jul-21 | a |  |  |  |  |  |  |  |  |  |  | (8,988,647)  | (297,858)   |
| Aug-21 | a |  |  |  |  |  |  |  |  |  |  | 18,442,989   | 611,100     |
| Sep-21 | a |  |  |  |  |  |  |  |  |  |  | (21,344,284) | (707,245)   |
| Oct-21 | a |  |  |  |  |  |  |  |  |  |  | (20,623,726) | (683,718)   |
| Nov-21 | a |  |  |  |  |  |  |  |  |  |  | (35,697,933) | (1,377,367) |
| Dec-21 | a |  |  |  |  |  |  |  |  |  |  | 227,885,230  | 8,783,411   |
| Jan-22 | a |  |  |  |  |  |  |  |  |  |  | (24,138,465) | (930,447)   |
| Feb-22 | a |  |  |  |  |  |  |  |  |  |  | 9,209,985    | 352,879     |
| Mar-22 | a |  |  |  |  |  |  |  |  |  |  | (4,342,403)  | (143,639)   |
| Apr-22 | a |  |  |  |  |  |  |  |  |  |  | 53,504,669   | 1,773,048   |
| May-22 | a |  |  |  |  |  |  |  |  |  |  | 4,170,827    | 138,220     |
| TOTAL  |   |  |  |  |  |  |  |  |  |  |  | 206,465,182  | \$7,796,274 |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 5  
Page 1 of 5

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
June 2021 - May 2022  
CIP Recovery Tests  
Summary**

**Determine Weather and Non-Weather CIP Impacts**

|                           | <u>Weather</u> | <u>Non-Weather</u> | <u>Total</u>  |
|---------------------------|----------------|--------------------|---------------|
| CIP Group I RS RHS        | \$ 7,599,151   | \$ 7,537,965       | \$ 15,137,116 |
| CIP Group II RLM          | \$ 197,124     | \$ (65,255)        | \$ 131,868    |
| CIP Group III GLP         | \$ -           | \$ 24,794,468      | \$ 24,794,468 |
| CIP Group IV LPLS         | \$ -           | \$ 12,659,637      | \$ 12,659,637 |
| Total Deficiency/(Credit) | \$ 7,796,274   | \$ 44,926,815      | \$ 52,723,089 |

**Step 2: Apply Modified BGSS Savings Test**

A. Non-weather Impact Subject to Modified BGS Savings Test

|   |                      |
|---|----------------------|
| Non-Weather Impact                                    | \$ 44,926,815        |
| 75% Factor  | 75%                  |
| Subtotal  | \$ 33,695,111        |
| Prior Year Carry-Forward (Modified BGSS Savings Test) | \$ -                 |
| Non-weather Impact Subject to Test                    | <b>\$ 33,695,111</b> |

B. BGS Savings

|   |                      |
|---|----------------------|
| Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)      | \$ 64,505,906        |
| Additional Capacity BGS Savings (Exhibit C, Schedule 6, Page 3) | \$ -                 |
| Avoided Cost BGS Savings (Exhibit C, Schedule 6, Page 4)        | \$ 26,508,428        |
| Total BGS Savings   | <b>\$ 91,014,334</b> |

C. Results

|   |                      |
|---|----------------------|
| Non-Weather Impacts Passing Test (current accrual)          | <b>\$ 44,926,815</b> |
| Non-Weather Impacts Passing Test (prior year carry-forward) | \$ -                 |
| Non-Weather Impacts Exceeding Test                          | \$ -                 |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 5  
Page 2 of 5

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
June 2021 - May 2022  
CIP Recovery Tests  
Summary**

**Step 3: Apply Variable Margin Revenue Test**

|  |                      |
|--|----------------------|
| <u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u> |                      |
| Non-Weather Impact   | \$ 44,926,815        |
| Prior Year Carry-Forward (Variable Margin Revenue Test)              | \$ -                 |
| Non-weather Impact Subject to Test                                   | <b>\$ 44,926,815</b> |
| <br>   |                      |
| <u>B. Variable Margin Revenues</u>                                   |                      |
| Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)             | \$ 949,240,295       |
| 6.5% Factor  | <u>6.5%</u>          |
| Total Fixed Recovery Cap   | <b>\$ 61,700,619</b> |
| <br>   |                      |
| <u>C. Results</u>  |                      |
| Non-Weather Impacts Passing Test (current accrual)                   | <b>\$ 44,926,815</b> |
| Non-Weather Impacts Passing Test (prior year carry-forward)          | \$ -                 |
| Non-Weather Impacts Exceeding Test                                   | \$ -                 |

**Step 4: Determine Recoverable Non-Weather CIP Impacts**

|  |                                 |
|--|---------------------------------|
| <u>A. Current Year Accrual Recoverable Non-Weather Impacts</u> |                                 |
| Amount Passing Modified BGSS Savings Test                      | \$ 44,926,815                   |
| Amount Passing Variable Margin Revenue Test                    | \$ 44,926,815                   |
| Recoverable Amount   | <b>\$ 44,926,815</b>            |
| <br>   |                                 |
| <u>B. Previous Carry-Forward Recoverable Amounts</u>           |                                 |
| Amount Passing Modified BGSS Savings Test                      | \$ -                            |
| Amount Passing Variable Margin Revenue Test                    | \$ -                            |
| Deduction for any amount also included in above                | <u>\$ -</u>                     |
|  | \$ -                            |
| <br><b>Total Non-Weather Recoverable CIP Amount</b>            | <br><b><u>\$ 44,926,815</u></b> |

**Public Service Electric and Gas  
CIP Recovery Tests  
CIP BGS Savings**

**I. Permanent BGS Savings**

| Year      | WN Summer Peak | Final Zonal UCAP Obligation | PS Zonal Net Load Price \$/MW-Day | PS Zonal Net Load Price \$/kW-yr |
|-----------|----------------|-----------------------------|-----------------------------------|----------------------------------|
| 2011/2012 | 10,340         | 12,333                      | \$116.15                          | \$42.42                          |
| 2012/2013 | 10,150         | 11,645                      | \$157.73                          | \$57.61                          |
| 2013/2014 | 10,100         | 11,629                      | \$248.30                          | \$90.69                          |
| 2014/2015 | 10,120         | 11,564                      | \$170.95                          | \$62.44                          |
| 2015/2016 | 10,160         | 11,398                      | \$166.29                          | \$60.74                          |
| 2016/2017 | 9,490          | 11,043                      | \$224.70                          | \$82.07                          |
| 2017/2018 | 9,530          | 10,932                      | \$208.59                          | \$76.19                          |
| 2018/2019 | 9,450          | 11,272                      | \$218.96                          | \$79.97                          |
| 2019/2020 | 9,370          | 11,281                      | \$115.83                          | \$42.31                          |
| 2020/2021 | 9,480          | 11,320                      | \$174.32                          | \$63.67                          |

Permanent Capacity Savings 1,013  
2021 PS Zonal Net Load Capacity Cost per kW-year \$63.67

**Total Permanent Reductions \$64,505,906**

**II. Additional Capacity BGS Savings**

CIP Recovery

| Year       | WN Summer Peak | Final Zonal IUCAP Obligation | PS Zonal Net Load Price \$/MW-Day |
|------------|----------------|------------------------------|-----------------------------------|
| 2019/2020  | 9,370          | 11,281                       | \$42.31                           |
| 2020/2021* | 9,480          | 11,320                       | \$63.67                           |

Incremental Capacity Savings\* 0  
PS Zonal Net Load Capacity Cost per kW-year \$63.67

**Total Additional Capacity Reductions \$ -**

\* Due to the potential for Peak increases due to Electric Vehicles and Electrification, incremental savings is set as a minimum of the incremental obligation savings or zero

**III. Avoided Capacity**

CIP Recovery

| Year      | Annual \$     |
|-----------|---------------|
| 2019/2020 | \$ 26,508,428 |

**VI. Total of all Savings**

| CIP Recovery Year | Permanent Capacity Savings | Additional Capacity BGSS Savings | Avoided Cost BGSS Savings | Annual \$     |
|-------------------|----------------------------|----------------------------------|---------------------------|---------------|
| 2019/2020         | \$ 64,505,906              | \$ -                             | \$ 26,508,428             | \$ 91,014,334 |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 5  
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Public Service Electric and Gas  
CIP Recovery Tests  
Avoided Capacity Cost BGS Savings

| Month  | Base Year<br>Customer Count | Current Year<br>Customer Count | Net Increase/<br>(Decrease)<br>Customer Count | Base Year<br>Unforced<br>Capacity /<br>Customer<br>(kW) | Current Year<br>Capacity Rate /<br>Cust.<br>(\$/kW) | Avoided<br>Capacity<br>(g) = (d) * (e) * (f)<br>* 1,000 |
|--|-----------------------------|--------------------------------|---|---|---|---|
| (a)  | (b)                         | (c)                            | (d) = (b) / (c)                               | (e)   | (f)   |   |
| <b>Group 1: RS</b>                             |                             |                                |   |   |   |   |
| June   | 1,882,438                   | 1,921,455                      | 45,393  | 2.3   | \$5.31  | 559,726   |
| July   | 1,876,061                   | 1,923,694                      | 58,192  | 2.3   | \$5.31  | 720,245   |
| August   | 1,865,502                   | 1,916,474                      | 43,971  | 2.3   | \$5.31  | 544,190   |
| September                                      | 1,872,503                   | 1,916,615                      | 43,447  | 2.3   | \$5.31  | 538,382   |
| October  | 1,873,168                   | 1,914,216                      | 41,351  | 2.3   | \$5.31  | 510,417   |
| November                                       | 1,872,865                   | 1,921,687                      | 35,139  | 2.3   | \$5.31  | 434,824   |
| December                                       | 1,886,548                   | 1,916,894                      | 26,299  | 2.3   | \$5.31  | 326,307   |
| January  | 1,890,595                   | 1,911,763                      | 31,675  | 2.3   | \$5.31  | 392,062   |
| February                                       | 1,880,088                   | 1,916,381                      | 64,008  | 2.4   | \$5.31  | 813,641   |
| March  | 1,852,372                   | 1,866,048                      | (52,315)                                      | 2.2   | \$5.31  | (621,957)   |
| April  | 1,918,364                   | 1,995,221                      | 131,146                                       | 2.3   | \$5.31  | 1,632,007   |
| May  | 1,864,076                   | 1,906,131                      | 28,250  | 2.3   | \$5.31  | 348,742   |
| Subtotal                                       | 1,877,882                   | 1,918,882                      | 41,380  |   |   | \$6,198,587   |
| <b>Group 2: RLM</b>                            |                             |                                |   |   |   |   |
| June   | 12,114                      | 11,427                         | (971)   | 7.4   | \$5.31  | (38,152)  |
| July   | 12,213                      | 11,540                         | (574)   | 7.4   | \$5.31  | (22,690)  |
| August   | 11,549                      | 11,475                         | (738)   | 7.2   | \$5.31  | (28,337)  |
| September                                      | 12,247                      | 11,811                         | 262   | 7.4   | \$5.31  | 10,287  |
| October  | 12,179                      | 11,545                         | (702)   | 7.4   | \$5.31  | (27,654)  |
| November                                       | 12,329                      | 11,511                         | (668)   | 7.4   | \$5.31  | (26,261)  |
| December                                       | 12,188                      | 11,542                         | (787)   | 7.4   | \$5.31  | (30,898)  |
| January  | 12,017                      | 11,559                         | (630)   | 7.4   | \$5.31  | (24,612)  |
| February                                       | 12,039                      | 11,609                         | (408)   | 7.6   | \$5.31  | (16,480)  |
| March  | 12,316                      | 11,233                         | (806)   | 7.4   | \$5.31  | (31,589)  |
| April  | 12,310                      | 11,576                         | (740)   | 7.3   | \$5.31  | (28,477)  |
| May  | 12,397                      | 11,781                         | (529)   | 7.5   | \$5.31  | (21,014)  |
| Subtotal                                       | 12,158                      | 11,551                         | (608)   |   |   | (\$285,878)   |
| <b>Group 3: GLP</b>                            |                             |                                |   |   |   |   |
| June   | 269,005                     | 286,513                        | 21,754  | 8.9   | \$5.31  | 1,030,287   |
| July   | 264,759                     | 283,243                        | 23,892  | 9.4   | \$5.31  | 1,191,750   |
| August   | 259,351                     | 268,939                        | 4,401   | 8.6   | \$5.31  | 199,656   |
| September                                      | 264,539                     | 295,678                        | 48,029  | 8.8   | \$5.31  | 2,233,630   |
| October  | 247,648                     | 288,457                        | 29,778  | 9.0   | \$5.31  | 1,424,579   |
| November                                       | 258,679                     | 280,410                        | 13,735  | 8.9   | \$5.31  | 646,784   |
| December                                       | 266,675                     | 284,876                        | 23,772  | 8.9   | \$5.31  | 1,128,831   |
| January  | 261,105                     | 282,497                        | 19,522  | 8.9   | \$5.31  | 922,614   |
| February                                       | 262,975                     | 283,851                        | 27,296  | 9.3   | \$5.31  | 1,344,609   |
| March  | 256,555                     | 272,327                        | 4,903   | 8.6   | \$5.31  | 224,882   |
| April  | 267,424                     | 292,470                        | 27,829  | 8.9   | \$5.31  | 1,311,598   |
| May  | 264,641                     | 284,631                        | 15,626  | 8.8   | \$5.31  | 731,611   |
| Subtotal                                       | 261,946                     | 283,658                        | 21,711  |   |   | \$12,390,832  |
| <b>Group 4: LPLS</b>                           |                             |                                |   |   |   |   |
| June   | 8,883                       | 9,018                          | 162   | 267.1   | \$5.31  | 229,325   |
| July   | 8,727                       | 9,251                          | 368   | 270.0   | \$5.31  | 526,705   |
| August   | 8,370                       | 9,153                          | 425   | 270.9   | \$5.31  | 611,195   |
| September                                      | 8,140                       | 9,122                          | 752   | 277.3   | \$5.31  | 1,106,538   |
| October  | 9,014                       | 8,912                          | 772   | 273.8   | \$5.31  | 1,120,956   |
| November                                       | 7,780                       | 9,026                          | 11  | 267.6   | \$5.31  | 16,100  |
| December                                       | 8,886                       | 9,234                          | 1,454   | 276.8   | \$5.31  | 2,135,451   |
| January  | 8,481                       | 8,927                          | 41  | 266.5   | \$5.31  | 57,568  |
| February                                       | 8,891                       | 9,273                          | 793   | 287.4   | \$5.31  | 1,208,750   |
| March  | 8,867                       | 8,598                          | (293)   | 251.7   | \$5.31  | (391,031)   |
| April  | 8,846                       | 9,819                          | 952   | 275.2   | \$5.31  | 1,390,334   |
| May  | 8,856                       | 8,978                          | 133   | 274.0   | \$5.31  | 192,996   |
| Subtotal                                       | 8,645                       | 9,109                          | 464   |   |   | \$8,204,886   |
| <b>Total Avoided Capacity Cost BGS Savings</b> |                             |                                |   |   |   | <b>\$26,508,428</b>                                     |

Notes:

- (1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case
- (2) Current Year Customer Count is equal to the customer count in the CIP accrual year.
- (3) Base Year Unforced capacity is equal to the 2017/2018 Unforced capacity from PJM by rate schedule divided by number of customers
- (4) Current Year Capacity rate is the current year PS Zonal Net Load Price \$/kW-yr divided by 12

**Public Service Electric and Gas  
CIP Recovery Tests  
Allowed Margin**

|                       |                      |
|-----------------------|----------------------|
| Group I (RS)          | \$479,659,857        |
| Group II (RLM)        | \$5,296,387          |
| Group III (GLP)       | \$268,638,974        |
| Group IV              | <u>\$195,645,078</u> |
| Total Variable Margin | <u>\$949,240,295</u> |

| Customer Class                                 | Actual/<br>Estimate | Number of<br>Customers | Baseline<br>Revenue / Cust. | Variable<br>Revenue |
|--|---------------------|------------------------|-----------------------------|---------------------|
| <b>Group I: Residential Service RS and RHS</b> |                     |                        |                             |                     |
| June   | e                   | 1,921,455              | 42.4                        | \$81,526,572        |
| July   | e                   | 1,923,694              | 42.5                        | \$81,700,841        |
| August   | e                   | 1,916,474              | 20.4                        | \$39,021,862        |
| September                                      | e                   | 1,916,615              | 12.2                        | \$23,328,902        |
| October  | e                   | 1,914,216              | 12.5                        | \$23,918,140        |
| November                                       | e                   | 1,921,687              | 14.3                        | \$27,508,538        |
| December                                       | e                   | 1,916,894              | 15.1                        | \$28,990,789        |
| January  | e                   | 1,911,763              | 13.9                        | \$26,543,477        |
| February                                       | e                   | 1,916,381              | 13.5                        | \$25,962,537        |
| March  | e                   | 1,866,048              | 11.4                        | \$21,329,665        |
| April  | e                   | 1,995,221              | 18.3                        | \$36,505,114        |
| May  | e                   | 1,906,131              | 33.2                        | <u>\$63,323,418</u> |
| Total  |                     |                        | 249.7                       | \$479,659,857       |

|  |   |        |       |                  |
|--|---|--------|-------|------------------|
| <b>Group Ia: Residential Load Management (RLM)</b> |   |        |       |                  |
| June   | e | 11,427 | 77.9  | \$889,984        |
| July   | e | 11,540 | 78.0  | \$899,696        |
| August   | e | 11,475 | 37.4  | \$428,901        |
| September  | e | 11,811 | 22.3  | \$263,895        |
| October  | e | 11,545 | 22.9  | \$264,804        |
| November   | e | 11,511 | 26.3  | \$302,478        |
| December   | e | 11,542 | 27.8  | \$320,435        |
| January  | e | 11,559 | 25.5  | \$294,593        |
| February   | e | 11,609 | 24.9  | \$288,705        |
| March  | e | 11,233 | 21.0  | \$235,688        |
| April  | e | 11,576 | 33.6  | \$388,791        |
| May  | e | 11,781 | 61.0  | <u>\$718,417</u> |
| Total  |   |        | 458.5 | \$5,296,387      |

|  |   |         |       |                     |
|--|---|---------|-------|---------------------|
| <b>Group II: General Power &amp; Light (GLP)</b> |   |         |       |                     |
| June   | e | 286,513 | 148.9 | \$42,671,371        |
| July   | e | 283,243 | 156.5 | \$44,329,777        |
| August   | e | 268,939 | 101.7 | \$27,343,386        |
| September  | e | 295,678 | 46.9  | \$13,870,980        |
| October  | e | 288,457 | 46.9  | \$13,514,508        |
| November   | e | 280,410 | 45.2  | \$12,674,355        |
| December   | e | 284,876 | 45.9  | \$13,068,934        |
| January  | e | 282,497 | 46.8  | \$13,208,820        |
| February   | e | 283,851 | 46.2  | \$13,117,814        |
| March  | e | 272,327 | 46.0  | \$12,522,612        |
| April  | e | 292,470 | 82.5  | \$24,127,246        |
| May  | e | 284,631 | 134.2 | <u>\$38,189,171</u> |
| Total  |   |         | 947.6 | \$268,638,974       |

|  |   |       |          |                     |
|--|---|-------|----------|---------------------|
| <b>Group III: Large Power &amp; Light - Secondary (LPLS)</b> |   |       |          |                     |
| June   | e | 9,018 | 3,493.9  | \$31,507,445        |
| July   | e | 9,251 | 3,606.1  | \$33,358,072        |
| August   | e | 9,153 | 2,251.9  | \$20,610,296        |
| September  | e | 9,122 | 1,616.7  | \$14,746,992        |
| October  | e | 8,912 | 1,108.4  | \$9,878,101         |
| November   | e | 9,026 | 1,060.6  | \$9,572,704         |
| December   | e | 9,234 | 970.0    | \$8,956,818         |
| January  | e | 8,927 | 1,105.1  | \$9,865,275         |
| February   | e | 9,273 | 1,078.5  | \$10,001,098        |
| March  | e | 8,598 | 1,010.0  | \$8,684,560         |
| April  | e | 9,819 | 1,664.4  | \$16,342,703        |
| May  | e | 8,978 | 2,463.8  | <u>\$22,121,014</u> |
| Total  |   |       | 21,429.4 | \$195,645,078       |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 6

**PUBLIC SERVICE ELECTRIC AND GAS  
CONSERVATION INCENTIVE PROGRAM  
EARNINGS TEST  
JANUARY 1, 2021 THROUGH DECEMBER 31, 2021  
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE**

in \$000

|   |                               |                    |                               |
|---|-------------------------------|--------------------|-------------------------------|
| 1 | Equity Base for Earnings Test | 3,000,000          |                               |
| 2 | Allowed ROE                   | 9.6%               | 2018 Base Rate Case           |
| 3 | ROE Limit buffer              | 0.5%               | From IIP                      |
| 4 | Maximum ROE                   | <u>10.1%</u>       | = ln 2 + ln 3                 |
| 5 | Actual Net Income             | <u>250,000</u>     |                               |
| 6 | ROE for Earnings Test         | 8.33%              | = ln 5 / ln 1                 |
| 7 | Earnings Test Pass / Fail     | <u><b>Pass</b></u> | = IF ln 4 > 6, Pass else Fail |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 1  
Page 1 of 3

Public Service Electric and Gas Company  
Conservation Incentive Program  
Group I: Residential Heat & Non-Heating  
October 2021 - September 2022

| Customer Class<br>(a)  | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                               | Actual Avg.<br>Use / Cust.<br>(d) = (b) / (c) | Baseline<br>Use / Cust. <sup>2</sup><br>(e) | Difference<br>(f) = (d) - (e) | Aggregate<br>Therm Impact<br>(g) = (f) * (c) | Margin<br>Factor | Margin<br>Variance   |
|--|---------------------|-------------------------------|-------------------------------|---|---|-------------------------------|--|------------------|----------------------|
|  |                     | Total Class<br>Therms<br>(b)  | Number of<br>Customers<br>(c) |   |   |                               |  |                  |                      |
| <b>Residential Non-Heating</b>                                   |                     |                               |                               |   |   |                               |  |                  |                      |
| October  | e                   | 67,342,776                    | 1,660,099                     | 40.6  | 38.8  | 1.8                           | 2,981,652                                    | \$0.3686         | \$1,098,986          |
| November   | e                   | 156,785,130                   | 1,664,795                     | 94.2  | 87.3  | 6.9                           | 11,432,341                                   | \$0.3686         | \$4,213,767          |
| December   | e                   | 233,972,053                   | 1,663,080                     | 140.7   | 144.0                                       | (3.3)                         | (5,484,489)                                  | \$0.3743         | (\$2,052,674)        |
| January  | e                   | 295,224,713                   | 1,661,673                     | 177.7   | 179.4                                       | (1.7)                         | (2,875,459)                                  | \$0.3800         | (\$1,092,545)        |
| February   | e                   | 254,970,665                   | 1,662,634                     | 153.4   | 153.1                                       | 0.3                           | 461,869                                      | \$0.3800         | \$175,490            |
| March  | e                   | 196,889,032                   | 1,643,868                     | 119.8   | 125.3                                       | (5.5)                         | (9,097,576)                                  | \$0.3800         | (\$3,456,669)        |
| April  | e                   | 115,198,363                   | 1,684,260                     | 68.4  | 69.2  | (0.8)                         | (1,412,867)                                  | \$0.3800         | (\$536,826)          |
| May  | e                   | 52,555,770                    | 1,669,027                     | 31.5  | 36.7  | (5.2)                         | (8,745,217)                                  | \$0.3800         | (\$3,322,789)        |
| June   | e                   | 41,511,324                    | 1,669,739                     | 24.9  | 21.0  | 3.9                           | 6,520,385                                    | \$0.3851         | \$2,510,883          |
| July   | e                   | 29,156,563                    | 1,674,659                     | 17.4  | 17.3  | 0.1                           | 128,099                                      | \$0.3902         | \$49,985             |
| August   | e                   | 27,497,947                    | 1,672,495                     | 16.4  | 18.1  | (1.6)                         | (2,728,931)                                  | \$0.3902         | (\$1,064,853)        |
| September  | e                   | 30,310,167                    | 1,670,608                     | 18.1  | 19.5  | (1.3)                         | (2,249,715)                                  | \$0.3902         | (\$877,859)          |
| <b>Total</b>   |                     | <b>1,501,414,504</b>          |                               | <b>903.0</b>                                  | <b>909.7</b>                                |                               | <b>(11,069,907)</b>                          |                  | <b>(\$4,355,105)</b> |
| Margin Deficiency/ (Credit)                                      |                     |                               |                               |   |   |                               | \$   | 4,355,105        |                      |
| Prior Period (Over) / Under Recovery <sup>3</sup>                |                     |                               |                               |   |   |                               | \$   | -                |                      |
| Total Deficiency/(Credit)  |                     |                               |                               |   |   |                               | \$   | 4,355,105        |                      |
| Projected Residential Non-Heating Throughput for Recovery Period |                     |                               |                               |   |   |                               |  | 1,521,598,100    |                      |
| Pre-tax CIP Charge/(Credit)                                      |                     |                               |                               |   |   |                               | \$   | 0.0029           |                      |
| BPU/RC Assessment Factor   |                     |                               |                               |   |   |                               |  | <u>1.002569</u>  |                      |
| CIP Charge/(Credit) including assessments                        |                     |                               |                               |   |   |                               | \$   | 0.0029           |                      |
| 6.625% Sales Tax   |                     |                               |                               |   |   |                               | \$   | <u>0.0002</u>    |                      |
| <b>Proposed After-tax CIP Charge/(Credit) per Therm</b>          |                     |                               |                               |   |   |                               | <b>\$</b>                                    | <b>0.0031</b>    |                      |
| Current After-tax CIP Charge/(Credit) per Therm                  |                     |                               |                               |   |   |                               | \$   | <u>-</u>         |                      |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm  |                     |                               |                               |   |   |                               | \$   | <u>0.0031</u>    |                      |

<sup>1</sup> Per Exhibit C, Schedule 1, Page 2

<sup>2</sup> From 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3



ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 1  
Page 2 of 3

Public Service Electric and Gas Company  
Customers and Therms

**Group I: Residential Heat & Non-Heating**

|                        | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | Estimate<br>Jun-22 | Estimate<br>Jul-22 | Estimate<br>Aug-22 | Estimate<br>Sep-22 |                      |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Customers</b>       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                      |
| RSG heating            | 1,432,278          | 1,435,713          | 1,434,502          | 1,424,074          | 1,430,635          | 1,416,067          | 1,456,991          | 1,442,691          | 1,443,720          | 1,448,951          | 1,446,908          | 1,444,193          |                      |
| RSG non-heating        | 227,821            | 229,083            | 228,577            | 237,599            | 231,999            | 227,801            | 227,269            | 226,336            | 226,019            | 225,708            | 225,587            | 226,415            |                      |
| <b>Total Customers</b> | <b>1,660,099</b>   | <b>1,664,795</b>   | <b>1,663,080</b>   | <b>1,661,673</b>   | <b>1,662,634</b>   | <b>1,643,868</b>   | <b>1,684,260</b>   | <b>1,669,027</b>   | <b>1,669,739</b>   | <b>1,674,659</b>   | <b>1,672,495</b>   | <b>1,670,608</b>   |                      |
| <b>Volumes</b>         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                      |
| RSG heating            | 65,270,130         | 148,604,339        | 225,403,007        | 289,967,465        | 250,424,912        | 193,012,074        | 111,867,103        | 49,912,548         | 39,212,812         | 26,571,828         | 25,387,358         | 28,285,580         | 1,453,919,157        |
| RSG non-heating        | 2,072,647          | 8,180,791          | 8,569,046          | 5,257,248          | 4,545,753          | 3,876,959          | 3,331,260          | 2,643,222          | 2,298,511          | 2,584,736          | 2,110,589          | 2,024,586          | 47,495,348           |
| <b>Total Volumes</b>   | <b>67,342,776</b>  | <b>156,785,130</b> | <b>233,972,053</b> | <b>295,224,713</b> | <b>254,970,665</b> | <b>196,889,032</b> | <b>115,198,363</b> | <b>52,555,770</b>  | <b>41,511,324</b>  | <b>29,156,563</b>  | <b>27,497,947</b>  | <b>30,310,167</b>  | <b>1,501,414,504</b> |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 1  
Page 3 of 3

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group I: Residential Heat & Non-Heating**  
**October 2021 - September 2022**

|  | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> | TOTAL         |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| Beginning Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0             |
| Therm Sales                                  | 67,342,776                | 156,785,130               | 233,972,053               | 295,224,713               | 254,970,665               | 196,889,032               | 115,198,363               | 52,555,770                | 41,511,324                | 29,156,563                | 27,497,947                | 30,310,167                | 1,501,414,504 |
| Pre-tax Recovery Rate per Therm <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |               |
| Recovery \$                                  | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0             |
| Ending Under/(Over) Recovery \$              | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0             |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 2  
Page 1 of 3

Public Service Electric and Gas  
Conservation Incentive Program  
Group II: General Service Gas (GSG)  
October 2021 - September 2022

| Customer Class  | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Use / Cust. | Baseline<br>Use / Cust. <sup>2</sup> | Difference      | Aggregate<br>Therm Impact | Margin<br>Factor | Margin<br>Variance   |
|---|---------------------|-------------------------------|------------------------|----------------------------|--------------------------------------|-----------------|---------------------------|------------------|----------------------|
|   |                     | Total Class<br>Therms         | Number of<br>Customers |                            |                                      |                 |                           |                  |                      |
| (a)   |                     | (b)                           | (c)                    | (d) = (b) / (c)            | (e)                                  | (f) = (d) - (e) | (g) = (f) * (c)           |                  |                      |
| <u>General Service Small</u>                                    |                     |                               |                        |                            |                                      |                 |                           |                  |                      |
| October   | e                   | 12,918,483                    | 139,593                | 92.5                       | 112.2                                | (19.7)          | (2,748,266)               | \$0.2926         | (\$804,019)          |
| November  | e                   | 27,806,708                    | 139,796                | 198.9                      | 173.7                                | 25.2            | 3,526,241                 | \$0.2926         | \$1,031,619          |
| December  | e                   | 47,586,518                    | 139,531                | 341.1                      | 320.4                                | 20.7            | 2,885,422                 | \$0.2956         | \$853,016            |
| January   | e                   | 55,978,433                    | 139,557                | 401.1                      | 433.7                                | (32.6)          | (4,551,009)               | \$0.2987         | (\$1,359,404)        |
| February  | e                   | 46,707,448                    | 139,502                | 334.8                      | 354.4                                | (19.6)          | (2,736,061)               | \$0.2987         | (\$817,273)          |
| March   | e                   | 37,335,157                    | 137,321                | 271.9                      | 281.5                                | (9.6)           | (1,324,681)               | \$0.2987         | (\$395,688)          |
| April   | e                   | 21,785,596                    | 140,732                | 154.8                      | 164.4                                | (9.6)           | (1,348,271)               | \$0.2987         | (\$402,734)          |
| May   | e                   | 11,439,173                    | 140,077                | 81.7                       | 80.6                                 | 1.0             | 144,114                   | \$0.2987         | \$43,047             |
| June  | e                   | 7,482,658                     | 140,041                | 53.4                       | 49.7                                 | 3.8             | 527,964                   | \$0.3014         | \$159,105            |
| July  | e                   | 7,109,375                     | 138,968                | 51.2                       | 57.1                                 | (6.0)           | (829,433)                 | \$0.3040         | (\$252,155)          |
| August  | e                   | 7,669,412                     | 139,089                | 55.1                       | 51.2                                 | 4.0             | 549,968                   | \$0.3040         | \$167,195            |
| September   | e                   | 6,820,285                     | 138,549                | 49.2                       | 53.4                                 | (4.2)           | (575,054)                 | \$0.3040         | (\$174,822)          |
| Total   |                     | <u>290,639,246</u>            |                        | <u>2,085.7</u>             | <u>2,132.3</u>                       |                 | <u>(6,479,067)</u>        |                  | <u>(\$1,952,111)</u> |
| Margin Deficiency/ (Credit)                                     |                     |                               |                        |                            |                                      |                 | \$                        | 1,952,111        |                      |
| Prior Period (Over) / Under Recovery <sup>3</sup>               |                     |                               |                        |                            |                                      |                 | \$                        | -                |                      |
| Total Deficiency/(Credit)                                       |                     |                               |                        |                            |                                      |                 | \$                        | 1,952,111        |                      |
| Projected Commercial Throughput for Recovery Period             |                     |                               |                        |                            |                                      |                 |                           | 289,952,320      |                      |
| Pre-tax CIP Charge/(Credit)                                     |                     |                               |                        |                            |                                      |                 | \$                        | 0.0067           |                      |
| BPU/RC Assessment Factor  |                     |                               |                        |                            |                                      |                 |                           | <u>1.002569</u>  |                      |
| CIP Charge/(Credit) including assessments                       |                     |                               |                        |                            |                                      |                 | \$                        | 0.0067           |                      |
| 6.625% Sales Tax  |                     |                               |                        |                            |                                      |                 | \$                        | <u>0.0004</u>    |                      |
| <b>Proposed After-tax CIP Charge/(Credit) per Therm</b>         |                     |                               |                        |                            |                                      |                 | <b>\$</b>                 | <b>0.0071</b>    |                      |
| Current After-tax CIP Charge/(Credit) per Therm                 |                     |                               |                        |                            |                                      |                 | \$                        | -                |                      |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm |                     |                               |                        |                            |                                      |                 | \$                        | <u>0.0071</u>    |                      |

<sup>1</sup> Per Exhibit C, Schedule 3, Page 2

<sup>2</sup> From 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 3, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
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Public Service Electric and Gas  
Customers and Therms

**Group II: General Service Gas (GSG)**

|                        | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> |                    |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| <b>Customers</b>       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                    |
| GSG Heating            | 114,183                   | 114,527                   | 114,337                   | 114,295                   | 114,273                   | 112,674                   | 115,341                   | 114,934                   | 114,880                   | 113,941                   | 114,194                   | 113,625                   |                    |
| GSG Non-Heating        | 25,410                    | 25,269                    | 25,194                    | 25,263                    | 25,229                    | 24,647                    | 25,391                    | 25,142                    | 25,162                    | 25,027                    | 24,895                    | 24,924                    |                    |
| <b>Total Customers</b> | <b>139,593</b>            | <b>139,796</b>            | <b>139,531</b>            | <b>139,557</b>            | <b>139,502</b>            | <b>137,321</b>            | <b>140,732</b>            | <b>140,077</b>            | <b>140,041</b>            | <b>138,968</b>            | <b>139,089</b>            | <b>138,549</b>            |                    |
| <b>Volumes</b>         |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                    |
| GSG Heating            | 10,454,149                | 24,089,750                | 41,550,122                | 50,222,054                | 40,967,187                | 32,276,661                | 18,277,654                | 8,821,668                 | 5,244,883                 | 5,013,542                 | 5,501,554                 | 5,136,675                 | 247,555,900        |
| GSG Non-Heating        | 2,464,334                 | 3,716,958                 | 6,036,396                 | 5,756,379                 | 5,740,261                 | 5,058,496                 | 3,507,942                 | 2,617,505                 | 2,237,775                 | 2,095,833                 | 2,167,858                 | 1,683,610                 | 43,083,346         |
| <b>Total Volumes</b>   | <b>12,918,483</b>         | <b>27,806,708</b>         | <b>47,586,518</b>         | <b>55,978,433</b>         | <b>46,707,448</b>         | <b>37,335,157</b>         | <b>21,785,596</b>         | <b>11,439,173</b>         | <b>7,482,658</b>          | <b>7,109,375</b>          | <b>7,669,412</b>          | <b>6,820,285</b>          | <b>290,639,246</b> |

ILLUSTRATIVE PURPOSES ONLY

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group II: General Service Gas (GSG)**  
**October 2021 - September 2022**

|  | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> | TOTAL       |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------|
| Beginning Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Therm Sales                                  | 12,918,483                | 27,806,708                | 47,586,518                | 55,978,433                | 46,707,448                | 37,335,157                | 21,785,596                | 11,439,173                | 7,482,658                 | 7,109,375                 | 7,669,412                 | 6,820,285                 | 290,639,246 |
| Pre-tax Recovery Rate per Therm <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |             |
| Recovery \$                                  | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Ending Under/(Over) Recovery \$              | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

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Public Service Electric and Gas Company  
Conservation Incentive Program  
Group III: Large Volume Gas (LVG)  
October 2021 - September 2022

| Customer Class               | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Large<br>Customer<br>Adjustment | Adjusted<br>Number of<br>Customers | Actual Avg.<br>Use / Cust. <sup>2</sup> | Baseline<br>Use / Cust. | Difference      | Aggregate<br>Therm Impact | Margin<br>Factor | Margin<br>Variance |
|------------------------------|---------------------|-------------------------------|------------------------|---------------------------------|------------------------------------|---|-------------------------|-----------------|---------------------------|------------------|--------------------|
|                              |                     | Total Class<br>Therms         | Number of<br>Customers |                                 |                                    |   |                         |                 |                           |                  |                    |
| (a)                          |                     | (b)                           | (c)                    | (c2)                            | (c) = (c1) + (c2)                  | (d) = (b) / (c)                         | (e)                     | (f) = (d) - (e) | (g) = (f) * (c)           |                  |                    |
| <b>General Service Large</b> |                     |                               |                        |                                 |                                    |   |                         |                 |                           |                  |                    |
| October                      | e                   | 42,763,409                    | 19,081                 | -                               | 19,081                             | 2,241.1                                 | 2,391.9                 | (150.7)         | (2,876,010)               | \$0.0440         | (\$126,455)        |
| November                     | e                   | 70,622,456                    | 19,101                 | -                               | 19,101                             | 3,697.4                                 | 3,570.6                 | 126.7           | 2,420,323                 | \$0.0440         | \$106,419          |
| December                     | e                   | 106,773,356                   | 19,008                 | -                               | 19,008                             | 5,617.3                                 | 5,232.3                 | 385.0           | 7,318,162                 | \$0.0451         | \$329,793          |
| January                      | e                   | 121,930,621                   | 18,668                 | -                               | 18,668                             | 6,531.4                                 | 6,507.3                 | 24.1            | 450,365                   | \$0.0462         | \$20,789           |
| February                     | e                   | 109,927,597                   | 19,016                 | -                               | 19,016                             | 5,780.9                                 | 5,836.7                 | (55.8)          | (1,061,727)               | \$0.0462         | (\$49,010)         |
| March                        | e                   | 103,382,969                   | 18,579                 | -                               | 18,579                             | 5,564.5                                 | 5,497.3                 | 67.2            | 1,248,064                 | \$0.0462         | \$57,612           |
| April                        | e                   | 66,170,486                    | 19,692                 | -                               | 19,692                             | 3,360.3                                 | 3,498.7                 | (138.4)         | (2,725,064)               | \$0.0462         | (\$125,792)        |
| May                          | e                   | 36,430,854                    | 19,054                 | -                               | 19,054                             | 1,911.9                                 | 2,012.5                 | (100.6)         | (1,916,701)               | \$0.0462         | (\$88,477)         |
| June                         | e                   | 27,748,463                    | 19,080                 | -                               | 19,080                             | 1,454.3                                 | 1,457.5                 | (3.1)           | (59,566)                  | \$0.0451         | (\$2,685)          |
| July                         | e                   | 23,818,293                    | 19,086                 | -                               | 19,086                             | 1,248.0                                 | 1,366.7                 | (118.7)         | (2,265,279)               | \$0.0440         | (\$99,661)         |
| August                       | e                   | 25,317,371                    | 18,926                 | -                               | 18,926                             | 1,337.7                                 | 1,404.2                 | (66.5)          | (1,258,509)               | \$0.0440         | (\$55,368)         |
| September                    | e                   | 25,679,844                    | 18,851                 | -                               | 18,851                             | 1,362.3                                 | 1,368.3                 | (6.0)           | (113,418)                 | \$0.0440         | (\$4,990)          |
| Total                        |                     | <u>760,565,719</u>            |                        |                                 |                                    | <u>40,107.1</u>                         | <u>40,143.9</u>         |                 | <u>(839,360)</u>          |                  | <u>(\$37,825)</u>  |

|   |    |                 |
|---|----|-----------------|
| Margin Deficiency/ (Credit)                                     | \$ | 37,825          |
| Prior Period (Over) / Under Recovery <sup>3</sup>               | \$ | -               |
| Total Deficiency/(Credit)                                       | \$ | 37,825          |
| Projected Commercial Throughput for Recovery Period             |    | 760,577,559     |
| Pre-tax CIP Charge/(Credit)                                     | \$ | -               |
| BPU/RC Assessment Factor  |    | <u>1.002569</u> |
| CIP Charge/(Credit) including assessments                       | \$ | -               |
| 6.625% Sales Tax  | \$ | -               |
| <b>Proposed After-tax CIP Charge/(Credit) per Therm</b>         | \$ | -               |
| Current After-tax CIP Charge/(Credit) per Therm                 | \$ | <u>-</u>        |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm | \$ | <u>-</u>        |

<sup>1</sup> Per Exhibit C, Schedule 4, Page 2

<sup>2</sup> From 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 4, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 3  
Page 2 of 3

**Public Service Electric and Gas Company  
Customers and Therms**

**Group III: Large Volume Gas (LVG)**

|                         | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | Estimate<br>Jun-22 | Estimate<br>Jul-22 | Estimate<br>Aug-22 | Estimate<br>Sep-22 |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b><u>Customers</u></b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| LVG                     | 19,081             | 19,101             | 19,008             | 18,668             | 19,016             | 18,579             | 19,692             | 19,054             | 19,080             | 19,086             | 18,926             | 18,851             |                    |
| <b>Total Customers</b>  | <b>19,081</b>      | <b>19,101</b>      | <b>19,008</b>      | <b>18,668</b>      | <b>19,016</b>      | <b>18,579</b>      | <b>19,692</b>      | <b>19,054</b>      | <b>19,080</b>      | <b>19,086</b>      | <b>18,926</b>      | <b>18,851</b>      |                    |
| <b><u>Volumes</u></b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| LVG                     | 42,763,409         | 70,622,456         | 106,773,356        | 121,930,621        | 109,927,597        | 103,382,969        | 66,170,486         | 36,430,854         | 27,748,463         | 23,818,293         | 25,317,371         | 25,679,844         | 760,565,719        |
| <b>Total Volumes</b>    | <b>42,763,409</b>  | <b>70,622,456</b>  | <b>106,773,356</b> | <b>121,930,621</b> | <b>109,927,597</b> | <b>103,382,969</b> | <b>66,170,486</b>  | <b>36,430,854</b>  | <b>27,748,463</b>  | <b>23,818,293</b>  | <b>25,317,371</b>  | <b>25,679,844</b>  | <b>760,565,719</b> |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 3  
Page 3 of 3

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group III: Large Volume Gas (LVG)**  
**October 2021 - September 2022**

|  | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> | TOTAL       |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------|
| Beginning Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Therm Sales                                  | 42,763,409                | 70,622,456                | 106,773,356               | 121,930,621               | 109,927,597               | 103,382,969               | 66,170,486                | 36,430,854                | 27,748,463                | 23,818,293                | 25,317,371                | 25,679,844                | 760,565,719 |
| Pre-tax Recovery Rate per Therm <sup>1</sup> | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             | <u>0.0000</u>             |             |
| Recovery \$                                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>    |
| Ending Under/(Over) Recovery \$              | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>                  | <u>0</u>    |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.



ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 4

**Public Service Electric and Gas  
Weather Normalization  
2021-2022 Winter Period**

**Step 1: Determine the degree day variance from the dead band.**

|          | Normal<br>Degree Days | 0.50%<br>Dead Band |         | Dead Band |       | Actual<br>Degree Days | Normalization<br>Amount (1) |
|----------|-----------------------|--------------------|---------|-----------|-------|-----------------------|-----------------------------|
|          |                       | Band               | Low End | High End  |       |                       |                             |
| October  | 243                   | 1                  | 242     | 244       | 243   | -                     |                             |
| November | 516                   | 3                  | 514     | 519       | 516   | -                     |                             |
| December | 827                   | 4                  | 823     | 831       | 827   | -                     |                             |
| January  | 1,003                 | 5                  | 998     | 1,008     | 1,003 | -                     |                             |
| February | 858                   | 4                  | 854     | 862       | 858   | -                     |                             |
| March    | 692                   | 3                  | 688     | 695       | 692   | -                     |                             |
| April    | 358                   | 2                  | 356     | 359       | 358   | -                     |                             |
| May      | 124                   | 1                  | 123     | 124       | 124   | -                     |                             |

**Step 2: Determine the normalized volumes by rate class.**

|          | Therms Per Degree Day (2) |        |        | Normalization Volumes (3) |     |     |
|----------|---------------------------|--------|--------|---------------------------|-----|-----|
|          | RSG                       | GSG    | LVG    | RSG                       | GSG | LVG |
| October  | 155,872                   | 17,368 | 88,550 | -                         | -   | -   |
| November | 249,538                   | 31,588 | 88,550 | -                         | -   | -   |
| December | 246,824                   | 54,161 | 88,550 | -                         | -   | -   |
| January  | 284,118                   | 68,715 | 89,001 | -                         | -   | -   |
| February | 291,909                   | 59,983 | 89,001 | -                         | -   | -   |
| March    | 292,968                   | 61,432 | 89,001 | -                         | -   | -   |
| April    | 270,873                   | 61,014 | 89,001 | -                         | -   | -   |
| May      | 196,672                   | 17,503 | 89,001 | -                         | -   | -   |

**Step 3: Calculate the margin revenue to be deferred.**

|                     | Margin Revenue Deferral (4) |                              |      | Total |
|---------------------|-----------------------------|------------------------------|------|-------|
|                     | December 2020- May 2021     | October 2020 - November 2020 |      |       |
| October             | \$ -                        | \$ -                         | \$ - | \$ -  |
| November            | \$ -                        | \$ -                         | \$ - | \$ -  |
| December            | \$ -                        | \$ -                         | \$ - | \$ -  |
| January             | \$ -                        | \$ -                         | \$ - | \$ -  |
| February            | \$ -                        | \$ -                         | \$ - | \$ -  |
| March               | \$ -                        | \$ -                         | \$ - | \$ -  |
| April               | \$ -                        | \$ -                         | \$ - | \$ -  |
| May                 | \$ -                        | \$ -                         | \$ - | \$ -  |
| Winter Period Total | \$ -                        | \$ -                         | \$ - | \$ -  |

(1) Amount above or below the Dead Band

(2) Consumption factors to be true-up at the end of the Winter Period for actual # of customers.

(3) Normalization degree days x Therms Per Degree Day

(4) Normalization Volumes x Margin Revenue Factor

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 5  
Page 1 of 5

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
October 2021 - September 2022  
CIP Recovery Tests  
Summary**

**Determine Weather and Non-Weather CIP Impacts**

|                           | <u>Weather</u> | <u>Non-Weather</u> | <u>Total</u>     |
|---------------------------|----------------|--------------------|------------------|
| CIP Group 1 (RSG)         | \$ -           | \$ 4,355,105       | \$ 4,355,105     |
| CIP Group 2 (GSG)         | \$ -           | \$ 1,952,111       | \$ 1,952,111     |
| CIP Group 3 (LVG)         | <u>\$ -</u>    | <u>\$ 37,825</u>   | <u>\$ 37,825</u> |
| Total Deficiency/(Credit) | \$ -           | \$ 6,345,041       | \$ 6,345,041     |

**Step 2: Apply Modified BGSS Savings Test**

**A. Non-weather Impact Subject to Modified BGSS Savings Test**

|   |                     |
|---|---------------------|
| Non-Weather Impact                                    | \$ 6,345,041        |
| 75% Factor  | <u>75%</u>          |
| Subtotal  | \$ 4,758,781        |
| Prior Year Carry-Forward (Modified BGSS Savings Test) | \$ -                |
| Non-weather Impact Subject to Test                    | <b>\$ 4,758,781</b> |

**B. BGSS Savings**

|  |                      |
|--|----------------------|
| Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)       | \$ 45,394,957        |
| Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3) | \$ -                 |
| Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)        | <u>\$ 3,387,831</u>  |
| Total BGSS Savings   | <b>\$ 48,782,788</b> |

**C. Results**

|   |                     |
|---|---------------------|
| Non-Weather Impacts Passing Test (current accrual)          | <b>\$ 6,345,041</b> |
| Non-Weather Impacts Passing Test (prior year carry-forward) | \$ -                |
| Non-Weather Impacts Exceeding Test                          | \$ -                |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 6  
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Public Service Electric and Gas  
Conservation Incentive Program Filing  
October 2021 - September 2022  
CIP Recovery Tests  
Summary

**Step 3: Apply Variable Margin Revenue Test**

|  |                |
|--|----------------|
| <u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u> |                |
| Non-Weather Impact   | \$ 6,345,041   |
| Prior Year Carry-Forward (Variable Margin Revenue Test)              | \$ -           |
| Non-weather Impact Subject to Test                                   | \$ 6,345,041   |
| <br>   |                |
| <u>B. Variable Margin Revenues</u>                                   |                |
| Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)             | \$ 695,148,298 |
| 6.5% Factor  | 6.5%           |
| Total Fixed Recovery Cap   | \$ 45,184,639  |
| <br>   |                |
| <u>C. Results</u>  |                |
| Non-Weather Impacts Passing Test (current accrual)                   | \$ 6,345,041   |
| Non-Weather Impacts Passing Test (prior year carry-forward)          | \$ -           |
| Non-Weather Impacts Exceeding Test                                   | \$ -           |

**Step 4: Determine Recoverable Non-Weather CIP Impacts**

|  |                         |
|--|-------------------------|
| <u>A. Current Year Accrual Recoverable Non-Weather Impacts</u> |                         |
| Amount Passing Modified BGSS Savings Test                      | \$ 6,345,041            |
| Amount Passing Variable Margin Revenue Test                    | \$ 6,345,041            |
| Recoverable Amount   | \$ 6,345,041            |
| <br>   |                         |
| <u>B. Previous Carry-Forward Recoverable Amounts</u>           |                         |
| Amount Passing Modified BGSS Savings Test                      | \$ -                    |
| Amount Passing Variable Margin Revenue Test                    | \$ -                    |
| Deduction for any amount also included in above                | \$ -                    |
|  | \$ -                    |
| <br><b>Total Non-Weather Recoverable CIP Amount</b>            | <br><b>\$ 6,345,041</b> |

Public Service Electric and Gas Company  
CIP Recovery Tests  
CIP BGSS Savings

I. Permanent BGSS Savings

| <u>Pipeline</u>                   | <u>Contract No.</u> | <u>Type of Transaction</u> | <u>Quantity Dth</u> | <u>Annual \$</u>     |
|-----------------------------------|---------------------|----------------------------|---------------------|----------------------|
| Texas Eastern                     | 870146              | Contract Terminated        | 88,321              | \$ 3,539,906         |
| Texas Eastern                     | 870145              | Contract Terminated        | 25,000              | 821,250              |
| Texas Eastern                     | 911678              | Contract Reduced           | 33,376              | 1,400,000            |
| Texas Eastern                     | 911677              | Contract Reduced           | 56,493              | 2,000,000            |
| Texas Eastern                     | 911679              | Contract Reduced           | 59,817              | 2,200,000            |
| Dominion                          | 200318/200315       | Contract Terminated        | 43,300              | 1,089,237            |
| Dominion                          | 525445              | Contract Reduced           | 48,526              | 2,537,483            |
| Dominion                          | 200482              | Contract Reduced           | 55,737              | 4,271,190            |
| National Fuel                     | F11135              | Contract Terminated        | 48,400              | 3,545,087            |
| National Fuel                     | F10833              | Contract Terminated        | 30,795              | 1,265,702            |
| National Fuel                     | F10845              | Contract Terminated        | 20,000              | 822,018              |
| Steuben                           | 4                   | Contract Terminated        | 11,111              | 1,084,634            |
| Steuben                           | 3                   | Contract Terminated        | 30,955              | 3,333,011            |
| Trunkline                         | 21079               | Contract Terminated        | 89,392              | 6,630,062            |
| Trunkline                         | 20912               | Contract Terminated        | 25,242              | 998,725              |
| Panhandle                         | 22945               | Contract Terminated        | 88,498              | 2,994,348            |
| Panhandle                         | 22652               | Contract Terminated        | 25,000              | 718,138              |
| Texas Gas                         | T025024             | Contract Terminated        | 85,417              | 6,144,167            |
| <b>Total Permanent Reductions</b> |                     |                            |                     | <b>\$ 45,394,957</b> |

II. Additional Capacity BGSS Savings

| <u>CIP Recovery Year</u> | <u>Annual \$</u> |
|--------------------------|------------------|
| 2020-2021                | \$ -             |

III. Avoided Capacity

| <u>CIP Recovery Year</u> | <u>Annual \$</u> |
|--------------------------|------------------|
| 2020-2021                | \$ 3,387,831     |

VI. Total of all Savings

| <u>CIP Recovery Year</u> | <u>Permanent Capacity Savings</u> | <u>Additional Capacity BGSS Savings</u> | <u>Avoided Cost BGSS Savings</u> | <u>Annual \$</u> |
|--------------------------|-----------------------------------|---|----------------------------------|------------------|
| 2020-2021                | \$ 45,394,957                     | \$ -                                    | \$ 3,387,831                     | \$ 48,782,788    |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 5  
Page 4 of 5

**Public Service Electric and Gas  
CIP Recovery Tests  
Avoided Capacity Cost BGSS Savings**

| Month<br>(a)                             | Base Year<br>Customer Count<br>(b) | Current Year<br>Customer Count<br>(c) | Net Increase/ (Decrease)<br>Customer Count<br>(d) = (b) / (c) | Baseline<br>Use / Cust.<br>(e) | Avoided<br>Capacity<br>(f) = (d) * (e) |
|--|------------------------------------|---------------------------------------|---|--------------------------------|--|
| Group 1: RSG                             |                                    |                                       |   |                                |  |
| October                                  | 1,624,278                          | 1,660,099                             | 35,821  | 38.8                           | 1,388,915                              |
| November                                 | 1,630,996                          | 1,664,795                             | 33,799  | 87.3                           | 2,951,107                              |
| December                                 | 1,635,566                          | 1,663,080                             | 27,514  | 144.0                          | 3,961,612                              |
| January                                  | 1,636,952                          | 1,661,673                             | 24,721  | 179.4                          | 4,434,874                              |
| February                                 | 1,630,001                          | 1,662,634                             | 32,633  | 153.1                          | 4,995,253                              |
| March                                    | 1,615,444                          | 1,643,868                             | 28,424  | 125.3                          | 3,561,676                              |
| April                                    | 1,653,790                          | 1,684,260                             | 30,470  | 69.2                           | 2,109,693                              |
| May                                      | 1,636,600                          | 1,669,027                             | 32,427  | 36.7                           | 1,191,044                              |
| June                                     | 1,631,876                          | 1,669,739                             | 37,863  | 21.0                           | 793,411                                |
| July                                     | 1,683,288                          | 1,674,659                             | (8,629)   | 17.3                           | (149,565)                              |
| August                                   | 1,621,557                          | 1,672,495                             | 50,938  | 18.1                           | 920,535                                |
| September                                | 1,630,455                          | 1,670,608                             | 40,153  | 19.5                           | 782,444                                |
| Subtotal                                 |                                    |                                       |   | 909.7                          | 26,940,999                             |
| Average Per Unit BGSS Capacity Cost      |                                    |                                       |   |                                | 0.12575                                |
| Total Avoided Capacity Cost BGSS Savings |                                    |                                       |   |                                | <u>\$3,387,831</u>                     |

Notes:

- (1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case
- (2) Current Year Customer Count is equal to the customer count in the CIP accrual year.
- (3) The average per unit BGSS Capacity Cost represents the average of all capacity costs in the BGSS portfolio included in the annual BGSS filing for the prospective BGSS year. This value is used as a proxy for the avoided cost of incremental capacity.

**Public Service Electric and Gas  
CIP Recovery Tests  
Variable Margin**

|                           |                          |
|---------------------------|--------------------------|
| Group I (RSG)             | \$572,054,911            |
| Group II (GSG)            | \$88,504,755             |
| Group III (LVG)           | <u>\$34,588,632</u>      |
| <br>Total Variable Margin | <br><u>\$695,148,298</u> |

| <u>Customer Class</u> | <u>Actual/<br/>Estimate</u> | <u>Number of<br/>Customers</u> | <u>Baseline<br/>Use / Cust.</u> | <u>Margin<br/>Factor</u> | <u>Variable<br/>Revenue</u> |
|-----------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------|-----------------------------|
| <u>RSG</u>            |                             |                                |                                 |                          |                             |
| October               | e                           | 1,660,099                      | 38.8                            | \$0.3686                 | \$23,725,156                |
| November              | e                           | 1,664,795                      | 87.3                            | \$0.3686                 | \$53,576,514                |
| December              | e                           | 1,663,080                      | 144.0                           | \$0.3743                 | \$89,623,633                |
| January               | e                           | 1,661,673                      | 179.4                           | \$0.3800                 | \$113,266,416               |
| February              | e                           | 1,662,634                      | 153.1                           | \$0.3800                 | \$96,699,726                |
| March                 | e                           | 1,643,868                      | 125.3                           | \$0.3800                 | \$78,264,526                |
| April                 | e                           | 1,684,260                      | 69.2                            | \$0.3800                 | \$44,308,922                |
| May                   | e                           | 1,669,027                      | 36.7                            | \$0.3800                 | \$23,292,338                |
| June                  | e                           | 1,669,739                      | 21.0                            | \$0.3851                 | \$13,473,757                |
| July                  | e                           | 1,674,659                      | 17.3                            | \$0.3902                 | \$11,326,878                |
| August                | e                           | 1,672,495                      | 18.1                            | \$0.3902                 | \$11,793,969                |
| September             | e                           | 1,670,608                      | <u>19.5</u>                     | \$0.3902                 | <u>\$12,703,075</u>         |
| Total                 |                             |                                | 909.7                           |                          | \$572,054,911               |
| <u>GSG</u>            |                             |                                |                                 |                          |                             |
| October               | e                           | 139,593                        | 112.2                           | \$0.2926                 | \$4,583,213                 |
| November              | e                           | 139,796                        | 173.7                           | \$0.2926                 | \$7,103,377                 |
| December              | e                           | 139,531                        | 320.4                           | \$0.2956                 | \$13,215,149                |
| January               | e                           | 139,557                        | 433.7                           | \$0.2987                 | \$18,080,212                |
| February              | e                           | 139,502                        | 354.4                           | \$0.2987                 | \$14,769,162                |
| March                 | e                           | 137,321                        | 281.5                           | \$0.2987                 | \$11,547,748                |
| April                 | e                           | 140,732                        | 164.4                           | \$0.2987                 | \$6,910,111                 |
| May                   | e                           | 140,077                        | 80.6                            | \$0.2987                 | \$3,373,728                 |
| June                  | e                           | 140,041                        | 49.7                            | \$0.3014                 | \$2,095,763                 |
| July                  | e                           | 138,968                        | 57.1                            | \$0.3040                 | \$2,413,539                 |
| August                | e                           | 139,089                        | 51.2                            | \$0.3040                 | \$2,164,358                 |
| September             | e                           | 138,549                        | <u>53.4</u>                     | \$0.3040                 | <u>\$2,248,396</u>          |
| Total                 |                             |                                | 2,132.3                         |                          | \$88,504,755                |
| <u>LVG</u>            |                             |                                |                                 |                          |                             |
| October               | e                           | 19,081                         | 2,391.9                         | \$0.0440                 | \$2,006,715                 |
| November              | e                           | 19,101                         | 3,570.6                         | \$0.0440                 | \$2,998,783                 |
| December              | e                           | 19,008                         | 5,232.3                         | \$0.0451                 | \$4,481,945                 |
| January               | e                           | 18,668                         | 6,507.3                         | \$0.0462                 | \$5,607,648                 |
| February              | e                           | 19,016                         | 5,836.7                         | \$0.0462                 | \$5,123,380                 |
| March                 | e                           | 18,579                         | 5,497.3                         | \$0.0462                 | \$4,714,650                 |
| April                 | e                           | 19,692                         | 3,498.7                         | \$0.0462                 | \$3,180,291                 |
| May                   | e                           | 19,054                         | 2,012.5                         | \$0.0462                 | \$1,770,159                 |
| June                  | e                           | 19,080                         | 1,457.5                         | \$0.0451                 | \$1,253,530                 |
| July                  | e                           | 19,086                         | 1,366.7                         | \$0.0440                 | \$1,147,551                 |
| August                | e                           | 18,926                         | 1,404.2                         | \$0.0440                 | \$1,169,202                 |
| September             | e                           | 18,851                         | <u>1,368.3</u>                  | \$0.0440                 | <u>\$1,134,777</u>          |
| Total                 |                             |                                | 40,143.9                        |                          | \$34,588,632                |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 6

**PUBLIC SERVICE ELECTRIC AND GAS  
CONSERVATION INCENTIVE PROGRAM  
EARNINGS TEST  
APRIL 1, 2021 THROUGH MARCH 31, 2022  
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE**

in \$000

|   |                               |             |                               |
|---|-------------------------------|-------------|-------------------------------|
| 1 | Equity Base for Earnings Test | 3,000,000   |                               |
| 2 | Allowed ROE                   | 9.6%        | 2018 Base Rate Case           |
| 3 | ROE Limit buffer              | 0.5%        | From IIP                      |
| 4 | Maximum ROE                   | 10.1%       | = ln 2 + ln 3                 |
| 5 | Actual Net Income             | 250,000     |                               |
| 6 | ROE for Earnings Test         | 8.33%       | = ln 5 / ln 1                 |
| 7 | Earnings Test Pass / Fail     | <b>Pass</b> | = IF ln 4 > 6, Pass else Fail |

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR  
APPROVAL OF ITS CLEAN ENERGY FUTURE – ENERGY EFFICIENCY (“CEF-EE”) PROGRAM ON A  
REGULATED BASIS

BPU DOCKET NOS. GO18101112 and EO18101113

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ATTACHMENT 1

Contents

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Note: Note that subprogram and incentive designs may be adjusted as required to coordinate with other NJ utilities.

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### 1.1. Residential Sector Subprograms

The proposed residential subprograms will work together to significantly upgrade efficiency in homes throughout PSE&G's service territory. All sub-segments are addressed, from new construction and refurbishments, to existing homes, to an online marketplace for installation service, with additional dedicated support for multi-family and lower income customers. Where needed, additional customer support is provided through on-bill repayments and other incentives. To further improve the culture of energy efficiency use in its territory, PSE&G will sponsor subprograms through education and behavioral subprograms.

#### 1.1.1. Residential Efficient Products

The Residential Efficient Products Subprogram will promote the installation of ENERGY STAR and other high-efficiency electric and natural gas equipment by residential customers by offering a broad range of energy efficient equipment and appliances through a variety of channels, including an online marketplace, in-store rebates, reduced point of sale costs, and a network of trade allies. The subprogram will provide incentives for energy efficient lighting, appliances, smart thermostats, electronics, and heating and cooling equipment. Installation services may also be offered for some equipment. Measures range in type and price, but include both electric and natural gas technologies that improve energy efficiency in the home. Up-front rebates will be offered on all technologies to reduce initial costs, and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

The subprogram is designed to:

- Provide incentives to customers for the installation of products to reduce energy use in the home and information about other subprograms that encourage the installation of high efficiency equipment, such as lighting, room air conditioners, HVAC units, electronics and appliances.
- Provide midstream incentives to retailers to increase sales of ENERGY STAR products.
- Provide a marketing mechanism for retailer and high efficiency product suppliers to promote energy efficient equipment and products to end users.
- Ensure the participation process is clear, easy to understand and simple for the customer and contractor.
- Provide online and other channels for customers to acquire select ENERGY STAR and other qualified products.
- Utilize energy efficiency kits to introduce and promote energy efficiency technologies that can be easily installed in the home. The kits will serve as a gateway to other programs by including energy efficiency and conservation educational materials and promotional materials for other program opportunities, including the utility, Comfort Partners and NJCEP programs.
- Provide energy efficiency kits to local foodbank and non-profit organizations and at energy assistance outreach events to reach low- to moderate-income customers, with schools to promote energy efficiency education in classrooms, to new movers, customers upon request, and within utility marketplaces to support customer engagement.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique customer relationship to positively impact the entire sales process surrounding efficient equipment, from education and awareness of customers, engagement with trade ally contractors and equipment distributors, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

#### **Market Segment/Efficiency Targeted**

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The Residential Efficient Products Subprogram will be available to all residential electric and/or natural gas customers in the PSE&G service territory. The subprogram is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major residential end-use categories, and can be easily promoted to trade allies and customers via straightforward prescriptive rebates. Technologies incentivized through this subprogram include lighting, HVAC, other heating/cooling equipment, smart thermostats, and other efficient products. The subprogram will also promote the retirement, recycling, and replacement of old refrigerators, freezers, and other inefficient appliances. PSE&G will offer enhanced incentives for Low-to-Moderate income (LMI) customers (up to 400% of federal poverty level) for certain products to enable the program to reach all customer types. Eligibility for these enhanced incentives can be determined based on screening an individual customer however PSE&G will also implement automatic eligibility for enhanced incentives based upon a physical location (e.g. properties located in low and moderate census tracts, environmental justice community, Urban Enterprise Zone) to increase PSE&G's presence in LMI communities. Customer eligibility based on the property location in a low-income and moderate-income U.S. census tract can be determined by inputting individual addresses and accessing U.S. census tract maps available at the Federal Financial Institutions Examination Council website at <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.

### Delivery Method

PSE&G will use its brand, its customer outreach infrastructure, and its marketplace relationships to increase the availability, awareness, and customer uptake of energy efficient products. On-bill repayments will be available to customers to cover the remaining cost (after applying the rebate discount) for the balance of the efficient product cost for select products and services.

A third-party implementation contractor(s) will be selected to assist with the administration, oversight, and delivery of the subprogram. This contractor will assist in the expansion of the PSE&G branded online marketplace, will work to promote the subprogram through word-of-mouth, advertising, and awareness, and will work with PSE&G to review and adjust the product and service list. These activities will occur prior to commercial operation and during the delivery of the subprogram. The third-party implementation contractor will also assist in securing partnerships with retailers, wholesalers, and trade allies to assure all PSE&G customers are able to easily purchase energy efficient products and equipment through the subprogram. Customer engagement and sales channels may include:

- **Point of Sale Rebates:** Prescriptive rebate applications will be made available at the point of sale. PSE&G will explore the viability of using a digital, smartphone-based application platform, to enable customers to purchase efficient equipment at traditional consumer retail outlets and instantly redeem rebates at point-of-sale in both physical stores and online. Allowing easy access to rebates encourages customers to purchase qualifying efficient products. Appliance recycling will also be available to customers whereby they may schedule a pick-up to have eligible inefficient appliances (e.g. old refrigerators) removed and a rebate issued.
- **Post Purchase Rebates:** Rebates will also be made available to customers after they have made their purchase. Applications will be available online to submit either electronically or in hard copy with proof-of-purchase.
- **Online Marketplace:** PSE&G will expand the self-branded online marketplace currently being deployed for the EE2017 Smart Thermostat Program to incorporate other products and services in this direct-to-customer platform. This online marketplace is a branded, easy to use source for the online purchase of efficient products and services. Participants will be able to browse energy efficient equipment and appliances and purchase through the marketplace which will offer instant

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rebates and the option for on-bill repayments on purchases above a certain threshold. PSE&G will validate customer eligibility prior to applying rebates.

- **Midstream Rebates:** PSE&G will promote a midstream rebate component to encourage purchase of efficient equipment via directly marking down the price of the efficient equipment at the point of sale. PSE&G will work with retail partners (such as Home Depot, Lowes, etc.) to assure that marked down measures are available throughout the PSE&G service territory. Midstream rebates encourage market transformation and wider availability of efficient equipment. Efficient products that are rebated via a midstream approach will not be eligible for retail channel rebates.
- **Trade Allies:** PSE&G will establish a network of trade allies to promote and deliver the subprogram with a consistent experience to the customer. The trade ally network will consist of qualified installation contractors, plumbers, electricians, and other trade service professionals. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G will refer customers to a list of qualified trade allies. By allowing participants to select a trade ally they are comfortable with (either through an existing relationship or by reference from PSE&G), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will qualify entities to participate in the trade ally network and oversee trade ally performance to verify quality standards are met.

By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Targeted trade ally firms may include:

- HVAC & appliance distributors, contractors, and retail providers
- General contractors, plumbers, electricians, and other trade service professionals

Regardless of the delivery mechanism, PSE&G will take steps to ensure customers are made aware of PSE&G's engagement in helping to off-set up-front costs of the efficient products.

### **Proposed Incentives**

PSE&G proposes to provide a range of incentives depending on the measure type, subject to changes based upon customer response and marketplace changes over the plan period. Incentives will vary depending on the specific product, the incremental cost of the high-efficiency technology, and the product maturity in the marketplace. Incentive levels will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures, while minimizing any potential free ridership.

Incentives will be available in several ways and are adapted to the retail partner needs and market response. The strategies that might be used include:

- Mail-in applications available from the retailer/contractor and the subprogram website
- Online rebate forms
- In-store "Instant Reward" coupons that are redeemed in-store at the time of purchase.
- Special sale events in retail stores
- Manufacturer buy down to Retailer
- Midstream incentives to retailers to encourage them to carry and stock efficient products

Incentives may change based on market prices, as well as manufacturer and distributor co-funding. Other incentive alternatives may be used as the market evolves and new and innovative customer and trade ally engagement opportunities become apparent.

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### **Marketing Approach**

PSE&G will implement a multi-pronged direct and indirect marketing campaign to promote this subprogram. Customers will be exposed to broad-based energy efficiency awareness campaigns, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness, as well as tie-ins with other PSE&G subprograms. Retailers, wholesalers, and trade allies will be contacted directly and through trade associations to develop networks and promote involvement in the subprogram. PSE&G will also look to leverage the behavior subprogram for ‘warm leads’ into the subprogram through both the home energy reports and online audit tool. Finally, appliance recycling will provide customers with rebates that can be redeemed in the online marketplace, further driving customer incentive and participation in the subprogram.

Targeting and promotion within the subprogram will be enabled through intelligence gained through other residential subprograms, primarily Behavioral, Existing Homes, and other activity in the Efficient Products Subprogram. Integrated IT solutions will enable PSE&G to provide customized information to customers with prioritized action items, to maximize availability and uptake.

A combination of strategies will be used to train and support retailers, including media advertising, outreach community forums, events, and direct outreach to customers and retailers. Marketing activities include:

- Point of purchase displays and materials, joint advertising with retailers, coupons, and special “instant sales events”
- Public relations materials
- Brochures that describe the benefits and features of the subprogram including application forms and processes. The brochures will be available for various public awareness events (presentations, seminars etc.)
- Bill inserts, bill messages, email messages, Facebook and Twitter, pop-up stores.
- Company website content providing subprogram information resources, contact information, online application forms, online retail store and links to other relevant service and information resources
- Customer representatives trained to promote the subprogram to their customers
- Presence at conferences and public events used to increase general awareness of the subprogram and distribute subprogram promotional materials

### **Contractor Role**

PSE&G will oversee the build-out of the online marketplace as well as the retail and Trade Ally network, which will be administered by third-party implementation contractors. A third-party implementation contractor will be responsible for identifying and engaging retail and wholesale entities dealing in energy efficient equipment to on-board them with the PSE&G subprogram vision, eligible efficient products, rebates, and ways to participate. Additionally, the third-party implementation contractor will engage trade allies, including local construction, electrical, plumbing, and other contractors to educate them on subprogram benefits and build an approved trade ally network which will reliably install energy efficient equipment for participating customers. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and trade ally availability to provide suggestions to assure that the subprogram is continually providing PSE&G customers with their needs. A third-party implementation contractor will be responsible for the management of the online marketplace. This third-party implementation contractor will also process the online instant rebates, verify eligibility of customers and manage the delivery of items purchased on the website.



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To select qualified third-party implementation contractors, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

### **1.1.2. Residential Existing Homes**

The Residential Existing Homes Subprogram provides a holistic approach for customers to explore and invest in the efficiency and comfort of their homes. Under the Residential Existing Homes Subprogram, participants undergo an energy audit and receive free installation of low-cost direct install energy efficiency measures, as well as an energy efficiency action-plan that includes recommendations for potential upgrades and available incentives. The audit will be incentivized, while the work to complete recommended energy efficiency measures will receive rebates with the ability for customers to use on-bill repayments for the balance of the costs. Home energy audits will be conducted by PSE&G and/or local trade allies (including, e.g. home improvement contractors) that are qualified to perform comprehensive home assessments, and a follow-up audit may be conducted after completing home energy improvements to verify proper installation and function of home efficiency improvements.

This subprogram is designed to review the entire status of a home, including equipment and envelope to achieve deeper energy savings than the Residential Efficient Products Subprogram. The subprogram will follow guidelines and qualifying criteria associated with the U.S. Environmental Protection Agency Home Performance with ENERGY STAR (HPwES) program subject to as-needed enhancements to maximize participation and cost-effective energy savings opportunities.

#### **Market Segment/Efficiency Targeted**

The Residential Existing Homes Subprogram will be available to all single-family and single-family attached electric and/or natural gas customers in the PSE&G service territory. Potential measures incentivized through this subprogram include but are not limited to insulation, air sealing, lighting, smart thermostats, low-flow devices, smart strips, and HVAC. This subprogram will drive deeper levels of activity and investment in homes than the Residential Efficient Products Subprogram by including a suite of home performance measures and the advice of PSE&G and/or qualified trade ally professionals that can identify efficiency opportunities in residential homes.

In addition to the comprehensive approach described above, a Quick Home Energy Check-Up (QHEC) option may be offered, to help customers understand their best opportunities to save energy through an in-home consultation and also secure energy savings during that visit through the direct installation of energy saving measures. It will be designed to help renters as well as homeowners and promotes additional energy savings opportunities and upgrades available to the customer.

#### **Delivery Method**

The subprogram will be managed by a third-party implementation contractor as outlined in detail in the Contractor Role:

- **In-Home Energy Audit:** In-home energy audits are conducted by PSE&G and/or local trade allies. During the audit, customers will receive free installation of low-cost measures, such as LED lighting, low-flow devices, and smart strips at no additional cost, in addition to behavioral suggestions to improve efficiency of the home and a review of thermostat set points. Smart

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thermostats may be made available while the auditors are on premises through the Residential Efficient Products Subprogram. Following the in-home audit, the participant will be provided an energy efficiency action-plan that summarizes the findings of the audit and recommends technology and building performance improvements that will maximize the efficiency of the home. This report will also include detail regarding estimated cost, available rebates, and availability of on-bill repayment.

- **In-Home Efficiency Improvements:** If the customer chooses to pursue some or all of the recommended home efficiency measures, a second appointment will be scheduled to implement the measures. At the completion of the work, PSE&G and/or the trade ally will test the home to validate the energy savings and to ensure that all mechanical equipment is operating safely. Subprogram management staff, including the third-party implementation contractor, may spot check installations as needed.
- **Local Trade Ally Network:** The local trade ally network will be qualified, trained, and managed by the third-party implementation contractor, and may deliver audits and/or energy efficiency services.

Measures from the Residential Efficient Products Subprogram, such as home appliances (e.g. clothes washers) may be installed by PSE&G and/or the trade ally if requested by the participant and if within the scope of services. These measures are not typically addressed in a home performance subprogram because they are generally only replaced at end-of-life.

### **Proposed Incentives**

PSE&G will provide a subsidized in-home audit, as well as a suite of low-cost direct-install measures. Home performance measures recommended by PSE&G and/or the trade ally carry incentives that will be available individually but may also be offered as part of bundled performance incentives depending on customer interest and budget. If utilized, home performance incentives will be structured on the basis of estimated total energy reduction in the home and the total cost of installed measures, such that customers can receive an overall, packaged incentive that is subject to a maximum of either a specific cap, to be evaluated and modified periodically, or a percentage of total installation cost. On-bill repayment will also be available to qualified customers to reduce upfront cost barriers. In order to use on-bill repayments, participants will be evaluated to determine their risk and ability to repay. In coordination with the Joint Utilities, PSE&G will establish qualification minimums for on-bill repayments, which may include bill payment history.

### **Marketing Approach**

PSE&G will utilize many marketing avenues to assure subprogram awareness and participation is maximized. These include traditional marketing avenues, such as web-based engagement and information, digital advertising, media advertising, and hard-copy materials to promote awareness among trade allies and customers. An additional marketing pathway PSE&G plans to utilize is through the network of other subprograms being offered in the CEF-EE Program. The integration of all subprograms will allow for direct marketing to customers through the Residential Behavioral and Residential Efficient Products Subprograms. The connections with these subprograms also provides two-way marketing potential, in that customers engaged in the Residential Behavioral and Residential Efficient Products Subprograms will be provided with information and literature about the opportunity to participate in the Residential Existing Homes Subprogram. Information garnered from subprograms, such as the Residential Behavioral and Residential Efficient Products could be used to identify prime candidates for participation in the Residential Existing Homes Subprogram. For example, a review of usage data contained in HERs from the Residential Behavioral Subprogram could allow PSE&G to identify customers who are particularly susceptible to changes in weather, and would be ideal candidates for an audit. Likewise, the Residential Efficient Products Subprogram could provide leads to customers interested in energy efficiency.

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### **Contractor Role**

PSE&G will supervise the subprogram, as well as select a third-party implementation contractor to manage the subprogram.

The third-party implementation contractor will oversee all aspects of the subprogram, including training and engagement, QA/QC, and rebate processing (including measures installed during audits). A large part of the third-party implementation contractor will focus on developing, training, and growing a qualified trade ally network. This will include trade ally training sessions, workshops, and market development events to grow and develop the trade ally network, with a priority placed on encouraging them to integrate home efficiency performance into their business and become Building Performance Institute (BPI) and ENERGY STAR certified contractors. The third-party implementation contractor will maintain a close relationship with entities delivering the audits and efficiency measures to ensure consistent subprogram delivery experience and high customer satisfaction. The third-party implementation contractor will also take on the responsibility of providing an additional layer of customer support as needed and conducting selective verification of trade ally installation work.

The trade ally marketplace may consist of companies in the fields of residential HVAC, home improvement, weatherization and insulation, and other relevant areas. In order to facilitate trade ally access to participants, PSE&G or the third-party implementation contractor will administer a web portal where customers can find local trade allies based on geography and other criteria.

To select a qualified third-party implementation contractor PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives, especially ENERGY STAR certified programs
- Knowledge of the current marketplace
- Ability to educate and train contractors
- Local presence
- Cost

### **1.1.3. Residential Behavioral**

The Residential Behavior Subprogram will provide customers with granular and easy-to-understand information about their energy use, a comparison of their usage against other similar customers, and suggested action steps to generate awareness and motivate customers to produce energy savings through behavioral changes and engagement with other efficiency subprograms.

Direct mailed and/or electronic home energy reports (HERs) will be the cornerstone of the subprogram and will provide participants with customized, easy-to-implement action steps and recommendations to reduce energy consumption and support behavior modification for improved energy efficiency. The HERs will present participants with a view of their historical energy consumption compared to peer group customers. High usage alerts will also be issued by email to customers when weather patterns and other data indicate their next bill is trending higher, and provide the customer with tips to manage their usage.

The subprogram will also offer an internet-based home energy self-audit to all residential customers. This audit will allow customers to better understand their energy usage and their opportunities for energy savings.

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An online portal will be used to provide customers with usage information, recommendations, tips, and links to energy efficiency subprograms provided by PSE&G, including the online marketplace with access to the Residential Efficient Products Subprogram and the Residential Existing Homes Subprogram. The online customer portal will integrate the information from the HERs and online audit to further assist customers as they look to realize deeper equipment and appliance-based savings. PSE&G will utilize the information gathered from the HERs and online audits to not only better understand the residential customer base, but also assist in making smart decisions moving forward with the energy efficiency subprograms.

Information on customers participating in other subprograms such as the Residential Efficient Products and Residential Existing Homes Programs will be linked into the HERs as to provide up-to-date information and recommendations to participants.

### **Market Segment/Efficiency Targeted**

The subprogram will provide HERs to a minimum of 650,000 residential customers. This quantity of customers represents the number of unique customers in the program. These customers will receive multiple home energy reports per year, in accordance with best practices in the industry. This quantity of customers will be reviewed periodically and modified as needed to maximize cost-effective energy savings. The online energy audit will be available to all PSE&G electric and/or natural gas residential customers. The HERs and online audit will offer tailored recommendations to reduce electric and/or natural gas consumption.

The subprogram may also provide HERs to participants of other residential subprograms, such as Residential Efficient Products and Residential Existing Homes. The subprogram will primarily target single family homes; however, PSE&G may also evaluate potential in the multi-family and income eligible markets.

### **Delivery Method**

PSE&G will extend its current Data Analytics Subprogram to additional customers using a selected HER vendor.

PSE&G's HER vendor will identify and distribute HERs to residential customers at no charge to the participant. The online audit will be available for all PSE&G residential customers free of charge. High usage alerts will be provided to customers receiving HERs via email to customers for whom PSE&G has a valid email address.

### **Proposed Incentives**

All services under this subprogram will be provided at no cost to the customer.

### **Marketing Approach**

The recipients of the HERs will be selected by PSE&G, its selected HER vendor, and its evaluation contractor. The online audit will be marketed through bill-insert mailers, digital advertising, and other means to assure that all customers are aware of the availability of these resources. Participants in other PSE&G energy efficiency subprograms will be referred to the online audit tool and online portal as appropriate.

### **Contractor Role**

PSE&G will utilize a third-party implementation contractor to provide the services under this subprogram including HERs, the portal, the online audit, and high usage alerts.

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**1.1.4. Residential Income Eligible**

The Residential Income Eligible Subprogram is targeted at customers whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL). Properties located within low and moderate income census tracts will also be eligible for this program. The subprogram will complement, and not duplicate or compete with, the Co-Managed Comfort Partners Program. The Residential Income Eligible Subprogram provides free direct installation of energy efficient technologies and weatherization services to qualifying PSE&G customers with limited income. The subprogram generates energy savings for residential lower-income customers through an in-home energy audit and the direct installation of a wide range of energy efficiency measures such as efficient lighting, efficient refrigerators, HVAC, as well as weatherization upgrades for air-sealing and attic and wall insulation. The subprogram also provides for the installation of health and safety measures as appropriate, and may also include actions to address building shell issues that prevent the installation of energy efficiency measures, such as moisture/mold remediation, roof repairs, electrical repairs, and asbestos remediation, consistent with the approach under the New Jersey Comfort Partners Procedure Manual.

In addition to the core subprogram attributes described above, the subprogram will also provide for the distribution of free LED light bulbs via food banks/pantries or other distribution venues that serve income eligible customers, along with educational information on energy efficiency. The subprogram will coordinate low-income services with local, state and federal agencies to provide comprehensive assistance. The subprogram may also seek to work with workforce development organizations, in order to provide a sufficient pool of qualified workforce that will be required to support a significant growth in energy efficiency services.

**Market Segment/Efficiency Targeted**

The Residential Income Eligible Subprogram targets residential customers in PSE&G's electric and/or gas service territory whose household income is less than or equal to 400 percent of the Federal Poverty Level (FPL) and those properties located within low and moderate income U.S. census tracts. Customers who receive Federal Supplemental Security Income ("SSI"), Home Energy Assistance ("HEAP"), Universal Service Fund ("USF"), Lifeline, Pharmaceutical Assistance to the Aged and Disabled ("PAAD"), Temporary Assistance to Needy Families ("TANF"), or Section 8 Housing will also be eligible.

**Delivery Method**

This subprogram will be managed by PSE&G with the support of a qualified third-party implementation contractor with experience delivering services in similar subprograms. It is envisioned that PSE&G's third-party implementation contractor will facilitate subprogram delivery across the multiple subprogram vendors as well as PSE&G's workforce. Eligible customers will receive an in-home energy assessment from PSE&G. The applicable measures and services will be installed either by subprogram vendors, or by PSE&G's workforce. PSE&G, with its third-party implementation contractor will be responsible for activities including, but not limited to, the following:

- Ensuring customers meet eligibility requirements
- Marketing collateral development and deployment
- Reviewing, approving, and tracking of documentation for completed projects
- Payment processing, fund management, and reporting
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Call center services
- Customer satisfaction and problem resolution
- Provide technical training to workforce

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### **Proposed Incentives**

Equipment and installation costs for all eligible measures will be provided free to eligible customers, subject to subprogram terms and conditions.

Among the measures to be considered for each home are efficient lighting products; hot water conservation measures (water heater replacement and tank temperature turn-down); replacement of inefficient refrigerators and freezers; installation of programmable and smart thermostats; insulation upgrades (attic, wall, basement, etc.); blower-door guided air sealing; duct sealing and repair; heating/cooling equipment maintenance, repair and/or replacement; and other measures as may be needed to enable the installation of energy efficiency measures (e.g. repair or replacement of a broken window, repair of a hole in the wall and/or roof, mold remediation, or the installation of rain gutters).

Failed or failing heating or cooling systems can be replaced for efficiency and/or health and safety reasons, on a case-by-case basis, as subprogram funds permit. For customer homes that require treatment beyond the scope of the subprogram, such services may be coordinated with other agencies.

### **Marketing Approach**

Marketing efforts will be focused toward property owners, non-profit organizations, churches, and community organizations to bring awareness to the subprogram and initiate effective participation. Key elements of the marketing strategy include:

- Targeted outreach through local agencies
- Websites and newsletters
- Press releases
- Posters in municipal buildings
- Neighborhood canvassing

### **Contractor Role**

PSE&G will administer and manage the overall subprogram with the support of a third-party implementation contractor(s). The third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G. To select a qualified third-party implementation contractor, PSE&G will prioritize criteria including, but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualification for delivering low-income energy efficiency subprograms
- Cost

## **1.2. Multifamily Sector Subprogram**

### **1.2.1. Residential Multi-Family**

The Residential Multi-Family Subprogram provides a turnkey service for multi-family property owners, managers, and the residents of multi-family facilities to help improve the energy efficiency of their facilities and reduce their operating costs. This service provides direct installation of energy-efficient measures in individual living units. The primary measures to be installed include LED lighting, low-flow showerheads and faucet aerators, and smart power strips. The subprogram will also provide literature on energy saving tips achieved through other behavioral actions (e.g. thermostat settings, maximizing dishwasher and clothes washer loads, etc.).

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### **Market Segment/Efficiency Targeted**

The subprogram targets multi-family property owners, property managers, and residents. All multi-family buildings with three or more units in PSE&G's electric or natural gas service territory are eligible to participate, although it is anticipated that the majority of participating units will be from low income or moderate income multi-family units, and will have 12 or more units.

The subprogram will look to achieve direct, easy to install, energy savings through the provision of measures such as LED lighting, low-flow showerheads and faucet aerators, and smart power strips.

### **Delivery Method**

The Multi-Family Subprogram will be delivered by PSE&G and/or a qualified third-party implementation contractor with experience delivering similar subprograms. The subprogram manager will recruit multi-family property owners and oversee the direct installation of free low-cost measures (e.g. lighting, showerheads) in individual units. The service is provided at no cost to property owners or occupants. This subprogram design (including the provision of no cost services) is intended to overcome market barriers and assure that benefits are provided to tenants.

PSE&G and/or the implementation contractor will be responsible for activities including, but not limited to, the following:

- Developing relationships with property management companies, owners, associations, and their members to recruit participants
- Training, education, and coordination with direct-install staff and/or contractors
- Marketing collateral development and deployment
- Procuring energy efficiency equipment and materials
- Reviewing, approving, and tracking of documentation for completed projects
- Quality assurance of technical and procedural subprogram guidelines
- Budgeting, goal tracking, and reporting
- Customer satisfaction and problem resolution
- Provide notice to tenants and property owners prior to conducting work

### **Proposed Incentives**

Equipment and installation costs for all measures directly installed in tenant units will be provided free to eligible properties.

### **Marketing Approach**

The marketing strategy will focus on informing property owners, managers, associations, tenant groups, municipalities, and community organizations about the availability and benefits of the subprogram and how to participate. Marketing activities will be focused on serving the lower income multi-family sector. Key elements of the marketing strategy include:

- Targeted outreach through direct mailings and presentations to inform property owners, managers, apartment associations, tenant groups, municipalities and community organizations about the benefits of the subprogram and participation processes
- Brochures highlighting the benefits and features of the subprogram as well as the participation processes
- Website content providing subprogram information resources and contact information
- In-person visits by subprogram representatives to properties with three or more units

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- Walk-through energy assessments of properties to encourage the building owners or facility managers to allow participation in the direct installation component of the subprogram as well as encourage participation in the other PSE&G efficiency subprograms

### **Contractor Role**

PSE&G will administer and manage the overall subprogram. Depending on the final design of the delivery process, PSE&G may utilize the support of a third-party implementation contractor(s). In this event, the third-party implementation contractor will have responsibility for delivery tasks and customer outreach on behalf of PSE&G.

Key elements of the implementation strategy and core responsibilities of the implementation contractor may include:

- **Targeted Outreach to Property Owners:** Subprogram representatives will build relationships with property management companies, owners, associations and their members to recruit participation in the subprogram. The subprogram team will assist customers as necessary to coordinate direct installations and complete rebate application requirements. In addition, property owners will be reached through direct mail, participation in association events, one-on-one meetings with subprogram staff, and other channels. Special emphasis will be placed on properties with as little as three units and greater. This has been traditionally an over-looked segment in other utility-run subprograms around the country.
- **In-Unit Direct Installs:** Subprogram representatives will identify interested property owners and schedule appointments for the free installation of energy saving devices in the individual living units and common areas. In-unit HVAC tune-ups will be offered at no cost to the property owner or tenant. The installation crews are trained on the technical and educational aspects of the energy saving devices installed and leave educational materials in each unit describing the work performed and explaining the energy-saving benefits.
- **Subprogram Operations:** The third-party implementation contractor handles implementation related administrative requirements, including the following:
  - Marketing and educational materials
  - Field services
  - Product ordering and inventory
  - Data tracking and reporting
  - Investment tracking and reporting
  - Prescriptive, custom and comprehensive application processing
  - Trade ally and customer outreach/training
  - Customer satisfaction/problem resolution

To select a qualified third-party contractor, PSE&G will prioritize criteria including but not limited to:

- Experience delivering similar subprograms or initiatives
- Third-party staff qualifications
- Cost

In the event PSE&G delivers the program with its own workforce, contractor role would be minimal, limited to customer acquisition and alignment with other subprograms.

### **1.3. Commercial & Industrial Sector Subprograms**



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PSE&G's commercial and industrial customers are very diverse. These subprograms address each segment, including those with limited time and resources to make efficiency improvements. The subprogram designs are intended to enable PSE&G to address the unique needs of each sub-sector. For example, if a large customer has ready access to financing and more advanced approaches to energy management, PSE&G will offer customized financial support to reduce paybacks on investments and bring about increased installation of measures. For small businesses or municipal customers, PSE&G will provide more substantial management, financial support, and on-bill repayment.

### **1.3.1. C&I Prescriptive**

The C&I Prescriptive Subprogram will promote the installation of high-efficiency electric and natural gas equipment by C&I customers. The subprogram is designed to:

- Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls
- Provide the knowledge necessary and market demand to justify the marketing of high efficiency measures by participating trade allies such as electrical contractors, mechanical contractors, and their distributors
- Ensure the participation process is clear and simple

The subprogram will offer a broad range of energy efficient equipment and appliances through a variety of channels, including reduced point of sale costs, and a network of trade allies. The subprogram will incent energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures. These measures will range in type and price but include both electric and natural gas technologies that improve energy efficiency. Up-front rebates will be offered on all technologies to reduce initial costs and some purchases will qualify for on-bill repayments to further reduce first cost barriers. The subprogram is designed to provide easy and cost-effective access to energy efficient measures through customers' preferred channels.

This subprogram will significantly increase adoption of energy efficient equipment by harnessing PSE&G's unique customer relationships to positively impact the entire sales process surrounding efficient equipment, from education and awareness with customers, engagement with trade ally contractors and equipment distributors, to on-bill repayments and final installation and commissioning of the high efficiency equipment.

### **Market Segment/Efficiency Targeted**

The C&I Prescriptive Subprogram will be available to all commercial, industrial, and other non-residential electric and natural gas customers located within PSE&G's service territory. The subprogram is focused on promoting the sale and installation of efficient electric and natural gas equipment across all major end-use categories and can be easily promoted to trade allies and customers via straightforward prescriptive rebates. Potential technologies incentivized through this subprogram include energy efficient lighting, appliances, heating and cooling equipment, and food service equipment, among other efficiency measures.

### **Delivery Method**

To maximize customer participation and streamline the customer experience, PSE&G will use its strong customer and marketplace relationships to support multiple implementation strategies to achieve subprogram goals.

- **Trade Allies:** PSE&G will establish a network of trade allies (e.g. electricians, HVAC contractors, lighting retailers and distributors, building energy managers, etc.) to promote the efficiency opportunities and incentives to their clients, and deliver the subprogram with a consistent

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experience to the customer. Trade allies will be able to leverage the subprogram and offer customers rebates through their normal course of business. In addition, PSE&G or the third-party implementation contractor can refer customers to a list of qualified trade allies to perform more intricate work. By allowing participants to select a partner they are comfortable with (either through an existing relationship or by reference from PSE&G or the third-party implementation contractor), the subprogram reduces barriers to entry related to knowledge of energy efficiency, confidence in assessments, and measure installation. PSE&G will oversee trade ally performance to verify quality standards are met and qualify contractors to participate in the Trade Ally network. By developing relationships with trade allies, the subprogram will develop a broad reach across the marketplace, and also solicit feedback from the marketplace to ensure incentives and measures are impacting the market as designed. Examples of targeted trade ally firms include:

- Design, engineering, and controls firms
- HVAC distributors, contractors, and retail providers
- Food service retailers and service providers
- Commercial lighting distributors and wholesalers
- **Retail:** PSE&G subprogram staff, third-party implementation contractors, and field representatives will work with retailers and distributors that directly target C&I customers so they are aware of the participation process and available equipment incentives. This will include training and instruction to participating retailers and distributors about the PSE&G prescriptive rebate forms as well as enrollment of distributors to participate in midstream subprogram offerings.
- **Midstream:** PSE&G will aggressively promote a midstream component for specific equipment types to encourage purchase of efficient equipment via directly marking down the cost of the efficient equipment at the point of sale. Midstream rebates encourage market transformation and wider availability of efficient equipment. PSE&G anticipates offering midstream point of sale discounts across numerous equipment types, including, but not limited to: LED lighting, HVAC, and food service equipment. Efficient products that are rebated via a midstream subprogram approach will not be eligible for rebates in any other PSE&G rebate subprogram.
- **Digital:** The subprogram will be marketed directly to C&I customers on the PSE&G website, where customers will have easy access to information regarding eligible equipment and savings opportunities, how to participate, and incentives across all efficient equipment types and end-uses. In addition, the website will offer information on qualified local trade allies to enable easy access to equipment retailers for customers.
- **Rebate-as-a-Service:** PSE&G will evaluate the viability of using a digital, smartphone based application platform, where business customers purchasing efficient equipment for commercial use at traditional consumer retail outlets can instantly redeem rebates at point-of-sale in both physical stores and online. This channel will help PSE&G offer rebates to very small commercial customers and local businesses outside of the C&I Small Non-Residential Efficiency Subprogram.
- **Targeted Customer Outreach:** In select cases, PSE&G staff and its third-party implementation contractor may choose to reach out directly to large business and commercial customers to develop relationships with energy and facilities managers, operations staff, and procurement personnel. Subprogram staff can help facilitate completion of rebate applications and serve as a direct resource to these customers.

### **Proposed Incentives**

Incentive levels and the list of eligible equipment will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across offered measures. Incentive levels will vary depending on the efficient measure, and the unit level being rebated (e.g. incentives for equipment, and/or incentive based on the system size or square footage where the system is being applied).

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**Marketing Approach**

The C&I Prescriptive Subprogram will engage with customers and trade allies at multiple levels, including broad-based energy efficiency awareness campaigns, direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. In some cases, subprogram staff and representatives will reach out directly to large commercial customers. Use of appropriate types of media are anticipated to be included in the marketing plan, such as direct mail, email, print, and digital media. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the subprogram, raise awareness and encourage participation.

**Contractor Role**

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will assist with optimizing the subprogram's strategic direction, including but not limited to:

- Customer outreach/subprogram delivery strategy
- Offered efficiency measures and efficiency levels
- Promotion of emerging technologies
- Incentive levels and strategies
- Customer/trade ally/retailer engagement and enrollment in the subprogram
- Marketing
- Customer satisfaction
- Equipment installation and subprogram data tracking
- Rebate processing

**1.3.2. C&I Custom**

The Commercial and Industrial (C&I) Custom Subprogram will offer incentives for electric and natural gas efficiency opportunities for commercial, industrial, and other non-residential customers that are non-standard and not captured by the C&I Prescriptive Subprogram, or any other proposed custom subprogram offering including the C&I Engineered Solutions Subprogram. Typical measures incentivized by the C&I Custom Subprogram are either less common measures or efficiency opportunities in specialized applications that may include specialized manufacturing processes or non-traditional use cases. In many cases, custom efficiency projects are more complex than prescriptive equipment replacement.

Large customers with facilities and engineering teams will develop and submit custom efficiency project rebate applications for review. A third-party implementation contractor will also play an active role in supporting project identification, developing energy savings calculations, and assessing project economics as required. Potential participants are required to submit an application for pre-approval to reserve funding, and if accepted by PSE&G, a timeline is established for project completion to qualify for a rebate. The typical lead time for completing a custom project is 90 to 120 days. Large projects, or subsets of projects, may be required to undergo pre-and post-inspection to validate project energy savings. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

**Market Segment/Efficiency Targeted**

The C&I Custom Subprogram targets all C&I customers in PSE&G's electric and/or natural gas service territory with cost effective savings opportunities that are not covered by the C&I Prescriptive or Small

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Non-Residential Efficiency Programs, and in building types not eligible for participating in the C&I Engineered Solutions Subprogram (non-MUSH/multifamily common areas/non-profit). However, customers participating in the C&I Custom Subprogram will generally be larger energy users with more complex needs and non-standard efficiency opportunities. Customers targeted for participation typically include building types such as light/heavy industrial, manufacturing, data centers, and distribution centers, among others.

### Delivery Method

The C&I Custom Subprogram will be supervised by PSE&G and delivered by a qualified third-party implementation contractor. The following delivery strategies will be pursued:

- **Targeted Customer Outreach:** High-use customers will be targeted by subprogram staff to develop relationships with facilities and energy managers, operations staff, and procurement personnel to inform them of the benefits of participating in the custom subprogram. Subprogram staff will provide technical support, assist customers in identifying efficiency opportunities, and assist with review and preparation of their rebate application.
- **Technical Customer Assistance:** An important element of the C&I Custom Subprogram is the availability of technical support from qualified subprogram staff. PSE&G subprogram management staff and their representatives will be available to support customers with project identification and analysis, including assistance with targeted energy audits and savings estimates.
- **Trade Allies:** Developing relationships in the trade ally community will spread broader awareness of the existence of the custom subprogram option and obtain referrals for potential projects.

Measurement & Verification (M&V) for projects above a certain estimated incentive size, or projects that do not have reliable information to accurately forecast energy savings may require energy monitoring before and after project implementation to determine savings and incentive levels. PSE&G is evaluating a threshold of approximately \$100k to necessitate energy monitoring before and after implementation. The Company is also considering the impact of the type of equipment as a driver for energy monitor. PSE&G plans to coordinate with the other utilities to use a consistent approach to the extent feasible.

### Proposed Incentives

The C&I Custom Subprogram incentives will be set based on an incentive level per first year kWh or therm saved. These incentive levels will be reviewed and updated periodically with the input of subprogram staff and broader feedback from the marketplace to ensure incentive design is optimally driving energy savings across a full spectrum of market opportunities. Incentive level design may change over time based on the specific end-use where the savings are being acquired. Additionally, incentive level restrictions may be established that could include limits to total incentives as a percentage of project costs or minimum project payback periods. Overall total facility and customer level incentive limits may also be established to ensure funding is available to as many C&I customers as possible, while also still providing robust incentives to capture the full suite of energy savings from large projects. Approved projects will also be eligible for on-bill repayment support to further reduce first-cost barriers.

### Marketing Approach

The C&I Custom Subprogram will engage with customers and trade allies at multiple levels, including a combination of direct customer, trade ally, and local organization outreach, promotion through key industry events and conferences, and digital marketing, including an informational/engagement web platform to educate and reach relevant contractors and customers. Use of all types of media are anticipated to be included in the marketing plan, including, but not limited to, online and targeted print advertising. Engagement with trade associations (e.g. builders, architects, equipment distributors, professional contractor associations, etc.) will all be important venues for PSE&G to present information about the

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subprogram and raise awareness and encourage participation. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

**Contractor Role**

PSE&G will administer and manage the overall subprogram, including implementation of an on-bill repayment offering, with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction, including, but not limited to, the following activities:

- Offered incentive levels and strategies
- Customer satisfaction
- Measurement and verification during on-site visits
- Subprogram data tracking
- Rebate payments

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

**1.3.3. C&I Small Non-Residential Efficiency**

The C&I Small Non-Residential Efficiency Subprogram is focused on installation of efficiency measures in small non-residential customers that typically lack the time, knowledge, or financial resources necessary to pursue energy efficiency. The subprogram is designed to provide non-residential owners with easy investment decisions for the direct installation of energy efficiency projects. The subprogram will pay the up-front cost to install the recommended energy efficiency measures with the participating customer repaying a portion of the cost either in a lump sum or interest-free on their PSE&G bill. The reduced overall costs and on-bill repayments mitigate up-front cost barriers and assist participants in making decisions, which otherwise would be time-consuming and difficult to justify. The C&I Small Non-Residential Efficiency Subprogram plays an important role in the marketplace because private providers of energy efficiency services typically do not target small non-residential customers due to the lower overall profit for their services when compared with larger non-residential customers. For these reasons, small non-residential customers are often hard to reach, and the subprogram fills an important gap by delivering efficiency services to these customers directly.

The audit will be provided to customers free of charge and will offer recommendations on energy efficiency projects to reduce energy usage and costs. The aggregation of this data will allow PSE&G to better understand its customers and can be used to inform other subprograms and future subprogram designs, such as the C&I Prescriptive Subprogram, the C&I New Construction Subprogram, and the Business Energy Reports Pilot Subprogram.

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The subprogram will also focus on the smallest customers within the small business segment. PSE&G anticipates portions of the subprogram to be directed at restaurants, small offices, and other small businesses that often are left behind in less-comprehensive energy efficiency subprograms. Through a number of delivery mechanisms, PSE&G will assure that all business types are able to participate in this subprogram.

### **Market Segment/Efficiency Targeted**

PSE&G expects small non-residential customers with an average 12-month individual facility annual electricity peak demand usage of less than 200 kW to be the eligibility threshold; however, this figure may be adjusted by PSE&G up to 500 kW subject to Staff approval and alignment with the threshold established by the Joint Utilities, to ensure the subprogram is properly addressing the market in PSE&G's service territory. The subprogram will also be structured to focus on and secure participants especially in the lower-usage tiers.

The subprogram seeks to address high-return, relatively low-cost measures (e.g. LED lighting retrofits), but customers may choose to pursue further retrofits that are eligible for additional incentives. Example end-use categories covered by the subprogram include lighting, HVAC, controls, refrigeration, motors, low-flow devices, pipe wrap and domestic hot water equipment.

### **Delivery Method**

The C&I Small Non-Residential Efficiency Subprogram interfaces with customers via either direct solicitation or upon customer request. All participants receive a site visit, including a free on-site audit to identify energy efficiency retrofit opportunities. Following the audit, participants are provided with a report assessing the site and recommending investments that could further improve the energy efficiency of the facility.

Based on the results of the audit report, the subprogram will offer to initially pay 100% of the project cost to install the recommended energy efficiency measures with the participating customer (or landlord) repaying a portion of the cost either in a lump sum or interest free on their PSE&G bill. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers. PSE&G will provide for the installation of all work and assure it is completed on time and to specifications. This approach frees up the participant, which, as a small non-residential customer, may not have the time or resources to focus on implementation issues.

The subprogram budget will be split into tranches based upon customer consumption size, or other designated factors, to focus contractors to complete work on specific tranches. This will assure that non-residential customers, even those that are the smallest and often overlooked, receive ample focus. Contractors will be limited to specific tranches to assure minimum volumes and scale can be reached while also providing for adequate cost effectiveness. PSE&G may also elect to provide additional contractor-focused bonus incentives to further encourage contractor emphasis on specific sectors. The tranche divisions will be implemented to combat contractors' inherent focus on larger customer facilities. The subprogram may also be marketed and structured into customer types. For example, one element of the subprogram structure may focus on restaurants, while another is focused on convenience stores and bodegas.

### **Proposed Incentives**

One of the key benefits of the subprogram is that it is a simple, turnkey solution for small non-residential customers that requires no up-front customer investment. The initial site visit, energy audit, and installation of recommended efficiency measures are provided at no initial cost to participants. This up-front incentive value will be evaluated periodically to assure that the subprogram incentive is adequate and provides the correct signal to the marketplace regarding energy efficiency. Participants will reimburse PSE&G a portion

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of total project cost interest-free through on-bill repayments, thereby eliminating the up-front cost burden of installing energy efficiency measures. The incentive portion of the total project cost is up to 70%, with the option to provide up to 80% incentive for underserved markets such as small businesses up to 100kW, or customers in Urban Enterprise Zones, etc. PSE&G may adjust the incentive structure to encourage deeper retrofits, as well as to encourage participation by micro-customers.

### **Marketing Approach**

The C&I Small Non-Residential Efficiency Subprogram will be marketed to customers through a combination of direct outreach by subprogram staff and a third-party implementation contractor, web-based engagement and customer information analytics, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Direct outreach from a third-party implementation contractor may include unsolicited visits to customer premises to distribute hard-copy subprogram materials, inform customers about the subprogram directly, and solicit participation. This strategy is useful for enrolling small non-residential customers that may be interested in participating, but have not heard of the subprogram and do not have resources to prioritize reaching out to PSE&G.

PSE&G will evaluate the potential to utilize Business Energy Reports or customer information analytics to identify and target customers best suited for participation in the subprogram.

### **Contractor Role**

PSE&G will administer and manage the subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's management and strategic direction, including, but not limited to:

- Initial participant recruitment, audit, and equipment installation
- Subprogram data tracking
- Direct customer outreach/subprogram delivery strategy
- Development of measure mix
- Marketing
- Promotion of emerging technology
- Customer satisfaction

The third-party implementation contractor will take on the responsibility of managing the subprogram, directing the qualification of contractors, and will work to assure that ample contractors are available to complete all work derived from the subprogram.

A group of selected vendors will perform the audits and installations, working with PSE&G and the third-party implementation contractor's oversight to undertake all construction and installation work identified in the audit process.

#### **1.3.4. C&I Energy Management**

The C&I Energy Management Subprogram includes two major subprogram initiatives: Retro-commissioning and Strategic Energy Management. Both subprograms are designed to optimize energy consumption in existing C&I buildings through management of major energy using systems, user behavior, and low-cost, easy-to-install efficiency measures at the time of an initial site visit or a follow-up. In many cases, revised building management processes can produce meaningful energy savings without capital

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investment in new equipment or controls; however, recommended investment areas may also be identified through this subprogram. Details of the subprogram initiatives are as follows:

- **Retro-commissioning (RCx):** Also known as ‘existing building commissioning’, retro-commissioning focuses on identifying operations and maintenance improvements in existing commercial buildings to ensure optimal performance of building systems and system interactions. Retro-commissioning applies the same systematic process to buildings as is applied during initial building commissioning, and may be performed every three to five years to ensure optimal building performance. Retro-commissioning is typically among the most cost-effective energy savings strategies applied in commercial buildings and may produce other non-energy benefits, including extending the life of existing equipment and improving thermal comfort and indoor air quality.
- **Strategic Energy Management (SEM):** This subprogram is primarily geared toward industrial and manufacturing buildings and is a holistic approach to managing energy usage focused on management of existing systems and processes (including behavior), as well as tracking and benchmarking performance to identify and evaluate energy optimization efforts. SEM is a long-term effort typically led by an external instructor focused on developing and executing an energy management strategy via workshops, webinars, and group/individual training sessions with cohorts of facility managers. SEM applies continuous improvement principles to energy management to encourage and enable a culture of energy efficiency within an organization to develop measurable long-term savings.

**Market Segment/Efficiency Targeted**

All commercial, industrial, and other non-residential customers located within PSE&G’s electric and/or natural gas territory are eligible to participate in this subprogram.

RCx targets the existing commercial building stock, and is particularly relevant for medium to large non-industrial building types including office, lodging, education, healthcare, laboratory, warehouse/storage, supermarkets, and more. The primary target market for the RCx subprogram will be C&I customers utilizing a building management system.

SEM targets existing large and very large commercial and industrial customers and building types, and is particularly relevant to large energy users engaged in manufacturing processes. For SEM to be successful, the subprogram will invest significant resources upfront to focus on recruiting and pre-qualifying customers to participate in the subprogram. SEM’s objective is to change a company’s focus and engagement with energy management over the long-term, in a continuous manner. A core goal is to recruit customers who demonstrate genuine and committed interest in working with PSE&G over a long period of time. These “energy champions” will ideally include multiple staff at each company, placed in different departments and various levels of seniority and decision making in the company.

Eligible measures will vary depending on the business segment served, but are likely to include at least the following:

- Optimizing chiller and boiler operations to better match building load conditions
- Reducing ventilation in over-ventilated areas
- Fixing ventilation dampers that are open when they should be closed, or vice versa
- System rebalancing and decreasing supply air pressure set-point
- Reducing supply air temperature and fan speed in air handling units
- Aligning zone temperature set-points to match the building’s occupancy patterns
- Operating equipment only when building is occupied or when equipment is needed
- Lighting controls including occupancy/vacancy controls, photo-sensors, and timer controls



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**Delivery Method**

The RCx and SEM Programs will be delivered by a third-party implementation contractor(s). Both subprograms require customer and trade ally involvement in the form of on-site access to existing equipment, management protocols, and energy management/facilities staff.

To support the marketplace and develop a project pipeline, the following delivery strategies, among others, will be pursued:

- **Targeted Customer Outreach:** Subprogram staff and their representatives will make outreach efforts directly to PSE&G customers that own or operate facilities identified by internal screening activity as potential participants. Factors considered in initial screening may include building age/size/type and historical energy use patterns.
- **Technical Customer Assistance:** An important element of the C&I Energy Management Subprogram is the availability of technical support, guidance, training and orientation from PSE&G's third-party implementation contractor(s). Subprogram staff will be available to support customers and determine if they may qualify for participation for either RCx or SEM. Depending on the customer's goals and likely energy savings potential, significant customer engagement may be undertaken for the SEM subprogram.
- **On-Site Implementation:** Both the RCx and SEM subprograms require subprogram staff to visit customer premises to identify energy savings opportunities (including through the logging and analysis of energy consumption data) and develop strategies and solutions for acquiring these savings.

The RCx subprogram will be delivered through a network of approved retro-commissioning service providers (RSPs) operating in PSE&G's service territory that have been trained in subprogram protocols and participation processes. Once an application has been accepted, one of the expert engineering RSPs conducts a detailed energy assessment to investigate and identify low-cost energy-saving operational improvements through a systematic evaluation of energy using systems. RCx involves a series of steps to qualify appropriate customers for participation and to ensure the subprogram will produce meaningful energy savings. These steps may include:

- **Initial Customer Screening:** Customer-submitted applications are reviewed to assess the likelihood of energy savings. Customers may also be identified through a data analytics engine using PSE&G data and through data acquired via the Business Energy Reports Pilot or other methods.
- **Project Scoping:** The building owner or primary representative will be contacted by PSE&G subprogram staff or their representatives to schedule a time for an on-site visit. This visit will entail inspecting the building and major energy using equipment, reviewing past energy consumption, and identifying preliminary opportunities for energy-use reduction.
- **Agreement and Implementation:** A rigorous evaluation of building systems is conducted and an incentive agreement is finalized with the customer regarding project measures, implementation strategy, and incentives.
- **Follow-up:** Additional training may be provided to building owners/operators after completion of an RCx project to ensure savings persistence.

Example SEM implementation efforts also include the following:

- **Onsite Energy Management Assessment:** Identify current strengths and weaknesses in existing energy management practices.

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- **Metering Training:** Instruction on the use of metering equipment to identify energy saving opportunities and an introduction to energy modelling.
- **Coach-led Training Sessions:** Targeted at any combination of building operations/facilities staff, management personnel, and other company staff, training sessions are used to build awareness and detect inefficient operating practices.
- **Benchmarking:** Energy consumption benchmarking is a key aspect of SEM, and both baseline and ongoing energy use monitoring strategies are employed to encourage data-driven energy management and short-term feedback.

### **Proposed Incentives**

Incentives will be reviewed periodically with the input of subprogram staff and broader feedback from the marketplace to ensure the incentive design is optimally driving energy savings and participation. The incentive design structure and payment per first year kWh and therm saved may be different between the RCx and SEM subprogram participants. Additionally, incentive levels may vary depending on the end-use where the savings are achieved, and the overall comprehensiveness and estimated longevity of the energy savings. These incentives are subject to change based on final subprogram design and the go-to-market implementation plan.

### **Marketing Approach**

The C&I Energy Management Subprogram will engage with customers at multiple levels, including through a combination of direct outreach by subprogram staff and representatives, web-based engagement and information, digital advertising, and hard-copy materials to promote awareness among trade allies and customers. Engagement with building and facilities managers for large commercial and industrial customers will all be an important pathway for PSE&G to present information about the subprogram, raise awareness, and encourage participation. PSE&G's brand and its relationships with these customer types will drive participation. The subprogram will leverage PSE&G's existing relationships with customers through subprogram staff and account management team.

Education and promotional materials will be developed for building owners and operators to reinforce the benefits of energy efficiency improvements and improved systems performance, including educational brochures, customer and market provider seminars, subprogram promotional material, and website content.

The marketing strategy will identify key customer segments and vertical markets for targeting, and will prepare specific outreach activities for these customers. The strategy will be designed to inform customers of the availability and benefits of the subprogram and how they can participate in the RCx or SEM subprograms.

The marketing and communications plan will include:

- Creating and updating Subprogram Fact Sheets, Case Studies
- Hosting an annual Subprogram product knowledge workshop
- Participating in local conferences and industry events to promote the RCx and SEM programs

### **Contractor Role**

PSE&G will administer and manage the overall subprogram with the support of third-party implementation contractor(s). The third-party implementation contractor will have responsibility for the majority of delivery tasks and customer outreach on behalf of PSE&G. It is anticipated that this third-party implementation contractor will work closely with PSE&G to optimize the subprogram's strategic direction including, but not limited to, conducting the following tasks:

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- Customer outreach/subprogram delivery strategy
- Select, train and manage network of RCx trade ally contractors
- Energy modeling and equipment metering
- Leading SEM coaching and engagement sessions
- Incentive levels and strategies
- Marketing
- Customer satisfaction
- Subprogram data tracking
- Rebate processing

PSE&G will select a qualified third-party implementation contractor (or contractors) based on, but not limited to, the following factors:

- Technical Approach
- Organizational and Management Capability
- Experience
- Cost

### **1.3.5. C&I Engineered Solutions**

The C&I Engineered Solutions Subprogram will provide tailored energy efficiency assistance to public service entities, such as municipalities, universities, schools, hospitals (MUSH), non-profit entities and multi-family facilities. The subprogram will provide expert-guided service throughout delivery to assist customers in identifying and undertaking large energy efficiency projects on-site, while requiring no up-front funding from the customer.

Through this subprogram, customers will be provided with an in-depth audit of their facilities, as well as a detailed assessment and recommendation of energy efficiency measures that could be economically installed. Customer incentives are determined on a project-by-project basis, and participants may select their preferred installation providers. In addition to the calculated project-by-project incentive, participants will have the option to pay back the non-incentive portion of the project costs through interest free on-bill repayments over a period of five years (and ten years for HMFA qualified multi-family facilities). Through this subprogram design, participants in market segments that have typically been underserved are able to achieve greater energy savings.

### **Market Segment/Efficiency Targeted**

C&I public service (MUSH), non-profit, and multi-family entities located within PSE&G's electric and/or natural gas service territory are eligible to participate in this subprogram. The subprogram will provide energy audits and incentives to entities that directly serve the public, but often have difficulty investing in energy efficiency. The measures included in this subprogram may include HVAC, building envelope, motors, lighting, controls, energy storage, and other energy consuming equipment.

### **Delivery Method**

PSE&G will retain qualified vendors to undertake the audit and engineering services required to deliver this subprogram. Participants will contract with their preferred installation providers to install the measures included in projects.

The subprogram delivery will typically occur in four steps:

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- **Audit:** PSE&G shall assess the required level of American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) audit to perform, based on the complexity of the facility and the potential energy efficiency measures; an investment grade audit may not be required for all facilities. The selected PSE&G vendor will then perform the appropriate level energy audit and prepare a customized audit report that includes a list of recommended energy efficiency upgrades. PSE&G and its representatives will then review the recommended energy efficiency upgrades with the customer to determine whether to proceed with a project.
- **Engineering Analysis of Project:** Based on the audit results, an engineering analysis may be required. PSE&G will conduct a screening of the payback and project cost effectiveness and select a set of approved energy efficiency measures for the project. The subprogram engineering vendor will prepare bid-ready documents and work with the participant to prepare a project scope of work, which will be used by the customer to obtain installation cost estimates for the project.
- **Scope of Work/Contractor Bids:** The participant will issue a scope of work to obtain bids to complete the identified project. PSE&G, the subprogram engineering vendor and the participant will review and evaluate the bids/costs received, with the participant making the final decision on bid selection. Following bid selection, the proposed project is again screened for cost effectiveness and the participant is presented the funding commitment proposal from PSE&G. Once (i) the participant and PSE&G have executed the funding commitment and (ii) the installation provider and the participant have executed applicable agreements and contracts, the first progress payment equal to approximately 30% of the installation cost can be issued to the customer to initiate the project (Stage 1 Progress Payment).
- **Measures Installation and Inspections:** PSE&G and the energy engineering vendor, acting as construction administration agent, will monitor project progress. Upon verification of satisfactory project progress, a series of Stage 2 progress payments up to 50% of total project commitment can be issued. When the project is 100% complete, a final project true-up, and final inspection are undertaken. The final payment based on the results of project true-up is determined and issued only if the final inspection is successfully completed and approved. If the final costs are less than the estimated project commitment, the final payment will be adjusted down to reflect the actual costs. If the final costs are greater than the estimated project commitment, the final payment will not be adjusted and will be paid according to the executed agreements and contracts specifying original costs.

The progress payment schedule described above is designed to ensure that building owners can pay their contractors on a timely basis. Project progress and the project cash flow will be monitored and verified by PSE&G or a designated third-party implementation contractor.

### **Proposed Incentives**

The subprogram will provide a 100% incentive for an up-front ASHRAE Level I, II, or III audit. The specific audit level will be determined based upon the type, size, and age of the facility. In addition, PSE&G will buy-down the simple payback of the recommended energy efficiency project cost for approved measures by up to six years, with the resulting payback not less than three years. After the project incentive buy-down, the remaining project costs may be funded by the subprogram with participants repaying the balance of the project costs on-bill.

PSE&G will retain the option and flexibility to adjust the incentive offered to participants to enable a whole-building approach that will include additional ECMs in the project.

The full cost of the energy efficiency projects (including engineering, transaction costs and cost of construction) will be covered through a combination of subprogram incentive and customer repayments.

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### **Marketing Approach**

PSE&G will leverage existing relationships with municipalities, universities, schools, and other public agencies to promote the subprogram and will conduct further outreach through school, university, and municipal associations. In addition, PSE&G will generate a marketing campaign to hospitals, healthcare facilities, non-profits, and multi-family agencies to increase awareness of the subprogram. The subprogram will leverage PSE&G's existing relationships and communication channels with customers through subprogram staff and account management team.

### **Contractor Role**

PSE&G will select qualified subprogram participating vendors to undertake all auditing and engineering work associated with the subprogram. Participants are permitted to select their preferred installation providers to complete work on-site. PSE&G may also utilize a third-party implementation contractor to assist in the outreach, marketing, and trade ally coordination, to support the large number of municipalities and schools within the PSE&G service territory. The installation provider will adhere to the project specifications set forth by PSE&G and the engineering vendor and approved by the participant. The third-party implementation contractor will also monitor participation to assess the effectiveness of outreach efforts, incentive levels, delivery methods, and vendor availability and provide suggestions for improvement.

To select a qualified third-party implementation contractor, PSE&G will prioritize criteria such as:

- Experience delivering similar subprograms or initiatives
- Resources and marketing strength
- Cost effectiveness

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## APPENDIX A – MEASURE-LEVEL DETAILS

The chart below contains preliminary measure-by-measure details used to develop the subprograms. It is anticipated that incentive levels may change prior to and during the implementation of each Subprogram.

**Table 1. Measure Level Details**

| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|------------------|---|-------------------|--------------------------|-----------------------|
| Res Eff Products | Storage WH, EF=0.82                                     | GAS               | per water heater         | \$125.00              |
| Res Eff Products | Instant WH, EF>=0.82                                    | GAS               | per water heater         | \$150.00              |
| Res Eff Products | Heat Pump WH  | ELEC              | per water heater         | \$400.00              |
| Res Eff Products | Circulator with demand control                          | GAS               | per water heater         | \$40.00               |
| Res Eff Products | Indirect water heater with Energy Star hot water boiler | GAS               | per water heater         | \$400.00              |
| Res Eff Products | Condensing Boiler 90-95%                                | GAS               | Per Boiler               | \$400.00              |
| Res Eff Products | ENERGY STAR RAC   | ELEC              | Per Room AC              | \$50.00               |
| Res Eff Products | ENERGY STAR CAC (16 SEER 13 EER)                        | ELEC              | Per Air Conditioner      | \$400.00              |
| Res Eff Products | ENERGY STAR Fan   | ELEC              | Per Fan                  | \$15.00               |
| Res Eff Products | ENERGY STAR Mini Split HP                               | ELEC              | Per Heat Pump            | \$400.00              |
| Res Eff Products | SEER 18 HSPF 8.5, installed according to specifications | ELEC              | Per Heat Pump            | \$450.00              |
| Res Eff Products | ENERGY STAR heat pump                                   | ELEC              | Per System               | \$450.00              |
| Res Eff Products | WiFi thermostat   | ELEC              | Per Thermostat           | \$100.00              |
| Res Eff Products | WiFi thermostat   | GAS               | Per Thermostat           | \$75.00               |
| Res Eff Products | Condensing Furnace 95-97%                               | GAS               | Per Furnace              | \$400.00              |
| Res Eff Products | VRF Heat Pump   | ELEC              | Per VRF System           | \$400.00              |
| Res Eff Products | Most efficient Direct Unit Heater available             | GAS               | Per Direct Heater        | \$400.00              |
| Res Eff Products | ECM circulator pump                                     | ELEC              | Per pump                 | \$75.00               |
| Res Eff Products | ECM Motor   | ELEC              | Per HVAC system          | \$100.00              |
| Res Eff Products | Condensing boiler combo                                 | GAS               | Per Water Heating System | \$350.00              |
| Res Eff Products | Properly maintained CAC, 2.6 ton                        | ELEC              | Per AC System            | \$25.00               |
| Res Eff Products | ENERGY STAR Freezer                                     | ELEC              | per Freezer              | \$75.00               |
| Res Eff Products | ENERGY STAR Most Efficient Refrigerator                 | ELEC              | per Refrigerator         | \$75.00               |

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| Subprogram Name  | Measure                                     | Primary Fuel Type | Unit Basis            | Modeled AVG Incentive |
|------------------|---|-------------------|-----------------------|-----------------------|
| Res Eff Products | Heat Pump Clothes Dryer                     | ELEC              | per dryer             | \$75.00               |
| Res Eff Products | EnergyStar Side-Loading Clothes Washer      | GAS               | Per Clothes Washer    | \$75.00               |
| Res Eff Products | EnergyStar Side-Loading Clothes Washer      | ELEC              | Per Clothes Washer    | \$75.00               |
| Res Eff Products | EnergyStar Ceiling Fan, no light            | ELEC              | per Ceiling Fan       | \$15.00               |
| Res Eff Products | EnergyStar Portable Dehumidifier            | ELEC              | per Dehumidifier      | \$35.00               |
| Res Eff Products | Energy Star Dryer                           | ELEC              | per Dryer             | \$50.00               |
| Res Eff Products | Energy Star Dryer                           | GAS               | PER DRYER             | \$50.00               |
| Res Eff Products | Energy Star Air Cleaner                     | ELEC              | per Air Cleaner       | \$50.00               |
| Res Eff Products | Energy Star Television                      | ELEC              | per Television        | \$10.00               |
| Res Eff Products | Energy Star 5.0 TV Set Top Box              | ELEC              | per TV Set Top Box    | \$1.50                |
| Res Eff Products | Energy Star 7.0 LCD Monitor                 | ELEC              | Per Monitor           | \$2.50                |
| Res Eff Products | ECM Whole Home Fan                          | ELEC              | per Fan               | \$15.00               |
| Res Eff Products | Induction Cooktop Stove                     | ELEC              | per stove             | \$25.00               |
| Res Eff Products | Variable Speed Pool Pump                    | ELEC              | per in-ground pool    | \$250.00              |
| Res Eff Products | Above ground pool with pump timer           | ELEC              | per above-ground pool | \$10.00               |
| Res Eff Products | LED Screw-in General Service Lamp           | ELEC              | Per Bulb              | \$3.00                |
| Res Eff Products | Networked/ Connected - Indoor LED Lamp      | ELEC              | Per Bulb              | \$5.00                |
| Res Eff Products | LED Replacement Lamp (Tube)                 | ELEC              | Per Bulb              | \$3.00                |
| Res Eff Products | LED ENERGY STAR Fixture                     | ELEC              | Per Fixture           | \$10.00               |
| Res Eff Products | Networked/ Connected - Indoor LED Luminaire | ELEC              | Per Fixture           | \$10.00               |
| Res Eff Products | LED Outdoor Flood Light Fixture             | ELEC              | Per Fixture           | \$5.00                |
| Res Eff Products | LED Nightlight                              | ELEC              | Per Bulb              | \$1.59                |
| Res Eff Products | Manual Dimming Control All Types            | ELEC              | Per Bulb              | \$2.21                |
| Res Eff Products | Occupancy Sensor                            | ELEC              | Per Bulb              | \$5.33                |
| Res Eff Products | Daylighting Control                         | ELEC              | Per Bulb              | \$5.00                |
| Res Eff Products | Low flow aerator                            | ELEC              | per faucet            | \$6.00                |
| Res Eff Products | Low flow aerator                            | GAS               | per faucet            | \$7.00                |
| Res Eff Products | Low flow showerhead                         | GAS               | per shower            | \$8.00                |

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| Subprogram Name    | Measure                                     | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|--------------------|---|-------------------|--------------------------|-----------------------|
| Res Eff Products   | Low flow showerhead                         | ELEC              | per shower               | \$9.00                |
| Res Eff Products   | Pipe wrap (hot water)                       | GAS               | per house                | \$10.00               |
| Res Eff Products   | Pipe wrap (hot water)                       | ELEC              | per house                | \$10.00               |
| Res Eff Products   | Secondary Freezer Not Replaced              | ELEC              | per Freezer              | \$75.00               |
| Res Eff Products   | Secondary Refrigerator Not Replaced         | ELEC              | per Refrigerator         | \$75.00               |
| Res Eff Products   | Smart (Tier 1) Power Strip                  | ELEC              | per smart power strip    | \$15.00               |
| Res Eff Products   | Advanced Smart (Tier 2) Power Strip         | ELEC              | per advanced power strip | \$25.00               |
| Res Existing Homes | Sealed duct in unconditioned spaces         | ELEC              | Per Household            | \$150.00              |
| Res Existing Homes | Ground Source Heat Pump                     | ELEC              | Per GSHP                 | \$450.00              |
| Res Existing Homes | ENERGY STAR RAC                             | ELEC              | Per Room AC              | \$35.00               |
| Res Existing Homes | ENERGY STAR CAC (16 SEER 13 EER)            | ELEC              | Per Air Conditioner      | \$450.00              |
| Res Existing Homes | ENERGY STAR heat pump                       | ELEC              | Per System               | \$350.00              |
| Res Existing Homes | VRF Heat Pump                               | ELEC              | Per VRF System           | \$350.00              |
| Res Existing Homes | Fan system with heat recovery               | GAS               | Per Fan System           | \$300.00              |
| Res Existing Homes | Properly installed CAC                      | ELEC              | Per Air Conditioner      | \$50.00               |
| Res Existing Homes | Added Desuperheater                         | ELEC              | per GSHP                 | \$250.00              |
| Res Existing Homes | Drainwater Heat Exchanger                   | ELEC              | per house                | \$300.00              |
| Res Existing Homes | LED Screw-in General Service Lamp           | ELEC              | Per Bulb                 | \$10.00               |
| Res Existing Homes | Networked/ Connected - Indoor LED Lamp      | ELEC              | Per Bulb                 | \$10.00               |
| Res Existing Homes | LED Replacement Lamp (Tube)                 | ELEC              | Per Bulb                 | \$5.00                |
| Res Existing Homes | LED ENERGY STAR Fixture                     | ELEC              | Per Fixture              | \$8.00                |
| Res Existing Homes | Networked/ Connected - Indoor LED Luminaire | ELEC              | Per Fixture              | \$10.00               |
| Res Existing Homes | LED Outdoor Flood Light Fixture             | ELEC              | Per Fixture              | \$5.00                |
| Res Existing Homes | LED Nightlight                              | ELEC              | Per Bulb                 | \$2.00                |
| Res Existing Homes | Manual Dimming Control All Types            | ELEC              | Per Bulb                 | \$2.00                |
| Res Existing Homes | Occupancy Sensor                            | ELEC              | Per Bulb                 | \$5.00                |
| Res Existing Homes | Daylighting Control                         | ELEC              | Per Bulb                 | \$5.00                |
| Res Existing Homes | Condensing Boiler 90-95%                    | GAS               | Per Boiler               | \$400.00              |



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| Subprogram Name    | Measure                             | Primary Fuel Type | Unit Basis       | Modeled AVG Incentive |
|--------------------|-------------------------------------|-------------------|------------------|-----------------------|
| Res Existing Homes | Condensing Furnace 95-97%           | GAS               | Per Furnace      | \$400.00              |
| Res Existing Homes | Low flow aerator                    | ELEC              | per faucet       | \$4.00                |
| Res Existing Homes | Low flow aerator                    | GAS               | per faucet       | \$4.00                |
| Res Existing Homes | Low flow showerhead                 | ELEC              | per shower       | \$11.00               |
| Res Existing Homes | Low flow showerhead                 | GAS               | per shower       | \$11.00               |
| Res Existing Homes | Pipe wrap (hot water)               | GAS               | per house        | \$22.00               |
| Res Existing Homes | Pipe wrap (hot water)               | ELEC              | per house        | \$22.48               |
| Res Existing Homes | Standard flow showerhead with TSV   | ELEC              | per shower       | \$34.00               |
| Res Existing Homes | Water Heater set to 120F            | ELEC              | per water heater | \$5.00                |
| Res Existing Homes | Instant WH, EF>=0.82                | GAS               | per water heater | \$300.00              |
| Res Existing Homes | WH timer                            | ELEC              | per water heater | \$5.00                |
| Res Existing Homes | Single-Pane window with low-E film  | ELEC              | per living unit  | \$138.60              |
| Res Existing Homes | Home that has air sealing performed | ELEC              | per house        | \$350.00              |
| Res Existing Homes | Home that has air sealing performed | GAS               | per house        | \$350.00              |
| Res Existing Homes | Insulated ductwork                  | GAS               | per living unit  | \$300.00              |
| Res Existing Homes | Home with insulated basement        | GAS               | per house        | \$500.00              |
| Res Existing Homes | Home with insulated ceiling roof    | GAS               | per house        | \$500.00              |
| Res Existing Homes | Home with insulated knee walls      | GAS               | per house        | \$400.00              |
| Res Existing Homes | Home with insulated rim joists      | GAS               | per house        | \$350.00              |
| Res Existing Homes | Home with insulated walls           | GAS               | per house        | \$350.00              |
| Res Existing Homes | Insulated ductwork                  | ELEC              | per living unit  | \$500.00              |
| Res Existing Homes | Home with insulated basement        | ELEC              | per house        | \$500.00              |
| Res Existing Homes | Home with insulated ceiling roof    | ELEC              | per house        | \$500.00              |
| Res Existing Homes | Home with insulated knee walls      | ELEC              | per house        | \$350.00              |
| Res Existing Homes | Home with insulated rim joists      | ELEC              | per house        | \$350.00              |
| Res Existing Homes | Home with insulated walls           | ELEC              | per house        | \$500.00              |
| Res Existing Homes | Boiler with reset controls          | GAS               | Per Boiler       | \$200.00              |
| Res Existing Homes | Insulated piping                    | GAS               | Per Household    | \$11.00               |

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| Subprogram Name      | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|----------------------|---|-------------------|--------------------------|-----------------------|
| Res Existing Homes   | HVAC system sized according to Manual J           | ELEC              | Per System               | \$125.00              |
| Res Existing Homes   | Heat Pump operating according to specifications   | ELEC              | Per Heat Pump            | \$75.00               |
| Res Existing Homes   | Properly maintained furnace                       | GAS               | Per Furnace              | \$25.00               |
| Res Existing Homes   | Steam heating system with properly adjusted vents | GAS               | Per household            | \$40.00               |
| Res Existing Homes   | Secondary Freezer Not Replaced                    | ELEC              | per Freezer              | \$50.00               |
| Res Existing Homes   | Secondary Refrigerator Not Replaced               | ELEC              | per Refrigerator         | \$50.00               |
| Res Existing Homes   | Smart (Tier 1) Power Strip                        | ELEC              | per smart power strip    | \$20.00               |
| Res Existing Homes   | Advanced Smart (Tier 2) Power Strip               | ELEC              | per advanced power strip | \$30.00               |
| Res Behavior         | Home Energy Reports                               | ELEC              | per report               | \$11.00               |
| Res K-12 Education   | K-12 Education Behavior (HER)                     | GAS               | per report               | \$0.00                |
| Res K-12 Education   | K-12 Education Behavior (HER)                     | ELEC              | per report               | \$0.00                |
| Res K-12 Education   | Low flow aerator                                  | ELEC              | per faucet               | \$4.00                |
| Res K-12 Education   | Low flow aerator                                  | GAS               | per faucet               | \$4.00                |
| Res K-12 Education   | Low flow showerhead                               | GAS               | per shower               | \$11.00               |
| Res K-12 Education   | Low flow showerhead                               | ELEC              | per shower               | \$11.00               |
| Res K-12 Education   | LED Screw-in General Service Lamp                 | ELEC              | Per Bulb                 | \$9.00                |
| Res K-12 Education   | Networked/ Connected - Indoor LED Lamp            | ELEC              | Per Bulb                 | \$41.00               |
| Res K-12 Education   | LED Nightlight                                    | ELEC              | Per Bulb                 | \$9.00                |
| Res New Construction | Res New Construction - Per Home Gas Component     | GAS               | per living unit          | \$1,250.00            |
| Res New Construction | Res New Construction - Per Home Elec Component    | ELEC              | per living unit          | \$1,250.00            |
| Res MF               | Home Energy Reports                               | ELEC              | per report               | \$6.00                |
| Res MF               | Home Energy Reports                               | GAS               | per report               | \$6.00                |
| Res MF               | Low flow aerator                                  | ELEC              | per faucet               | \$4.00                |
| Res MF               | Low flow aerator                                  | GAS               | per faucet               | \$4.00                |
| Res MF               | Low flow showerhead                               | GAS               | per shower               | \$11.00               |
| Res MF               | Low flow showerhead                               | ELEC              | per shower               | \$11.00               |
| Res MF               | Standard flow showerhead with TSV                 | ELEC              | per shower               | \$34.00               |
| Res MF               | Smart (Tier 1) Power Strip                        | ELEC              | per smart power strip    | \$33.00               |

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| Subprogram Name | Measure                             | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|-----------------|-------------------------------------|-------------------|--------------------------|-----------------------|
| Res MF          | Advanced Smart (Tier 2) Power Strip | ELEC              | per advanced power strip | \$45.00               |
| Res MF          | LED Screw-in General Service Lamp   | ELEC              | Per Bulb                 | \$9.00                |
| Res MF          | LED Nightlight                      | ELEC              | Per Bulb                 | \$0.00                |
| Income Eligible | Condensing Furnace 95-97%           | GAS               | Per Furnace              | \$2,637.98            |
| Income Eligible | Condensing Boiler 90-95%            | GAS               | Per Boiler               | \$3,754.57            |
| Income Eligible | LED Outdoor Flood Light Fixture     | ELEC              | Per Fixture              | \$60.30               |
| Income Eligible | LED Screw-in General Service Lamp   | ELEC              | Per Bulb                 | \$8.76                |
| Income Eligible | LED ENERGY STAR Fixture             | ELEC              | Per Fixture              | \$43.17               |
| Income Eligible | LED Nightlight                      | ELEC              | Per Bulb                 | \$9.17                |
| Income Eligible | Low flow aerator                    | ELEC              | per faucet               | \$4.00                |
| Income Eligible | Low flow aerator                    | GAS               | per faucet               | \$4.00                |
| Income Eligible | Low flow showerhead                 | GAS               | per shower               | \$11.00               |
| Income Eligible | Low flow showerhead                 | ELEC              | per shower               | \$11.00               |
| Income Eligible | Pipe wrap (hot water)               | GAS               | per house                | \$22.48               |
| Income Eligible | Pipe wrap (hot water)               | ELEC              | per house                | \$22.48               |
| Income Eligible | Standard flow showerhead with TSV   | ELEC              | per shower               | \$34.00               |
| Income Eligible | Water Heater set to 120F            | GAS               | per water heater         | \$5.00                |
| Income Eligible | Instant WH, EF>=0.82                | GAS               | per water heater         | \$1,828.65            |
| Income Eligible | WH timer                            | GAS               | per water heater         | \$136.00              |
| Income Eligible | Single-Pane window with low-E film  | ELEC              | per living unit          | \$789.60              |
| Income Eligible | Home that has air sealing performed | ELEC              | per house                | \$1,007.40            |
| Income Eligible | Home that has air sealing performed | GAS               | per house                | \$1,007.40            |
| Income Eligible | Insulated ductwork                  | ELEC              | per living unit          | \$667.00              |
| Income Eligible | Home with insulated basement        | ELEC              | per house                | \$1,500.00            |
| Income Eligible | Home with insulated ceiling roof    | ELEC              | per house                | \$1,800.00            |
| Income Eligible | Home with insulated knee walls      | ELEC              | per house                | \$900.00              |
| Income Eligible | Home with insulated rim joists      | ELEC              | per house                | \$500.00              |
| Income Eligible | Home with insulated walls           | ELEC              | per house                | \$1,500.00            |

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| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|------------------|---|-------------------|--------------------------|-----------------------|
| Income Eligible  | Boiler with reset controls                        | GAS               | Per Boiler               | \$300.00              |
| Income Eligible  | Insulated ductwork                                | GAS               | per living unit          | \$667.00              |
| Income Eligible  | Home with insulated basement                      | GAS               | per house                | \$1,500.00            |
| Income Eligible  | Home with insulated ceiling roof                  | GAS               | per house                | \$1,800.00            |
| Income Eligible  | Home with insulated knee walls                    | GAS               | per house                | \$900.00              |
| Income Eligible  | Home with insulated rim joists                    | GAS               | per house                | \$500.00              |
| Income Eligible  | Home with insulated walls                         | GAS               | per house                | \$1,500.00            |
| Income Eligible  | Insulated piping                                  | GAS               | Per Household            | \$22.48               |
| Income Eligible  | HVAC system sized according to Manual J           | ELEC              | Per System               | \$250.00              |
| Income Eligible  | Heat Pump operating according to specifications   | ELEC              | Per Heat Pump            | \$130.00              |
| Income Eligible  | Properly maintained furnace                       | GAS               | Per Furnace              | \$125.00              |
| Income Eligible  | Steam heating system with properly adjusted vents | GAS               | Per household            | \$125.02              |
| Income Eligible  | Smart (Tier 1) Power Strip                        | ELEC              | per smart power strip    | \$33.00               |
| Income Eligible  | Advanced Smart (Tier 2) Power Strip               | ELEC              | per advanced power strip | \$50.00               |
| C&I Prescriptive | Instant WH 0.82 or 0.94 TE (Gas)                  | GAS               | per kBtu/hr              | \$2.00                |
| C&I Prescriptive | Comm Storage WH Et=0.8, with heat recovery (Gas)  | GAS               | per kBtu/hr              | \$200.00              |
| C&I Prescriptive | HW Recirc System w Demand control (Gas)           | GAS               | per recirculation system | \$1,000.00            |
| C&I Prescriptive | Insulated HW pipe in unconditioned space (Gas)    | GAS               | per linear foot pipe     | \$8.00                |
| C&I Prescriptive | Advanced Smart (Tier 2) Power Strip (Electric)    | ELEC              | per Power Strip          | \$20.00               |
| C&I Prescriptive | Boiler with reset controls (Gas)                  | GAS               | Per kBtu/h               | \$0.24                |
| C&I Prescriptive | HVAC with WiFi thermostat (Gas)                   | GAS               | per thermostat           | \$75.00               |
| C&I Prescriptive | HVAC with WiFi thermostat (Electric)              | ELEC              | per thermostat           | \$75.00               |
| C&I Prescriptive | HVAC system with EMS (Gas)                        | GAS               | Per 1000 sqft            | \$500.00              |
| C&I Prescriptive | HVAC with CO2-based control (Gas)                 | GAS               | Per 1000 sqft            | \$30.00               |
| C&I Prescriptive | HVAC with CO2-based control (Electric)            | ELEC              | Per 1000 sqft            | \$40.00               |
| C&I Prescriptive | Boiler Tune-Up                                    | GAS               | kbtu/hr input            | \$0.33                |
| C&I Prescriptive | Furnace Tune-Up                                   | GAS               | kbtu/hr input            | \$0.33                |
| C&I Prescriptive | Furnace with ECM Fan Motor (Electric)             | ELEC              | Per kBtu/h               | \$1.00                |

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| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis           | Modeled AVG Incentive |
|------------------|---|-------------------|----------------------|-----------------------|
| C&I Prescriptive | VFD-Controlled Motor (Electric)                 | ELEC              | per HP               | \$100.00              |
| C&I Prescriptive | ECM Circulator Pump (Electric)                  | ELEC              | Per HP               | \$635.00              |
| C&I Prescriptive | Insulated pipe (Gas)                            | GAS               | per linear foot pipe | \$8.00                |
| C&I Prescriptive | Chilled Water Pump with VFD (Electric)          | ELEC              | per HP               | \$150.00              |
| C&I Prescriptive | Variable Air Volume HVAC (Electric)             | ELEC              | Per ton              | \$200.00              |
| C&I Prescriptive | Cooling Tower Fan with VFD (Electric)           | ELEC              | per HP               | \$100.00              |
| C&I Prescriptive | PTAC/PTHP with occupancy sensor (Electric)      | ELEC              | Per ton              | \$100.00              |
| C&I Prescriptive | Air Handler with DOAS (Gas)                     | GAS               | Per ton              | \$275.00              |
| C&I Prescriptive | Ventilation with heat recovery (Gas)            | GAS               | Per ventilator       | \$375.00              |
| C&I Prescriptive | Hotel Guest Room Occupancy Sensor (Electric)    | ELEC              | per 1000 sq ft       | \$150.00              |
| C&I Prescriptive | Interior Occupancy Sensor (Electric)            | ELEC              | per 1000 sq ft       | \$100.00              |
| C&I Prescriptive | LED Outdoor Building Exterior (Electric)        | ELEC              | per 1000 sq ft       | \$25.00               |
| C&I Prescriptive | Exterior Occupancy Sensor (Electric)            | ELEC              | per 1000 sq ft       | \$10.00               |
| C&I Prescriptive | LED Track Lighting (Electric)                   | ELEC              | per 1000 sq ft       | \$7.50                |
| C&I Prescriptive | Solid State (LED) Recessed Downlight (Electric) | ELEC              | per 1000 sq ft       | \$30.00               |
| C&I Prescriptive | LED Refrigerator/Freezer Case (Electric)        | ELEC              | per 1000 sq ft       | \$0.10                |
| C&I Prescriptive | Refrigerator Case Light Sensor (Electric)       | ELEC              | per 1000 sq ft       | \$1.50                |
| C&I Prescriptive | Freezer Case Light Sensor (Electric)            | ELEC              | per 1000 sq ft       | \$0.50                |
| C&I Prescriptive | LED Exit Sign (Electric)                        | ELEC              | per 1000 sq ft       | \$25.00               |
| C&I Prescriptive | Bi-Level Stairway Lighting (Electric)           | ELEC              | per 1000 sq ft       | \$15.00               |
| C&I Prescriptive | LED Bollard (Electric)                          | ELEC              | per 1000 sq ft       | \$0.50                |
| C&I Prescriptive | Daylight Dimming Control (Electric)             | ELEC              | per 1000 sq ft       | \$200.00              |
| C&I Prescriptive | LED Troffer/Surface/Suspended (Electric)        | ELEC              | per 1000 sq ft       | \$300.00              |
| C&I Prescriptive | LED Display Case Lighting (Electric)            | ELEC              | per 1000 sq ft       | \$1.50                |
| C&I Prescriptive | LED Replacement Lamp (Tube) (Electric)          | ELEC              | per 1000 sq ft       | \$50.00               |
| C&I Prescriptive | LED Other Linear Fixture (Electric)             | ELEC              | per 1000 sq ft       | \$50.00               |
| C&I Prescriptive | LED Low/High Bay (Electric)                     | ELEC              | per 1000 sq ft       | \$250.00              |
| C&I Prescriptive | LED Pole/Arm Mounted (Electric)                 | ELEC              | per 1000 sq ft       | \$50.00               |

ATTACHMENT 1

| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis               | Modeled AVG Incentive |
|------------------|---|-------------------|--------------------------|-----------------------|
| C&I Prescriptive | LLLC - Low Impact Application (Electric)                        | ELEC              | per 1000 sq ft           | \$400.00              |
| C&I Prescriptive | LED Channel Signage (Electric)                                  | ELEC              | per 1000 sq ft           | \$3.00                |
| C&I Prescriptive | LED Parking Garage and Canopy (Electric)                        | ELEC              | per 1000 sq ft           | \$50.00               |
| C&I Prescriptive | Market Avg Eff Spray Valve (1.16 GPM) (Gas)                     | GAS               | per Spray Valve          | \$25.00               |
| C&I Prescriptive | ENERGY STAR Commercial Refrigerator (Electric)                  | ELEC              | per Refrigerator         | \$300.00              |
| C&I Prescriptive | ENERGY STAR Commercial Freezer (Electric)                       | ELEC              | per Freezer              | \$300.00              |
| C&I Prescriptive | Pool with Cover (Gas)   | GAS               | per sqft of pool surface | \$1.00                |
| C&I Prescriptive | Demand Controlled Ventilation (DCV) Exhaust Hood (Electric)     | ELEC              | per HP                   | \$800.00              |
| C&I Prescriptive | Refrigerated Vending Machine with control system (Electric)     | ELEC              | Vending Machine          | \$100.00              |
| C&I Prescriptive | Non-Refrigerated Vending Machine with control system (Electric) | ELEC              | Vending Machine          | \$100.00              |
| C&I Prescriptive | Refrigeration – Cooler Night Covers LT (Electric)               | ELEC              | Per foot                 | \$6.00                |
| C&I Prescriptive | Refrigeration – Cooler Night Covers MT (Electric)               | ELEC              | Per foot                 | \$6.00                |
| C&I Prescriptive | Refrigeration – Cooler Night Covers HT (Electric)               | ELEC              | Per foot                 | \$6.00                |
| C&I Prescriptive | Evaporator Fan Control (Electric)                               | ELEC              | Per Compressor HP        | \$30.00               |
| C&I Prescriptive | Add Door to Open Display Case (Electric)                        | ELEC              | Per foot                 | \$200.00              |
| C&I Prescriptive | electronically commutated motors Motor (Electric)               | ELEC              | Motor                    | \$75.00               |
| C&I Prescriptive | Automatic door Closer (Electric)                                | ELEC              | autocloser               | \$75.00               |
| C&I Prescriptive | Freezer and Cooler Door Strip Curtians (Electric)               | ELEC              | Per square foot          | \$2.00                |
| C&I Prescriptive | Insulated Lines (Electric)                                      | ELEC              | Per foot                 | \$1.00                |
| C&I Prescriptive | Anti sweat heat control (Electric)                              | ELEC              | Per foot                 | \$20.00               |
| C&I Prescriptive | Defrost Controls (Electric)                                     | ELEC              | Per evap Fan             | \$125.00              |
| C&I Prescriptive | Floating Head- Air Cooled (Electric)                            | ELEC              | Per Ton                  | \$100.00              |
| C&I Prescriptive | Floating Head- Evap Cooled (Electric)                           | ELEC              | Per Ton                  | \$40.00               |
| C&I Prescriptive | Freezer and Cooler Door Gaskets (Electric)                      | ELEC              | Per foot                 | \$20.00               |
| C&I Prescriptive | Condensing Storage WH 90% TE (Gas)                              | GAS               | per kBtu/hr              | \$5.00                |
| C&I Prescriptive | Indirect WH 85% CAE (Gas)                                       | GAS               | per kBtu/hr              | \$4.00                |
| C&I Prescriptive | Elec Storage WH 2.30 Et (Electric)                              | ELEC              | per kBtu/hr              | \$2.00                |
| C&I Prescriptive | Volume Water Heater 92% TE (Gas)                                | GAS               | per kBtu/hr              | \$5.00                |

ATTACHMENT 1

| Subprogram Name  | Measure   | Primary Fuel Type | Unit Basis                   | Modeled AVG Incentive |
|------------------|---|-------------------|------------------------------|-----------------------|
| C&I Prescriptive | High performance hood (Gas)   | GAS               | Hood                         | \$500.00              |
| C&I Prescriptive | hood controls (Gas)   | GAS               | Hood                         | \$1,000.00            |
| C&I Prescriptive | High Pressure Steam Trap, Greater than 75 PSIG, Tested                  | GAS               | PER UNIT                     | \$300.00              |
| C&I Prescriptive | Medium Pressure Steam Trap, 15 PSIG to 75 PSIG, Tested                  | GAS               | PER UNIT                     | \$200.00              |
| C&I Prescriptive | 95% or 97% AFUE and ECM motor (Gas)                                     | GAS               | Per kBtu/h                   | \$2.76                |
| C&I Prescriptive | ENERGY STAR RAC (Electric)  | ELEC              | per kBtu/hr                  | \$1.47                |
| C&I Prescriptive | 90% Et Condensing Boiler (Gas)  | GAS               | Per kBtu/h                   | \$7.92                |
| C&I Prescriptive | CEE-compliant heat pump (Electric)                                      | ELEC              | per ton cooling              | \$100.00              |
| C&I Prescriptive | ENERGY STAR Minisplit (Electric)  | ELEC              | per ton cooling              | \$100.00              |
| C&I Prescriptive | VRF HP (Electric)   | ELEC              | per ton cooling              | \$1,250.00            |
| C&I Prescriptive | 15.0 EER Ground-Source HP (Electric)                                    | ELEC              | Per Ton                      | \$80.00               |
| C&I Prescriptive | ROB DX Packaged System, EER=10.8, 30 tons (Electric)                    | ELEC              | Per Ton                      | \$24.93               |
| C&I Prescriptive | ROB DX Packaged System, EER=10.8, 30 tons, AFUE 95% (Gas)               | GAS               | Per Ton                      | \$90.00               |
| C&I Prescriptive | Condensing integrated boiler and water heater (Gas)                     | GAS               | Per kbtuhr                   | \$1.36                |
| C&I Prescriptive | Variable Speed Centrifugal Chiller (Electric)                           | ELEC              | Per ton                      | \$100.00              |
| C&I Prescriptive | 95 AFUE make-up air unit (Gas)  | GAS               | Per kBtu/h                   | \$2.61                |
| C&I Prescriptive | HVLS fan (Electric)   | ELEC              | Per 1000 sqft                | \$100.00              |
| C&I Prescriptive | High-efficiency PTHP (Electric)   | ELEC              | Per ton                      | \$40.00               |
| C&I Prescriptive | High-efficiency PTAC (Electric)   | ELEC              | Per ton                      | \$40.00               |
| C&I Prescriptive | Condensing unit heater, 90% AFUE (Gas)                                  | GAS               | per kBtu/h                   | \$5.32                |
| C&I Prescriptive | Gas-fired low-intensity infrared heating unit (Gas)                     | GAS               | per kBtu/h                   | \$1.10                |
| C&I Prescriptive | HVAC system with high-efficiency air-cooled chiller (Electric)          | ELEC              | Per ton cooling              | \$100.00              |
| C&I Prescriptive | HVAC system with high-efficiency water-cooled chiller (Electric)        | ELEC              | Per ton cooling              | \$100.00              |
| C&I Prescriptive | HVAC system with dual enthalpy sensor outside air economizer (Electric) | ELEC              | Per tons cooling             | \$80.00               |
| C&I Prescriptive | Heat Pump Multi-Family Laundromat Dryer (Electric)                      | ELEC              | per Dryer                    | \$300.00              |
| C&I Prescriptive | Variable Speed Pool Pump (Electric)                                     | ELEC              | per in-ground pool           | \$300.00              |
| C&I Prescriptive | ENERGY STAR Refrigerator-Freezer (Electric)                             | ELEC              | per Refrigerator             | \$61.00               |
| C&I Prescriptive | ES 3.0 Beverage Vending Machine (Electric)                              | ELEC              | per Beverage Vending Machine | \$100.00              |

ATTACHMENT 1

| Subprogram Name                      | Measure  | Primary Fuel Type | Unit Basis                   | Modeled AVG Incentive |
|--------------------------------------|--|-------------------|------------------------------|-----------------------|
| C&I Prescriptive                     | Electric Clothes Dryer - High Efficiency- Electric (Electric)                          | ELEC              | per Dryer                    | \$100.00              |
| C&I Prescriptive                     | Electric Clothes Dryer - High Efficiency- Gas (Gas)                                    | GAS               | per Dryer                    | \$200.00              |
| C&I Prescriptive                     | HE Commercial Cloths Washer (Gas)  | GAS               | Per Washer                   | \$100.00              |
| C&I Prescriptive                     | Ozone Laundry Washing Machine (Gas)  | GAS               | Per Washer                   | \$2,500.00            |
| C&I Prescriptive                     | ENERGY STAR Electric Convection Oven (Electric)  | ELEC              | per oven                     | \$750.00              |
| C&I Prescriptive                     | ENERGY STAR Electric Combination Oven (Electric)                                       | ELEC              | per oven                     | \$750.00              |
| C&I Prescriptive                     | ENERGY STAR Gas Convection Oven (Gas)  | GAS               | per oven                     | \$600.00              |
| C&I Prescriptive                     | ENERGY STAR Gas Combination Oven (Gas)   | GAS               | per oven                     | \$1,250.00            |
| C&I Prescriptive                     | ENERGY STAR Hot Food Holding Cabinet (Electric)  | ELEC              | per hot food holding cabinet | \$750.00              |
| C&I Prescriptive                     | ENERGY STAR Ice Machine or CEE Tier 2 (Electric)                                       | ELEC              | per ice machine              | \$100.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Electric (Electric)     | ELEC              | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Conveyor - Gas (Gas)               | GAS               | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - electric (Electric) | ELEC              | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR High Temperature Commercial Dishwasher, Non-conveyor - gas (Gas)           | GAS               | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR Low Temperature Commercial Dishwasher - Electric (Electric)                | ELEC              | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | ENERGY STAR Low Temperature Commercial Dishwasher - Gas (Gas)                          | GAS               | per dishwasher               | \$300.00              |
| C&I Prescriptive                     | Existing Compressor (Electric)   | ELEC              | Per compressor               | \$275.00              |
| C&I Prescriptive                     | High Efficiency Compressor (Electric)  | ELEC              | Per compressor               | \$125.00              |
| C&I Prescriptive                     | Oversized Condenser- Air Cooled (Electric)   | ELEC              | Per Ton                      | \$125.00              |
| C&I Prescriptive                     | Oversized Condenser- Evap Cooled (Electric)  | ELEC              | Per Ton                      | \$125.00              |
| C&I Prescriptive                     | Refrigeration/Freezer Door Heater Controls   | ELEC              | per door                     | \$20.00               |
| C&I Prescriptive                     | ENERGY STAR Commercial Fryers  | ELEC              | per fryer                    | \$300.00              |
| C&I Custom                           | C&I Custom - Elec  | ELEC              | per kWh                      | \$0.20                |
| C&I Custom                           | C&I Custom - Gas   | GAS               | per therm                    | \$1.64                |
| C&I Small Non-Residential Efficiency | C&I Small Non-Residential Efficiency Electric  | ELEC              | per kWh                      | \$0.20                |
| C&I Small Non-Residential Efficiency | C&I Small Non-Residential Efficiency Gas   | GAS               | per therm                    | \$1.50                |
| C&I New Construction                 | C&I NC Electric  | ELEC              | per kWh                      | \$0.16                |



ATTACHMENT 1

| Subprogram Name          | Measure  | Primary Fuel Type | Unit Basis     | Modeled AVG Incentive |
|--------------------------|--|-------------------|----------------|-----------------------|
| C&I New Construction     | C&I NC Gas   | GAS               | per therm      | \$2.00                |
| C&I Energy Management    | RCX Electric   | ELEC              | per kWh        | \$0.05                |
| C&I Energy Management    | RCX Gas  | GAS               | per therm      | \$0.96                |
| C&I Energy Management    | Strategic Energy Mgmt Electric                             | ELEC              | per kWh        | \$0.05                |
| C&I Energy Management    | Strategic Energy Mgmt Gas                                  | GAS               | per therm      | \$0.96                |
| C&I Engineered Solutions | MUSH Engineered Solution - Audit                           | ELEC              | PROGRAM        | \$21,223.14           |
| C&I Engineered Solutions | MUSH Engineered Solution - Audit                           | GAS               | PROGRAM        | \$9,987.36            |
| C&I Engineered Solutions | MUSH Engineered Solution - Engineering                     | ELEC              | PROGRAM        | \$43,889.46           |
| C&I Engineered Solutions | MUSH Engineered Solution - Engineering                     | GAS               | PROGRAM        | \$20,653.86           |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Begins (1st Pay)   | ELEC              | PROGRAM        | \$129,696.98          |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Begins (1st Pay)   | GAS               | PROGRAM        | \$61,033.87           |
| C&I Engineered Solutions | MUSH Engineered Solution - 50% Complete (2nd Pay)          | ELEC              | PROGRAM        | \$129,696.98          |
| C&I Engineered Solutions | MUSH Engineered Solution - 50% Complete (2nd Pay)          | GAS               | PROGRAM        | \$61,033.87           |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Finished (3rd Pay) | ELEC              | PROGRAM        | \$129,696.98          |
| C&I Engineered Solutions | MUSH Engineered Solution - Construction Finished (3rd Pay) | GAS               | PROGRAM        | \$61,033.87           |
| C&I Streetlight          | STREETLIGHTING - HPS 58 TO LED 36                          | ELEC              | PER FIXTURE    | \$305.83              |
| C&I Streetlight          | STREETLIGHTING - HPS 117 TO LED 56                         | ELEC              | PER FIXTURE    | \$309.23              |
| C&I Streetlight          | STREETLIGHTING - HPS 171 TO LED 73                         | ELEC              | PER FIXTURE    | \$353.44              |
| C&I Streetlight          | STREETLIGHTING - HPS 300 TO LED 107                        | ELEC              | PER FIXTURE    | \$353.41              |
| C&I Streetlight          | STREETLIGHTING - HPS 450 TO LED 180                        | ELEC              | PER FIXTURE    | \$473.49              |
| C&I Streetlight          | LED CONTROLLER   | ELEC              | PER FIXTURE    | \$124.74              |
| C&I Streetlight          | LED CONTROLLER INSTALL                                     | ELEC              | PER FIXTURE    | \$0.00                |
| C&I Streetlight          | INDUCTION CONTROLLER                                       | ELEC              | PER FIXTURE    | \$124.74              |
| C&I Streetlight          | INDUCTION CONTROLLER INSTALL                               | ELEC              | PER FIXTURE    | \$61.43               |
| C&I Streetlight          | Smart City Pilot   | ELEC              | Per Controller | \$90.33               |

ATTACHMENT 1

## APPENDIX B: Enrollment

| Subprogram                           | Enrollment   |
|--------------------------------------|--|
| Residential Efficient Products       | Customer application received                                      |
| Residential Existing Homes           | Customer application received                                      |
| Residential Behavioral               | Customer included in treatment group                               |
| Residential Multi-Family             | Customer application received                                      |
| Residential Income Eligible          | Customer application received                                      |
| C&I Prescriptive                     | Customer application received                                      |
| C&I Custom                           | Customer application received                                      |
| C&I Small Non-Residential Efficiency | Customer application received (Audit Access Agreement)             |
| C&I Energy Management                | Customer application received                                      |
| C&I Engineered Solutions             | Customer application received (Customer Access Consent Agreement ) |

**ATTACHMENT 2 – IT COST BREAKDOWN**

| Platform                          | Description  | Investment (\$M) |
|-----------------------------------|--|------------------|
| SAP                               | ERP/Billing platform   | 8.9              |
| Salesforce                        | Customer relationship management platform  | 5.5              |
| Mulesoft                          | Integration system using Application Programming Interfaces (APIs)   | 2.9              |
| Online Integration                | Web based customer self-service portal, Mobile App, Digital Assistant, IVR integration, and e-signature enablement                                       | 6.1              |
| Energy Efficiency Tracking System | Platform for tracking EE program investments, energy savings, enrollments and customer participation, and tracking BPU reporting requirements            | 2.8              |
| Program-specific support          | Support for Behavioral and Marketplace platforms   | 1.0              |
| Analytics                         | Platform to provide insights into program participation, energy savings and overall program effectiveness, leveraging data lakes and advanced algorithms | 5.8              |
| Total                             |  | 33.0             |

*Note: values rounded to the nearest \$0.1M*

Note: The cost breakdown above is based on program scope as documented in this Stipulation. PSE&G will have flexibility to move the dollars among the platforms within the approved budget of \$33M.

## Benefit Cost Analysis Results

| Subprograms                          | NJCT*      | SCT        | TRC        | PCT        | PAC        | RIM        |
|--------------------------------------|------------|------------|------------|------------|------------|------------|
| Res Eff Products                     | 1.7        | 2.3        | 0.7        | 7.7        | 0.9        | 0.6        |
| Res Existing Homes                   | 1.6        | 2.4        | 0.8        | 4.9        | 1.2        | 0.7        |
| Res Behavior                         | 2.2        | 2.6        | 1.2        | n/a**      | 1.2        | 0.6        |
| Res MF                               | 1.3        | 2.4        | 0.7        | n/a**      | 0.7        | 0.5        |
| Income Eligible                      | 1.2        | 1.8        | 0.5        | n/a**      | 0.5        | 0.4        |
| C&I Prescriptive                     | 2.7        | 3.5        | 1.3        | 6.6        | 2.0        | 1.2        |
| C&I Custom                           | 3.0        | 4.7        | 1.5        | 6.9        | 2.1        | 1.3        |
| C&I Small Non-Residential Efficiency | 2.7        | 4.3        | 1.3        | 5.4        | 1.9        | 1.1        |
| C&I Energy Management                | 1.8        | 4.0        | 1.3        | 8.7        | 1.4        | 1.0        |
| C&I Engineered Solutions             | 1.8        | 3.0        | 0.9        | 5.3        | 1.1        | 0.9        |
| Residential Programs                 | 1.7        | 2.4        | 0.8        | 8.7        | 1.0        | 0.6        |
| Commercial & Industrial Programs     | 2.5        | 3.7        | 1.2        | 6.1        | 1.8        | 1.1        |
| Low Income Programs                  | 1.2        | 1.8        | 0.5        | n/a*       | 0.5        | 0.4        |
| <b>Total Portfolio</b>               | <b>2.2</b> | <b>3.2</b> | <b>1.0</b> | <b>7.0</b> | <b>1.4</b> | <b>0.9</b> |

\*- NJCT assumptions and calculations are consistent with the August 24th, 2020 order and subsequent guidance

\*\* - PCT results for Res Behavior, Res MF, & Income Eligible are n/a as these subprograms are provided at no cost

### Cost-to-Achieve Savings Analysis

| CEF-EE CTA                 | Electric (\$/annualized kWh) |            | Gas (\$/annualized therm) |            |
|----------------------------|------------------------------|------------|---------------------------|------------|
|                            | Guidance +/- 10%*            | CEF-EE CTA | Guidance +/- 10%*         | CEF-EE CTA |
| <b>Residential Sector</b>  | 0.29 - 0.35                  | 0.19       | 7.82 - 9.56               | 2.06       |
| Eff Products               |                              | 0.32       |                           | 3.42       |
| Existing Homes             |                              | 0.59       |                           | 12.50      |
| Behavior                   |                              | 0.05       |                           | 0.68       |
|                            |                              |            |                           |            |
| <b>C&amp;I Sector</b>      | 0.33 - 0.41                  | 0.46       | 3.72 - 4.54               | 2.36       |
| Prescriptive               |                              | 0.45       |                           | 0.16       |
| Custom                     |                              | 0.31       |                           | 2.46       |
| Direct Install             |                              | 0.27       |                           | 1.94       |
| Energy Management          |                              | 0.17       |                           | 3.16       |
| Engineered Solutions       |                              | 1.91       |                           | 9.03       |
|                            |                              |            |                           |            |
| <b>Multifamily Sector</b>  | 1.09 - 1.33                  | 0.35       | 16.82 - 20.56             | 2.54       |
| Multifamily                |                              | 0.35       |                           | 2.54       |
|                            |                              |            |                           |            |
| <b>Low Income Sector**</b> | 1.89 - 2.31                  | 0.88       | 25.53 - 31.21             | 20.98      |
| Income Eligible            |                              | 0.88       |                           | 20.98      |

\* Guidance is based on Core Program Cost Guidelines established in the June 10th Board Order.

\*\* Co-managed low income sector targets used for income eligible subprogram

Values for the QPIs in years 1-3

| <b>Electric Results*</b>                     | <b>PY1 (Jul21-Jun22)</b> | <b>PY2 (Jul22-Jun23)</b> | <b>PY3 (Jul23-Jun24)</b> |
|--|--------------------------|--------------------------|--------------------------|
| Annual Energy Savings (kWh)                  | 439,366,569              | 487,189,790              | 368,845,495              |
| Annual Peak Demand Savings (MW)              | 38,277                   | 50,580                   | 41,190                   |
| Lifetime Energy Savings (kWh)                | 2,985,212,297            | 4,705,957,570            | 4,110,966,390            |
| Lifetime Persistent Peak Demand Savings (MW) | 376,882                  | 634,685                  | 525,044                  |
| Utility Cost Test (NPV of Benefits)**        | 1.43                     | 1.43                     | 1.43                     |
| Low-Income Lifetime Savings (kWh)            | 137,524,557              | 33,327,854               | 20,891,897               |
| Small Business Lifetime Savings (kWh)        | 547,176,929              | 615,127,006              | 920,902,348              |

| <b>Gas Results*</b>                        | <b>PY1 (Jul21-Jun22)</b> | <b>PY2 (Jul22-Jun23)</b> | <b>PY3 (Jul23-Jun24)</b> |
|--|--------------------------|--------------------------|--------------------------|
| Annual Energy Savings (Therms)             | 12,425,905               | 19,736,673               | 11,701,416               |
| Annual Peak Demand Savings***              | -                        | -                        | -                        |
| Lifetime Energy Savings (Therms)           | 94,604,425               | 151,631,297              | 108,635,745              |
| Lifetime Persistent Peak Demand Savings*** | -                        | -                        | -                        |
| Utility Cost Test (NPV of Benefits)**      | 1.43                     | 1.43                     | 1.43                     |
| Low-Income Lifetime Savings (Therms)       | 13,104,732               | 18,229,550               | 11,427,375               |
| Small Business Lifetime Savings (Therms)   | 2,162,032                | 2,430,520                | 3,638,714                |

\* QPIs are based on July 2021 to June 2024 program years as established in the June 10th Board Order. Should PSE&G's program year be changed to align with the schedule of its program, these values will be adjusted accordingly. Currently PY3 represents a partial year of programs that would be supplemented with PSE&G's second triennial program approval.

\*\* The Utility Cost Test, also known as the Program Administrator Cost Test (PAC) result represents the result across the entire program cycle.

\*\*\* The approach to calculating the Gas Peak Demand Savings has not yet been finalized. Collaboration with other utilities to establish the appropriate methodology is ongoing.

**PSE&G Clean Energy Future Energy Efficiency Program  
Weighted Average Cost of Capital (WACC)**

Schedule SS-CEF-EE-1

|                   | <u>Percent</u> | <u>Cost</u> | <u>Weighted<br/>Cost</u> | <u>Revenue<br/>Conversion<br/>Factor</u> | <u>Pre-Tax<br/>Weighted<br/>Cost</u> | <u>Discount<br/>Rate</u> |
|-------------------|----------------|-------------|--------------------------|--|--------------------------------------|--------------------------|
| Long Term Debt    | 45.53%         | 3.9567%     | 1.8017%                  | 1.0000                                   | 1.8017%                              |                          |
| Customer Deposits | <u>0.47%</u>   | 0.8700%     | <u>0.0041%</u>           | 1.0000                                   | <u>0.0041%</u>                       |                          |
| Sub-total         | 46.00%         |             | 1.8058%                  |  | 1.8058%                              | 1.2982%                  |
| Common Equity     | <u>54.00%</u>  | 9.60%       | <u>5.1836%</u>           | 1.3910                                   | <u>7.2105%</u>                       | <u>5.1836%</u>           |
| Total             | 100.00%        |             | 6.99%                    |  | 9.02%                                | 6.4818%                  |
| Monthly WACC      |                |             | 0.5825%                  |  | 0.7514%                              |                          |

Reflects a tax rate of 28.11%

**PSE&G Clean Energy Future Energy Efficiency Program  
Electric Revenue Requirements Calculation**

Schedule SS-CEF-EE-2E  
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|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                            | (1)                                 | (2)  | (3)                                     | (4)                                    | (5)  | (6)                                      | (7)                             | (8)              | (9)                                      | (10)                                     | (11)                                     | (12)   |
|----------------------------|-------------------------------------|--|---|--|--|--|---------------------------------|------------------|--|--|--|--|
|                            | <u>PSE&amp;G Program Investment</u> | <u>Program Investment from/to Partner utility</u>                  | <u>Capitalized IT Costs</u>             | <u>Gross Plant</u>                     | <u>PSE&amp;G + Partner Utility Program Investment Amortization</u> | <u>IT Cost Amortization</u>              | <u>Accumulated Amortization</u> | <u>Net Plant</u> | <u>Tax Depreciation</u>                  | <u>Book Depreciation Tax Basis</u>       | <u>Deferred Income Tax</u>               | <u>Beginning Accumulated Deferred Income Tax</u> |
| <b>Monthly Calculation</b> |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| Jan-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Feb-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Mar-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Apr-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| May-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jun-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jul-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Aug-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Sep-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Oct-20                     | 1,176,140                           | -  | -                                       | 1,176,140                              | 4,901  | -  | 4,901                           | 1,171,239        | 1,127,626                                | 4,895                                    | 79,826                                   | -  |
| Nov-20                     | 1,130,607                           | -  | -                                       | 2,306,746                              | 14,512   | -  | 19,413                          | 2,287,334        | 1,082,291                                | 14,298                                   | 75,934                                   | 79,826   |
| Dec-20                     | 1,148,983                           | -  | -                                       | 3,455,729                              | 24,010   | -  | 43,423                          | 3,412,306        | 1,100,865                                | 23,588                                   | 76,594                                   | 155,760  |
| Jan-21                     | 1,594,628                           | -  | -                                       | 5,050,357                              | 35,442   | -  | 78,865                          | 4,971,492        | 1,570,964                                | 34,815                                   | 109,220                                  | 232,355  |
| Feb-21                     | 1,631,273                           | -  | -                                       | 6,681,630                              | 48,883   | -  | 127,748                         | 6,553,882        | 1,607,708                                | 48,152                                   | 110,884                                  | 341,575  |
| Mar-21                     | 1,669,128                           | -  | 1,079,699                               | 9,430,457                              | 62,635   | 8,997                                    | 199,381                         | 9,231,076        | 1,675,654                                | 70,797                                   | 114,105                                  | 452,459  |
| Apr-21                     | 5,557,437                           | -  | -                                       | 14,987,893                             | 92,746   | 17,995                                   | 310,121                         | 14,677,772       | 2,736,810                                | 111,421                                  | 186,665                                  | 566,565  |
| May-21                     | 5,557,437                           | -  | -                                       | 20,545,330                             | 139,058  | 17,995                                   | 467,174                         | 20,078,156       | 2,750,365                                | 147,412                                  | 185,070                                  | 753,230  |
| Jun-21                     | 5,575,813                           | -  | 538,053                                 | 26,659,196                             | 185,446  | 22,479                                   | 675,099                         | 25,984,097       | 2,797,243                                | 187,964                                  | 185,520                                  | 938,300  |
| Jul-21                     | 5,558,892                           | -  | -                                       | 32,218,088                             | 231,841  | 26,963                                   | 933,902                         | 31,284,186       | 4,025,683                                | 227,541                                  | 270,048                                  | 1,123,820  |
| Aug-21                     | 14,067,634                          | -  | -                                       | 46,285,723                             | 313,618  | 17,965                                   | 1,265,485                       | 45,020,238       | 9,797,815                                | 294,631                                  | 675,676                                  | 1,393,868  |
| Sep-21                     | 15,544,425                          | -  | 4,619,024                               | 66,449,172                             | 437,002  | 65,454                                   | 1,767,941                       | 64,681,231       | 11,422,265                               | 448,332                                  | 780,247                                  | 2,069,544  |
|                            | Program Assumption                  | Investment in Shared Service Territory shared with Partner Utility | See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht | Prior Month + (Col 1 + Col 1a + Col 2) | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht                           | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | Prior Month + (Col 4 + Col 5)   | Col 3 - Col 6    | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht         |
| <b>Annual Summary</b>      |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| 2019                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| 2020                       | 3,455,729                           | -  | -                                       | 3,455,729                              | 43,423   | -  | 43,423                          | 3,412,306        | 3,310,782                                | 42,782                                   | 232,355                                  | 155,760  |
| 2021                       | 99,654,053                          | -  | 10,863,771                              | 113,973,553                            | 3,588,398  | 523,761                                  | 4,155,583                       | 109,817,970      | 69,063,488                               | 3,692,730                                | 4,647,861                                | 4,211,396  |
| 2022                       | 239,530,305                         | -  | 12,478,752                              | 365,982,611                            | 20,957,581   | 3,360,096                                | 28,473,260                      | 337,509,350      | 162,949,482                              | 21,538,237                               | 10,054,340                               | 13,986,581                                       |
| 2023                       | 279,773,822                         | -  | 3,218,796                               | 648,975,229                            | 46,558,204   | 5,043,982                                | 80,075,446                      | 568,899,782      | 189,887,627                              | 44,811,604                               | 10,314,905                               | 24,164,264                                       |
| 2024                       | 125,289,009                         | -  | -                                       | 774,264,237                            | 70,371,913   | 5,312,264                                | 155,759,623                     | 618,504,614      | 71,713,143                               | 68,084,403                               | 258,003                                  | 25,591,912                                       |
| 2025                       | 32,434,923                          | -  | -                                       | 806,699,160                            | 76,457,933   | 5,312,264                                | 237,529,820                     | 569,169,340      | 48,486,675                               | 83,158,064                               | (2,465,136)                              | 23,291,523                                       |
| 2026                       | 7,938,174                           | -  | -                                       | 814,637,334                            | 78,456,999   | 4,865,553                                | 320,852,372                     | 493,784,962      | 46,648,952                               | 93,434,179                               | (3,326,430)                              | 20,008,840                                       |
| 2027                       | -                                   | -  | -                                       | 814,637,334                            | 78,807,601   | 1,901,990                                | 401,561,963                     | 413,075,371      | -  | 47,278,621                               | (3,361,510)                              | 16,628,966                                       |
| 2028                       | -                                   | -  | -                                       | 814,637,334                            | 78,807,601   | 241,410                                  | 480,610,974                     | 334,026,360      | -  | 45,618,041                               | (3,243,443)                              | 13,379,802                                       |
| 2029                       | -                                   | -  | -                                       | 814,637,334                            | 78,807,601   | -  | 559,418,576                     | 255,218,758      | -  | 45,376,631                               | (3,226,278)                              | 10,153,524                                       |
| 2030                       | -                                   | -  | -                                       | 814,637,334                            | 78,764,179   | -  | 638,182,754                     | 176,454,580      | -  | 45,335,035                               | (3,223,321)                              | 6,928,568  |
| 2031                       | -                                   | -  | -                                       | 814,637,334                            | 75,219,203   | -  | 713,401,957                     | 101,235,377      | -  | 42,878,837                               | (3,048,685)                              | 3,842,556  |
| 2032                       | -                                   | -  | -                                       | 814,637,334                            | 57,850,020   | -  | 771,251,977                     | 43,385,356       | -  | 31,337,150                               | (2,228,071)                              | 1,525,463  |
| 2033                       | -                                   | -  | -                                       | 814,637,334                            | 32,249,397   | -  | 803,501,375                     | 11,135,959       | -  | 15,296,581                               | (1,087,587)                              | 337,153  |
| 2034                       | -                                   | -  | -                                       | 814,637,334                            | 8,435,688  | -  | 811,937,063                     | 2,700,271        | -  | 3,153,014                                | (224,179)                                | 82,627   |
| 2035                       | -                                   | -  | -                                       | 814,637,334                            | 2,349,668  | -  | 814,286,731                     | 350,603          | -  | 891,253                                  | (63,368)                                 | 11,418   |
| 2036                       | -                                   | -  | -                                       | 814,637,334                            | 350,603  | -  | 814,637,334                     | -                | -  | 132,987                                  | (9,455)                                  | -  |
| 2037                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2038                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2039                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2040                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2041                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2042                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2043                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| 2044                       | -                                   | -  | -                                       | 814,637,334                            | -  | -  | 814,637,334                     | -                | -  | -  | -  | -  |
| Total                      | 788,076,014                         | -  | 26,561,319                              | 788,076,014                            | 788,076,014  | 26,561,319                               | 592,060,149                     | 592,060,149      |  |  | (0)                                      |  |
| Oct 20 - Sep 21            | 60,212,396                          | -  | -                                       | 60,212,396                             | 1,590,093  | 177,848                                  | 61,802,489                      | 61,802,489       | 41,695,290                               | 1,613,847                                | 2,849,791                                |  |



**PSE&G Clean Energy Future Energy Efficiency Program  
Electric Revenue Requirements Calculation**

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|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                                | (13)   | (14)  | (15)                                | (16)                                     | (17)               | (18)                   | (19)                                       | (20)                                       | (21)                                       | (22)  |
|--------------------------------|--|---|-------------------------------------|--|--------------------|------------------------|--|--|--|---|
|                                | <u>Ending<br/>Acumulated<br/>Deferred Income<br/>Tax</u> | <u>Average Net<br/>Investment</u>             | <u>Return Requirement</u>           | <u>Program Investment<br/>Repayments</u> | <u>Expenses</u>    | <u>Revenue Offsets</u> | <u>Tax Flow-through</u>                    | <u>Tax Flow-Through<br/>Gross-up</u>       | <u>Tax Adjustment<br/>on Loan</u>          | <u>Revenue<br/>Requirements</u>   |
| <b>Monthly<br/>Calculation</b> |  |   |                                     |  |                    |                        |  |  |  |   |
| Jan-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Feb-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Mar-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Apr-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| May-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Jun-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Jul-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Aug-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Sep-20                         | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Oct-20                         | 79,826   | 545,706                                       | 4,100                               | (1,002)                                  | 1,544,650          | -                      | (235,774)                                  | (92,191)                                   | (313)                                      | 1,224,371   |
| Nov-20                         | 155,760  | 1,611,493                                     | 12,108                              | (2,005)                                  | 1,544,650          | -                      | (224,278)                                  | (87,696)                                   | (546)                                      | 1,256,745   |
| Dec-20                         | 232,355  | 2,655,762                                     | 19,954                              | (3,007)                                  | 1,544,650          | -                      | (226,228)                                  | (88,458)                                   | (779)                                      | 1,270,142   |
| Jan-21                         | 341,575  | 3,904,934                                     | 29,340                              | (3,508)                                  | 1,544,650          | -                      | (322,591)                                  | (126,138)                                  | (856)                                      | 1,156,338   |
| Feb-21                         | 452,459  | 5,365,669                                     | 40,315                              | (4,010)                                  | 1,544,650          | -                      | (327,507)                                  | (128,060)                                  | (973)                                      | 1,173,299   |
| Mar-21                         | 566,565  | 7,382,967                                     | 55,473                              | (4,511)                                  | 1,544,650          | -                      | (337,020)                                  | (131,780)                                  | (1,089)                                    | 1,197,355   |
| Apr-21                         | 753,230  | 11,294,527                                    | 84,862                              | (65,398)                                 | 1,544,650          | -                      | (551,332)                                  | (215,578)                                  | (20,190)                                   | 887,755   |
| May-21                         | 938,300  | 16,532,199                                    | 124,216                             | (126,286)                                | 1,544,650          | -                      | (546,620)                                  | (213,736)                                  | (34,662)                                   | 904,615   |
| Jun-21                         | 1,123,820  | 22,000,067                                    | 165,299                             | (187,173)                                | 1,544,650          | -                      | (547,948)                                  | (214,256)                                  | (49,134)                                   | 919,363   |
| Jul-21                         | 1,393,868  | 27,375,298                                    | 205,687                             | (221,470)                                | 1,693,621          | -                      | (797,610)                                  | (311,877)                                  | (55,226)                                   | 771,929   |
| Aug-21                         | 2,069,544  | 36,420,506                                    | 273,649                             | (313,233)                                | 1,693,621          | -                      | (1,995,669)                                | (780,334)                                  | (81,315)                                   | (871,699)   |
| Sep-21                         | 2,849,791  | 52,391,067                                    | 393,645                             | (404,997)                                | 1,693,621          | -                      | (2,304,526)                                | (901,102)                                  | (102,913)                                  | (1,123,818)   |
|                                | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh               | (Prev Col 7 - Col 11 +<br>Col 7 - Col 12) / 2 | Col 15<br>* Monthly Pre Tax<br>WACC | Program Assumption                       | Program Assumption | Program Assumption     | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh | See WP-SS-CEF-EE-1.xlsx<br>'BkTaxSum' wksh | Col 4 + Col 5 + Col 14<br>+ Col 15 + Col 68 + Col<br>17 + Col 18 + Col 19 +<br>Col 20 |
| <b>Annual<br/>Summary</b>      |  |   |                                     |  |                    |                        |  |  |  |   |
| 2019                           | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| 2020                           | 232,355  | 2,655,762                                     | 36,163                              | (6,014)                                  | 4,633,949          | -                      | (686,280)                                  | (268,345)                                  | (1,637)                                    | 3,751,257   |
| 2021                           | 4,880,216  | 96,342,826                                    | 3,219,489                           | (3,099,098)                              | 19,429,621         | -                      | (13,727,859)                               | (5,367,786)                                | (785,349)                                  | 3,781,178   |
| 2022                           | 14,934,555   | 311,294,740                                   | 18,353,621                          | (18,386,694)                             | 21,092,020         | -                      | (29,696,361)                               | (11,611,695)                               | (4,484,382)                                | (415,814)   |
| 2023                           | 25,249,460   | 530,542,055                                   | 37,834,675                          | (41,320,776)                             | 16,667,803         | -                      | (30,465,965)                               | (11,912,620)                               | (9,713,815)                                | 12,691,488  |
| 2024                           | 25,507,464   | 593,032,269                                   | 52,976,305                          | (72,606,000)                             | 7,731,777          | -                      | (762,035)                                  | (297,967)                                  | (17,383,587)                               | 45,342,670  |
| 2025                           | 23,042,328   | 548,677,208                                   | 51,433,652                          | (93,135,722)                             | 2,880,357          | -                      | 7,280,992                                  | 2,846,970                                  | (23,915,657)                               | 29,160,789  |
| 2026                           | 19,715,898   | 477,375,614                                   | 46,027,738                          | (105,755,396)                            | 1,040,221          | -                      | 9,824,898                                  | 3,841,673                                  | (28,364,957)                               | 9,936,727   |
| 2027                           | 16,354,388   | 399,907,578                                   | 39,237,031                          | -  | 516,795            | -                      | 9,928,510                                  | 3,882,187                                  | 13,071,979                                 | 147,346,094   |
| 2028                           | 13,110,946   | 324,064,636                                   | 32,346,228                          | -  | 422,115            | -                      | 9,579,789                                  | 3,745,832                                  | 13,071,979                                 | 138,214,954   |
| 2029                           | 9,884,667  | 248,483,313                                   | 25,527,377                          | -  | 249,541            | -                      | 9,529,093                                  | 3,726,009                                  | 13,071,979                                 | 130,911,600   |
| 2030                           | 6,661,346  | 172,931,267                                   | 18,713,060                          | -  | 94,352             | -                      | 9,520,357                                  | 3,722,593                                  | 13,071,265                                 | 123,885,806   |
| 2031                           | 3,612,661  | 100,391,324                                   | 11,984,336                          | -  | 97,182             | -                      | 9,004,556                                  | 3,520,908                                  | 12,645,538                                 | 112,471,722   |
| 2032                           | 1,384,590  | 43,838,449                                    | 6,121,047                           | -  | 100,098            | -                      | 6,580,801                                  | 2,573,186                                  | 10,366,905                                 | 83,592,057  |
| 2033                           | 297,003  | 11,577,462                                    | 2,179,155                           | -  | 103,101            | -                      | 3,212,282                                  | 1,256,047                                  | 6,628,789                                  | 45,628,775  |
| 2034                           | 72,824   | 2,804,292                                     | 518,269                             | -  | 52,312             | -                      | 662,133                                    | 258,903                                    | 2,065,600                                  | 11,992,902  |
| 2035                           | 9,455  | 376,549                                       | 109,011                             | -  | -                  | -                      | 187,163                                    | 73,183                                     | 570,261                                    | 3,289,286   |
| 2036                           | -  | -   | 9,503                               | -  | -                  | -                      | 27,927                                     | 10,920                                     | 85,091                                     | 484,044   |
| 2037                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2038                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2039                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2040                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2041                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2042                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2043                           | -  | -   | 0                                   | -  | -                  | -                      | -  | -  | -  | 0   |
| 2044                           | -  | -   | -                                   | -  | -                  | -                      | -  | -  | -  | -   |
| Total                          |  |   | 346,626,660                         | (334,309,700)                            | 75,111,241         | -                      | (0)  | 0  | (0)  | 902,065,534   |
| Oct 20 - Sep 21                |  |   | 1,408,648                           | (1,336,600)                              | 18,982,707         | -                      | (8,417,103)                                | (3,291,206)                                | (347,994)                                  | 8,766,394   |

**PSE&G Clean Energy Future Energy Efficiency Program  
Gas Revenue Requirements Calculation**

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|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                            | (1)                                 | (1a)   | (2)                                     | (3)                                    | (4)  | (5)                                      | (6)                             | (7)              | (8)                                      | (9)                                      | (10)                                     | (11)   |
|----------------------------|-------------------------------------|--|---|--|--|--|---------------------------------|------------------|--|--|--|--|
|                            | <u>PSE&amp;G Program Investment</u> | <u>Program Investment from/to Partner utility</u>                  | <u>Capitalized IT Costs</u>             | <u>Gross Plant</u>                     | <u>PSE&amp;G + Partner Utility Program Investment Amortization</u> | <u>IT Cost Amortization</u>              | <u>Accumulated Amortization</u> | <u>Net Plant</u> | <u>Tax Depreciation</u>                  | <u>Book Depreciation Tax Basis</u>       | <u>Deferred Income Tax</u>               | <u>Beginning Accumulated Deferred Income Tax</u> |
| <b>Monthly Calculation</b> |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| Jan-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Feb-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Mar-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Apr-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| May-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jun-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Jul-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Aug-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Sep-20                     | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| Oct-20                     | 507,155                             | -  | -                                       | 507,155                                | 2,113  | -  | 2,113                           | 505,042          | 462,150                                  | 2,496                                    | 32,681                                   | -  |
| Nov-20                     | 485,728                             | -  | -                                       | 992,884                                | 6,250  | -  | 8,363                           | 984,520          | 441,295                                  | 6,825                                    | 30,891                                   | 32,681   |
| Dec-20                     | 494,376                             | -  | -                                       | 1,487,259                              | 10,334   | -  | 18,697                          | 1,468,562        | 450,515                                  | 11,101                                   | 31,242                                   | 63,572   |
| Jan-21                     | 899,980                             | -  | -                                       | 2,387,240                              | 16,144   | -  | 34,841                          | 2,352,399        | 879,194                                  | 16,912                                   | 61,308                                   | 94,815   |
| Feb-21                     | 880,082                             | -  | -                                       | 3,267,322                              | 23,561   | -  | 58,402                          | 3,208,920        | 859,583                                  | 24,425                                   | 59,380                                   | 156,123  |
| Mar-21                     | 890,199                             | -  | 269,897                                 | 4,427,418                              | 30,937   | 2,249                                    | 91,588                          | 4,335,830        | 877,483                                  | 34,147                                   | 59,961                                   | 215,503  |
| Apr-21                     | 1,020,595                           | -  | -                                       | 5,448,013                              | 38,898   | 4,498                                    | 134,984                         | 5,313,028        | 912,406                                  | 45,268                                   | 61,654                                   | 275,464  |
| May-21                     | 1,020,595                           | -  | -                                       | 6,468,608                              | 47,403   | 4,498                                    | 186,886                         | 6,281,722        | 913,910                                  | 54,278                                   | 61,120                                   | 337,117  |
| Jun-21                     | 1,029,242                           | -  | 134,499                                 | 7,632,349                              | 55,944   | 5,619                                    | 248,450                         | 7,383,900        | 927,797                                  | 64,446                                   | 61,384                                   | 398,237  |
| Jul-21                     | 1,461,993                           | -  | -                                       | 9,094,343                              | 66,325   | 6,740                                    | 321,514                         | 8,772,829        | 1,199,440                                | 77,834                                   | 79,746                                   | 459,621  |
| Aug-21                     | 3,878,186                           | -  | -                                       | 12,972,529                             | 88,575   | 4,491                                    | 414,580                         | 12,557,949       | 3,064,136                                | 103,753                                  | 210,483                                  | 539,368  |
| Sep-21                     | 4,573,146                           | -  | 1,154,637                               | 18,700,312                             | 123,789  | 16,362                                   | 554,731                         | 18,145,580       | 3,801,799                                | 154,412                                  | 259,329                                  | 749,851  |
|                            | Program Assumption                  | Investment in Shared Service Territory shared with Partner Utility | See WP-SS-CEF-EE-1.xlsx 'ITCap-E' wksht | Prior Month + (Col 1 + Col 1a + Col 2) | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht                           | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | Prior Month + (Col 4 + Col 5)   | Col 3 - Col 6    | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht         |
| <b>Annual Summary</b>      |                                     |  |   |  |  |  |                                 |                  |  |  |  |  |
| 2019                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | -                | -  | -  | -  | -  |
| 2020                       | 1,487,259                           | -  | -                                       | -                                      | 18,697   | -  | -                               | 18,697           | 1,353,960                                | 20,422                                   | 94,815                                   | 31,242   |
| 2021                       | 27,250,846                          | -  | 2,715,662                               | 1,156,629                              | 1,066,868  | 130,927                                  | 35,622                          | 1,216,492        | 22,841,563                               | 1,301,031                                | 1,531,532                                | 198,903  |
| 2022                       | 62,141,088                          | -  | 3,119,366                               | 402,312                                | 5,581,838  | 839,937                                  | 93,898                          | 7,638,267        | 49,804,758                               | 7,000,332                                | 3,043,395                                | 291,141  |
| 2023                       | 80,242,992                          | -  | 804,616                                 | -                                      | 12,679,129   | 1,260,865                                | 110,661                         | 21,578,261       | 61,319,860                               | 14,977,401                               | 3,294,949                                | 322,589  |
| 2024                       | 24,802,695                          | -  | -                                       | -                                      | 18,337,416   | 1,327,929                                | 110,661                         | 41,243,606       | 17,902,923                               | 20,885,185                               | (212,039)                                | 2,764  |
| 2025                       | 15,263,493                          | -  | -                                       | -                                      | 20,386,672   | 1,327,929                                | 110,661                         | 62,958,207       | 15,160,029                               | 23,770,732                               | (612,221)                                | (69,327)   |
| 2026                       | 3,735,611                           | -  | -                                       | -                                      | 21,327,409   | 1,216,262                                | 84,677                          | 85,501,878       | 11,733,070                               | 25,589,120                               | (985,165)                                | (90,141)   |
| 2027                       | -                                   | -  | -                                       | -                                      | 21,492,399   | 475,448                                  | 20,115                          | 107,469,725      | -  | 14,673,001                               | (1,043,250)                              | (85,551)   |
| 2028                       | -                                   | -  | -                                       | -                                      | 21,492,399   | 60,346                                   | -                               | 129,022,470      | -  | 14,257,899                               | (1,013,737)                              | (84,121)   |
| 2029                       | -                                   | -  | -                                       | -                                      | 21,492,399   | -  | -                               | 150,514,869      | -  | 14,197,553                               | (1,009,446)                              | (84,121)   |
| 2030                       | -                                   | -  | -                                       | -                                      | 21,473,701   | -  | -                               | 171,988,570      | -  | 14,180,565                               | (1,008,238)                              | (83,453)   |
| 2031                       | -                                   | -  | -                                       | -                                      | 20,425,531   | -  | -                               | 192,414,101      | -  | 13,274,221                               | (943,797)                                | (70,960)   |
| 2032                       | -                                   | -  | -                                       | -                                      | 15,910,561   | -  | -                               | 208,324,661      | -  | 9,694,892                                | (689,307)                                | (43,815)   |
| 2033                       | -                                   | -  | -                                       | -                                      | 8,813,269  | -  | -                               | 217,137,931      | -  | 4,613,887                                | (328,047)                                | (11,461)   |
| 2034                       | -                                   | -  | -                                       | -                                      | 3,154,983  | -  | -                               | 220,292,913      | -  | 1,197,926                                | (85,173)                                 | (4,613)  |
| 2035                       | -                                   | -  | -                                       | -                                      | 1,105,726  | -  | -                               | 221,398,640      | -  | 419,413                                  | (29,820)                                 | (924)  |
| 2036                       | -                                   | -  | -                                       | -                                      | 164,989  | -  | -                               | 221,563,629      | -  | 62,582                                   | (4,450)                                  | -  |
| 2037                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2038                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2039                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2040                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2041                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2042                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2043                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| 2044                       | -                                   | -  | -                                       | -                                      | -  | -  | -                               | 221,563,629      | -  | -  | -  | -  |
| Total                      | 214,923,986                         | -  | 6,639,644                               | -                                      | 214,923,986  | 6,639,644                                | -                               | 180,116,163      | 180,116,163                              | -  | (0)                                      | -  |
| Oct 20 - Sep 21            | 17,141,279                          | -  | -                                       | -                                      | 510,274  | 44,457                                   | -                               | 14,789,709       | 595,897                                  | -  | 1,009,180                                | -  |

**PSE&G Clean Energy Future Energy Efficiency Program  
Gas Revenue Requirements Calculation**

Schedule SS-CEF-EE-2G  
Page 2 of 2

|                                   |          |
|-----------------------------------|----------|
| Monthly WACC effective 11/1/2018  | 0.75136% |
| Inc. tax rate effective 11/1/2018 | 28.11%   |

|                                | (12)  | (13)                                       | (14)                          | (15)                                     | (16)               | (17)                   | (18)                                     | (19)                                     | (20)                                     | (21)   |
|--------------------------------|---|--|-------------------------------|--|--------------------|------------------------|--|--|--|--|
|                                | <u>Ending<br/>Accumulated<br/>Deferred Income<br/>Tax</u> | <u>Average Net<br/>Investment</u>          | <u>Return Requirement</u>     | <u>Program Investment<br/>Repayments</u> | <u>Expenses</u>    | <u>Revenue Offsets</u> | <u>Tax Flow-through</u>                  | <u>Tax Flow-Through<br/>Gross-up</u>     | <u>Tax Adjustment<br/>on Loan</u>        | <u>Revenue<br/>Requirements</u>  |
| <b>Monthly<br/>Calculation</b> |   |  |                               |  |                    |                        |  |  |  |  |
| Jan-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Feb-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Mar-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Apr-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| May-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Jun-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Jul-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Aug-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Sep-20                         | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Oct-20                         | 32,681  | 236,180                                    | 1,775                         | (1,325)                                  | 524,340            | -                      | (96,527)                                 | (37,744)                                 | (444)                                    | 392,188  |
| Nov-20                         | 63,572  | 696,654                                    | 5,234                         | (2,650)                                  | 524,340            | -                      | (91,239)                                 | (35,676)                                 | (814)                                    | 405,446  |
| Dec-20                         | 94,815  | 1,147,348                                  | 8,621                         | (3,976)                                  | 524,340            | -                      | (92,277)                                 | (36,082)                                 | (1,183)                                  | 409,777  |
| Jan-21                         | 156,123   | 1,785,012                                  | 13,412                        | (4,638)                                  | 524,340            | -                      | (181,079)                                | (70,805)                                 | (1,331)                                  | 296,043  |
| Feb-21                         | 215,503   | 2,594,847                                  | 19,497                        | (5,301)                                  | 524,340            | -                      | (175,383)                                | (68,577)                                 | (1,516)                                  | 316,620  |
| Mar-21                         | 275,464   | 3,526,892                                  | 26,500                        | (5,964)                                  | 524,340            | -                      | (177,101)                                | (69,249)                                 | (1,701)                                  | 330,012  |
| Apr-21                         | 337,117   | 4,518,139                                  | 33,947                        | (6,638)                                  | 524,340            | -                      | (182,099)                                | (71,203)                                 | (2,830)                                  | 336,106  |
| May-21                         | 398,237   | 5,429,698                                  | 40,796                        | (7,303)                                  | 524,340            | -                      | (180,523)                                | (70,587)                                 | (3,801)                                  | 349,199  |
| Jun-21                         | 459,621   | 6,403,881                                  | 48,116                        | (8,017)                                  | 524,340            | -                      | (181,304)                                | (70,892)                                 | (4,773)                                  | 360,640  |
| Jul-21                         | 539,368   | 7,578,870                                  | 56,944                        | (8,788)                                  | 572,406            | -                      | (235,537)                                | (92,098)                                 | (7,348)                                  | 342,750  |
| Aug-21                         | 749,851   | 10,020,779                                 | 75,292                        | (9,627)                                  | 572,406            | -                      | (621,681)                                | (243,086)                                | (15,130)                                 | (188,429)  |
| Sep-21                         | 1,009,180   | 14,472,249                                 | 108,738                       | (10,586)                                 | 572,406            | -                      | (765,951)                                | (299,498)                                | (21,997)                                 | (340,062)  |
|                                | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht                  | (Prev Col 7 - Col 11 + Col 7 - Col 12) / 2 | Col 15 * Monthly Pre Tax WACC | Program Assumption                       | Program Assumption | Program Assumption     | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | See WP-SS-CEF-EE-1.xlsx 'BkTaxSum' wksht | Col 4 + Col 5 + Col 14 + Col 15 + Col 68 + Col 17 + Col 18 + Col 19 + Col 20 |
| <b>Annual<br/>Summary</b>      |   |  |                               |  |                    |                        |  |  |  |  |
| 2019                           | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| 2020                           | 63,572  | 94,815                                     | 15,630                        | (7,951)                                  | 1,573,020          | -                      | (280,043)                                | (109,501)                                | (2,441)                                  | 1,207,411  |
| 2021                           | 1,427,443   | 1,626,346                                  | 932,227                       | (571,464)                                | 6,580,479          | -                      | (4,523,512)                              | (1,768,757)                              | (167,326)                                | 1,679,442  |
| 2022                           | 4,378,600   | 4,669,741                                  | 4,807,551                     | (3,838,899)                              | 7,087,828          | -                      | (8,988,929)                              | (3,514,798)                              | (1,079,090)                              | 895,437  |
| 2023                           | 7,642,101   | 7,964,690                                  | 10,192,106                    | (9,570,699)                              | 5,806,282          | -                      | (9,731,917)                              | (3,805,316)                              | (2,531,908)                              | 4,298,543  |
| 2024                           | 7,749,887   | 7,752,651                                  | 13,610,437                    | (15,185,839)                             | 2,687,298          | -                      | 626,275                                  | 244,882                                  | (3,850,726)                              | 17,797,672   |
| 2025                           | 7,209,757   | 7,140,430                                  | 13,621,233                    | (20,065,205)                             | 784,992            | -                      | 1,808,248                                | 707,050                                  | (5,261,748)                              | 13,309,172   |
| 2026                           | 6,245,406   | 6,155,265                                  | 12,535,441                    | (23,708,399)                             | 260,028            | -                      | 2,909,771                                | 1,137,761                                | (6,457,973)                              | 9,220,301  |
| 2027                           | 5,197,565   | 5,112,015                                  | 10,764,574                    | -  | 129,185            | -                      | 3,081,330                                | 1,204,843                                | 2,852,387                                | 40,000,167   |
| 2028                           | 4,182,398   | 4,098,278                                  | 8,898,731                     | -  | 105,518            | -                      | 2,994,159                                | 1,170,758                                | 2,852,387                                | 37,574,297   |
| 2029                           | 3,172,952   | 3,088,832                                  | 7,050,873                     | -  | 62,379             | -                      | 2,981,486                                | 1,165,803                                | 2,852,387                                | 35,605,327   |
| 2030                           | 2,164,047   | 2,080,594                                  | 5,204,208                     | -  | 23,585             | -                      | 2,977,919                                | 1,164,408                                | 2,851,719                                | 33,695,540   |
| 2031                           | 1,207,756   | 1,136,797                                  | 3,385,371                     | -  | 24,293             | -                      | 2,787,586                                | 1,089,985                                | 2,796,263                                | 30,509,029   |
| 2032                           | 491,305   | 447,490                                    | 1,795,788                     | -  | 25,022             | -                      | 2,035,927                                | 796,076                                  | 2,430,414                                | 22,993,788   |
| 2033                           | 130,903   | 119,442                                    | 712,780                       | -  | 25,773             | -                      | 968,916                                  | 378,860                                  | 1,642,017                                | 12,541,616   |
| 2034                           | 38,883  | 34,270                                     | 231,028                       | -  | 13,077             | -                      | 251,564                                  | 98,365                                   | 765,237                                  | 4,514,254  |
| 2035                           | 5,373   | 4,450                                      | 51,299                        | -  | -                  | -                      | 88,077                                   | 34,439                                   | 268,358                                  | 1,547,899  |
| 2036                           | -   | -  | 4,472                         | -  | -                  | -                      | 13,142                                   | 5,139                                    | 40,043                                   | 227,785  |
| 2037                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2038                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2039                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2040                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2041                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2042                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2043                           | -   | -  | (0)                           | -  | -                  | -                      | -  | -  | -  | (0)  |
| 2044                           | -   | -  | -                             | -  | -                  | -                      | -  | -  | -  | -  |
| Total                          |   |  | 93,813,750                    | (72,948,457)                             | 25,188,759         | -                      | 0  | 0  | (0)                                      | 267,617,681  |
| Oct 20 - Sep 21                |   |  | 438,873                       | (210,528)                                | 6,436,280          | -                      | (2,980,701)                              | (1,165,496)                              | (62,868)                                 | 3,010,291  |

## PSE&G Clean Energy Future Energy Efficiency Program Proposed Rate Calculations

Schedule SS-CEF-EE-3

(\$'s Unless Specified)

Current SUT Rate 6.625%

| <u>Line</u> | <u>Date(s)</u>     |  | <u>Electric</u> | <u>Gas</u> | <u>Source/Description</u>         |
|-------------|--------------------|--|-----------------|------------|-----------------------------------|
| 1           | Oct 20 -<br>Sep 21 | Revenue Requirements                                   | 8,766,394       | 3,010,291  | SS-2E/G, Col 23                   |
| 2           | Oct 20 -<br>Sep 21 | Forecasted (\$/kWh or \$/Therm)                        | 40,681,934      | 2,852,756  |                                   |
| 3           |                    | Proposed Rate w/o SUT (\$/kWh or \$/Therm)             | 0.000215        | 0.001055   | Line 1 / Line 2 [Rnd 6]           |
| 4           |                    | Public Notice Rate w/o SUT (\$/kWh)                    | 0.000215        | 0.001055   | Line 3                            |
| 5           |                    | Proposed Rate w/ SUT (\$/kWh or \$/Therm)              | 0.000229        | 0.001125   | (Line 3 * (1 + SUT Rate)) [Rnd 6] |
| 6           |                    | Existing Rate w/o SUT (\$/kWh or \$/Therm)             | 0.000000        | 0.000000   |                                   |
| 7           |                    | Difference in Proposed and Existing Rate               | 0.000215        | 0.001055   | (Line 3 - Line 6)                 |
| 8           |                    | Resultant CEF-EE Program Revenue Increase / (Decrease) | 8,746,616       | 3,009,657  | (Line 2 * Line 7 * 1,000)         |

**PSE&G Clean Energy Future Energy Efficiency Program**  
**Electric GPRC Recovery Charge (GPRC) - Rate Impact Analysis**

Schedule SS-CEF-EE-4E

6.625% SUT Rate effective 1/1/2018  
40,681,934 kWh Sales (000) - Oct 20 - Sep 21  
40,681,934 kWh Sales (000) - Oct 20 - thereafter

6,920 Avg RS kWh / yr.  
740 Avg RS kWh / Summer Month  
495 Avg RS kWh / Winter Month

0.001901 Current electric GPRC (\$/kWh)

| (1)<br>Current  | (2)<br>Electric CEF-EE Revenue Requirements <sup>2</sup> | (3)<br>Electric CEF-EEC w/o SUT (\$/kWh) | (4)<br>Electric CEF-EEC w/ SUT (\$/kWh) <sup>3</sup> | (6) Class Average Rate w/SUT - \$/kWh <sup>1</sup>                     |          |          |          |           |           |           | (12) Typical RS GPRC (\$)                      |  |                             | (14)<br>Change in RS Typical Annual Bill (\$'s) | (15)<br>RS Typical Annual Bill (\$'s) <sup>3</sup> | (16)<br>% Change in RS Typical Annual Bill |
|-----------------|--|--|--|--|----------|----------|----------|-----------|-----------|-----------|--|--|-----------------------------|---|--|--|
|                 |  |  |  | (5) RS   | (5) RHS  | (5) RLM  | (5) GLP  | (5) LPL-S | (5) LPL-P | (5) HTS-S | (11) Summer Monthly Bill                       | (11) Winter Monthly Bill                       | (11) Annual Bill            |   |  |  |
|                 |  |  |  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       |   |  |  |
| Oct 20 - Sep 21 | 8,766,394  | 0.000215                                 | 0.000229   | 0.189928   | 0.144099 | 0.189178 | 0.168632 | 0.130827  | 0.106124  | 0.090903  | 1.58   | 1.05   | 14.72                       | \$1.56  | 1,314.28   | 0.12%                                      |
| Oct 21 - Sep 22 | (2,310,773)  | (0.000057)                               | (0.000061)   | 0.189638   | 0.143809 | 0.188888 | 0.168342 | 0.130537  | 0.105834  | 0.090613  | 1.36   | 0.91   | 12.72                       | -\$0.44   | 1,312.28   | -0.03%                                     |
| Oct 22 - Sep 23 | 11,493,290   | 0.000283                                 | 0.000302   | 0.190001   | 0.144172 | 0.189251 | 0.168705 | 0.130900  | 0.106197  | 0.090976  | 1.63   | 1.09   | 15.24                       | \$2.08  | 1,314.80   | 0.16%                                      |
| Oct 23 - Sep 24 | 35,878,508   | 0.000882                                 | 0.000940   | 0.190639   | 0.144810 | 0.189889 | 0.169343 | 0.131538  | 0.106835  | 0.091614  | 2.10   | 1.41   | 19.68                       | \$6.52  | 1,319.24   | 0.50%                                      |
| Oct 24 - Sep 25 | 36,083,142   | 0.000887                                 | 0.000946   | 0.190645   | 0.144816 | 0.189895 | 0.169349 | 0.131544  | 0.106841  | 0.091620  | 2.11   | 1.41   | 19.72                       | \$6.56  | 1,319.28   | 0.50%                                      |
| Oct 25 - Sep 26 | 12,344,026   | 0.000303                                 | 0.000323   | 0.190022   | 0.144193 | 0.189272 | 0.168726 | 0.130921  | 0.106218  | 0.090997  | 1.65   | 1.10   | 15.40                       | \$2.24  | 1,314.96   | 0.17%                                      |
| Oct 26 - Sep 27 | 113,476,801  | 0.002789                                 | 0.002974   | 0.192673   | 0.146844 | 0.191923 | 0.171377 | 0.133572  | 0.108869  | 0.093648  | 3.61   | 2.41   | 33.72                       | \$20.56   | 1,333.28   | 1.57%                                      |
| Oct 27 - Sep 28 | 140,246,121  | 0.003447                                 | 0.003675   | 0.193374   | 0.147545 | 0.192624 | 0.172078 | 0.134273  | 0.109570  | 0.094349  | 4.13   | 2.76   | 38.60                       | \$25.44   | 1,338.16   | 1.94%                                      |
| Oct 28 - Sep 29 | 132,693,551  | 0.003262                                 | 0.003478   | 0.193177   | 0.147348 | 0.192427 | 0.171881 | 0.134076  | 0.109373  | 0.094152  | 3.98   | 2.66   | 37.20                       | \$24.04   | 1,336.76   | 1.83%                                      |
| Oct 29 - Sep 30 | 125,644,735  | 0.003088                                 | 0.003293   | 0.192992   | 0.147163 | 0.192242 | 0.171696 | 0.133891  | 0.109188  | 0.093967  | 3.84   | 2.57   | 35.92                       | \$22.76   | 1,335.48   | 1.73%                                      |
| Oct 30 - Sep 31 | 116,766,520  | 0.002870                                 | 0.003060   | 0.192759   | 0.146930 | 0.192009 | 0.171463 | 0.133658  | 0.108955  | 0.093734  | 3.67   | 2.46   | 34.36                       | \$21.20   | 1,333.92   | 1.61%                                      |
| Oct 31 - Sep 32 | 92,363,341   | 0.002270                                 | 0.002420   | 0.192119   | 0.146290 | 0.191369 | 0.170823 | 0.133018  | 0.108315  | 0.093094  | 3.20   | 2.14   | 29.92                       | \$16.76   | 1,329.48   | 1.28%                                      |
| Oct 32 - Sep 33 | 55,444,874   | 0.001363                                 | 0.001453   | 0.191152   | 0.145323 | 0.190402 | 0.169856 | 0.132051  | 0.107348  | 0.092127  | 2.48   | 1.66   | 23.20                       | \$10.04   | 1,322.76   | 0.76%                                      |
| Oct 33 - Sep 34 | 17,734,940   | 0.000436                                 | 0.000465   | 0.190164   | 0.144335 | 0.189414 | 0.168868 | 0.131063  | 0.106360  | 0.091139  | 1.75   | 1.17   | 16.36                       | \$3.20  | 1,315.92   | 0.24%                                      |
| Oct 34 - Sep 35 | 4,558,249  | 0.000112                                 | 0.000119   | 0.189818   | 0.143989 | 0.189068 | 0.168522 | 0.130717  | 0.106014  | 0.090793  | 1.49   | 1.00   | 13.96                       | \$0.80  | 1,313.52   | 0.06%                                      |
| Oct 35 - Sep 36 | 854,834  | 0.000021                                 | 0.000022   | 0.189721   | 0.143892 | 0.188971 | 0.168425 | 0.130620  | 0.105917  | 0.090696  | 1.42   | 0.95   | 13.28                       | \$0.12  | 1,312.84   | 0.01%                                      |
| Oct 36 - Sep 37 | 26,982   | 0.000001                                 | 0.000001   | 0.189700   | 0.143871 | 0.188950 | 0.168404 | 0.130599  | 0.105896  | 0.090675  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 37 - Sep 38 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 38 - Sep 39 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 39 - Sep 40 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 40 - Sep 41 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 41 - Sep 42 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 42 - Sep 43 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
| Oct 43 - Sep 44 | 0  | -  | -  | 0.189699   | 0.143870 | 0.188949 | 0.168403 | 0.130598  | 0.105895  | 0.090674  | 1.41   | 0.94   | 13.16                       | \$0.00  | 1,312.72   | 0.00%                                      |
|                 | From Schedule SS-CEF-EE-2E Col 23                        | Col 1 / [kWh Sales] (Rnd to 6 dec.)      | Col 2 * (1 + SUT Rate) Rnd 6                         | Current Class Avg Rate + Col 3 for Each Rate Class (Col 4 thru Col 11) |          |          |          |           |           |           | (Cur. eGPRC + Col 3) * Avg RS kWh Sum Mo Rnd 2 | (Cur. eGPRC + Col 3) * Avg RS kWh Win Mo Rnd 2 | (4 * Col 11) + (8 * Col 12) | Col 13 - Current Col 13                         | Current Col 15 + Col 14                            | Col 14 / Current Col 15 Rnd 4              |

|                 | % Change from Current Class Average Rate w/SUT |        |        |        |        |        |        |       |
|-----------------|--|--------|--------|--------|--------|--------|--------|-------|
|                 | RS   | RHS    | RLM    | GLP    | LPL-S  | LPL-P  | HTS-S  |       |
| Apr 19 - Sep 20 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00% |
| Oct 20 - Sep 21 | 0.12%  | 0.16%  | 0.12%  | 0.14%  | 0.18%  | 0.22%  | 0.25%  |       |
| Oct 21 - Sep 22 | -0.03%   | -0.04% | -0.03% | -0.04% | -0.05% | -0.06% | -0.07% |       |
| Oct 22 - Sep 23 | 0.16%  | 0.21%  | 0.16%  | 0.18%  | 0.23%  | 0.29%  | 0.33%  |       |
| Oct 23 - Sep 24 | 0.50%  | 0.65%  | 0.50%  | 0.56%  | 0.72%  | 0.89%  | 1.04%  |       |
| Oct 24 - Sep 25 | 0.50%  | 0.66%  | 0.50%  | 0.56%  | 0.72%  | 0.89%  | 1.04%  |       |
| Oct 25 - Sep 26 | 0.17%  | 0.22%  | 0.17%  | 0.19%  | 0.25%  | 0.31%  | 0.36%  |       |
| Oct 26 - Sep 27 | 1.57%  | 2.07%  | 1.57%  | 1.77%  | 2.28%  | 2.81%  | 3.28%  |       |
| Oct 27 - Sep 28 | 1.94%  | 2.55%  | 1.94%  | 2.18%  | 2.81%  | 3.47%  | 4.05%  |       |
| Oct 28 - Sep 29 | 1.83%  | 2.42%  | 1.84%  | 2.07%  | 2.66%  | 3.28%  | 3.84%  |       |
| Oct 29 - Sep 30 | 1.74%  | 2.29%  | 1.74%  | 1.96%  | 2.52%  | 3.11%  | 3.63%  |       |
| Oct 30 - Sep 31 | 1.61%  | 2.13%  | 1.62%  | 1.82%  | 2.34%  | 2.89%  | 3.37%  |       |
| Oct 31 - Sep 32 | 1.28%  | 1.68%  | 1.28%  | 1.44%  | 1.85%  | 2.29%  | 2.67%  |       |
| Oct 32 - Sep 33 | 0.77%  | 1.01%  | 0.77%  | 0.86%  | 1.11%  | 1.37%  | 1.60%  |       |
| Oct 33 - Sep 34 | 0.25%  | 0.32%  | 0.25%  | 0.28%  | 0.36%  | 0.44%  | 0.51%  |       |
| Oct 34 - Sep 35 | 0.06%  | 0.08%  | 0.06%  | 0.07%  | 0.09%  | 0.11%  | 0.13%  |       |
| Oct 35 - Sep 36 | 0.01%  | 0.02%  | 0.01%  | 0.01%  | 0.02%  | 0.02%  | 0.02%  |       |
| Oct 36 - Sep 37 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 37 - Sep 38 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 38 - Sep 39 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 39 - Sep 40 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 40 - Sep 41 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 41 - Sep 42 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |
| Oct 42 - Sep 43 | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  |       |

<sup>1</sup> All customers assumed to have BGS Supply

<sup>2</sup> Initial Rate period is October 2020 to September 2021 for the CEF-EE Program

<sup>3</sup> SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program

<sup>4</sup> The rates are based on a typical residential bill as of September 1, 2020

**PSE&G Clean Energy Future Energy Efficiency Program**  
**Gas GPRC Recovery Charge (GPRC) - Rate Impact Analysis**

Schedule SS-CEF-EE-4G

1,040 Typical RSG Therms / yr.  
0.004361 Current Gas GPRC (\$/therm)  
2,852,756 Therm Sales (000) Oct 20 - Sep 21  
172 89 29 Monthly Therms  
2,852,756 Therm Sales (000) Oct 20 - thereafter  
4 2 6 # of Months/year

| (1)             | (2)        | (3)      | (4)-(9) Class Average Rate w/SUT - \$/therm <sup>1</sup> |                                |  |          |          |          | (10)-(13) Typical RSG GPRC (\$) |        |      |                      | (14) Change in RSG Typical Annual Bill (\$'s) | (15) RSG Typical Annual Bill (\$'s) <sup>4</sup> | (16) % Change in RSG Typical Annual Bill |                        |                      |             |
|-----------------|------------|----------|--|--------------------------------|--|----------|----------|----------|---------------------------------|--------|------|----------------------|---|--|--|------------------------|----------------------|-------------|
|                 |            |          | Gas CEF-EE Revenue Requirements <sup>2</sup>             | Gas CEF-EEC w/o SUT (\$/therm) | Gas CEF-EEC w/ SUT (\$/therm) <sup>3</sup> | RSG      | GSG      | LVG      | TSG-F                           | TSG-NF | CIG  | Dec-Mar Monthly Bill |   |  |  | Nov & Apr Monthly Bill | May-Oct Monthly Bill | Annual Bill |
|                 |            |          |  |                                |  |          |          |          |                                 |        |      |                      |   |  |  |                        |                      |             |
| Current         |            |          | 0.839154   | 0.905645                       | 0.728062                                   | 0.614771 | 0.570814 | 0.413154 | 0.75                            | 0.39   | 0.13 | 4.56                 |   | 872.72   |  |                        |                      |             |
| Oct 20 - Sep 21 | 3,010,291  | 0.001055 | 0.001125   | 0.840279                       | 0.906770                                   | 0.729187 | 0.615896 | 0.571939 | 0.414209                        | 0.94   | 0.49 | 0.16                 | 5.70  | \$1.14   | 873.86                                   | 0.13%                  |                      |             |
| Oct 21 - Sep 22 | 339,194    | 0.000119 | 0.000127   | 0.839281                       | 0.905772                                   | 0.728189 | 0.614898 | 0.570941 | 0.413273                        | 0.77   | 0.40 | 0.13                 | 4.66  | \$0.10   | 872.82                                   | 0.01%                  |                      |             |
| Oct 22 - Sep 23 | 3,657,933  | 0.001282 | 0.001367   | 0.840521                       | 0.907012                                   | 0.729429 | 0.616138 | 0.572181 | 0.414436                        | 0.99   | 0.51 | 0.17                 | 6.00  | \$1.44   | 874.16                                   | 0.17%                  |                      |             |
| Oct 23 - Sep 24 | 14,760,013 | 0.005174 | 0.005517   | 0.844671                       | 0.911162                                   | 0.733579 | 0.620288 | 0.576331 | 0.418328                        | 1.70   | 0.88 | 0.29                 | 10.30   | \$5.74   | 878.46                                   | 0.66%                  |                      |             |
| Oct 24 - Sep 25 | 14,685,113 | 0.005148 | 0.005489   | 0.844643                       | 0.911134                                   | 0.733551 | 0.620260 | 0.576303 | 0.418302                        | 1.69   | 0.88 | 0.29                 | 10.26   | \$5.70   | 878.42                                   | 0.65%                  |                      |             |
| Oct 25 - Sep 26 | 9,791,235  | 0.003432 | 0.003659   | 0.842813                       | 0.909304                                   | 0.731721 | 0.618430 | 0.574473 | 0.416586                        | 1.38   | 0.71 | 0.23                 | 8.32  | \$3.76   | 876.48                                   | 0.43%                  |                      |             |
| Oct 26 - Sep 27 | 32,421,115 | 0.011365 | 0.012118   | 0.851272                       | 0.917763                                   | 0.740180 | 0.626889 | 0.582932 | 0.424519                        | 2.83   | 1.47 | 0.48                 | 17.14   | \$12.58  | 885.30                                   | 1.44%                  |                      |             |
| Oct 27 - Sep 28 | 38,117,867 | 0.013362 | 0.014247   | 0.853401                       | 0.919892                                   | 0.742309 | 0.629018 | 0.585061 | 0.426516                        | 3.20   | 1.66 | 0.54                 | 19.36   | \$14.80  | 887.52                                   | 1.70%                  |                      |             |
| Oct 28 - Sep 29 | 36,086,599 | 0.012650 | 0.013488   | 0.852642                       | 0.919133                                   | 0.741550 | 0.628259 | 0.584302 | 0.425804                        | 3.07   | 1.59 | 0.52                 | 18.58   | \$14.02  | 886.74                                   | 1.61%                  |                      |             |
| Oct 29 - Sep 30 | 34,181,256 | 0.011982 | 0.012776   | 0.851930                       | 0.918421                                   | 0.740838 | 0.627547 | 0.583590 | 0.425136                        | 2.95   | 1.53 | 0.50                 | 17.86   | \$13.30  | 886.02                                   | 1.52%                  |                      |             |
| Oct 30 - Sep 31 | 31,682,744 | 0.011106 | 0.011842   | 0.850996                       | 0.917487                                   | 0.739904 | 0.626613 | 0.582656 | 0.424260                        | 2.79   | 1.44 | 0.47                 | 16.86   | \$12.30  | 885.02                                   | 1.41%                  |                      |             |
| Oct 31 - Sep 32 | 25,257,132 | 0.008854 | 0.009441   | 0.848595                       | 0.915086                                   | 0.737503 | 0.624212 | 0.580255 | 0.422008                        | 2.37   | 1.23 | 0.40                 | 14.34   | \$9.78   | 882.50                                   | 1.12%                  |                      |             |
| Oct 32 - Sep 33 | 15,335,201 | 0.005376 | 0.005732   | 0.844886                       | 0.911377                                   | 0.733794 | 0.620503 | 0.576546 | 0.418530                        | 1.74   | 0.90 | 0.29                 | 10.50   | \$5.94   | 878.66                                   | 0.68%                  |                      |             |
| Oct 33 - Sep 34 | 5,731,956  | 0.002009 | 0.002142   | 0.841296                       | 0.907787                                   | 0.730204 | 0.616913 | 0.572956 | 0.415163                        | 1.12   | 0.58 | 0.19                 | 6.78  | \$2.22   | 874.94                                   | 0.25%                  |                      |             |
| Oct 34 - Sep 35 | 2,145,058  | 0.000752 | 0.000802   | 0.839956                       | 0.906447                                   | 0.728864 | 0.615573 | 0.571616 | 0.413906                        | 0.89   | 0.46 | 0.15                 | 5.38  | \$0.82   | 873.54                                   | 0.09%                  |                      |             |
| Oct 35 - Sep 36 | 402,275    | 0.000141 | 0.000150   | 0.839304                       | 0.905795                                   | 0.728212 | 0.614921 | 0.570964 | 0.413295                        | 0.78   | 0.40 | 0.13                 | 4.70  | \$0.14   | 872.86                                   | 0.02%                  |                      |             |
| Oct 36 - Sep 37 | 12,697     | 0.000004 | 0.000004   | 0.839158                       | 0.905649                                   | 0.728066 | 0.614775 | 0.570818 | 0.413158                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 37 - Sep 38 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 38 - Sep 39 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 39 - Sep 40 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 40 - Sep 41 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 41 - Sep 42 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 42 - Sep 43 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |
| Oct 43 - Sep 44 | (0)        | -        | -  | 0.839154                       | 0.905645                                   | 0.728062 | 0.614771 | 0.570814 | 0.413154                        | 0.75   | 0.39 | 0.13                 | 4.56  | \$0.00   | 872.72                                   | 0.00%                  |                      |             |

|                 | % Change from Current Class Average Rate w/SUT |       |       |       |        |       |
|-----------------|--|-------|-------|-------|--------|-------|
|                 | RSG  | GSG   | LVG   | TSG-F | TSG-NF | CIG   |
| Apr 19 - Sep 20 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 20 - Sep 21 | 0.13%  | 0.12% | 0.15% | 0.18% | 0.20%  | 0.27% |
| Oct 21 - Sep 22 | 0.02%  | 0.01% | 0.02% | 0.02% | 0.02%  | 0.03% |
| Oct 22 - Sep 23 | 0.16%  | 0.15% | 0.19% | 0.22% | 0.24%  | 0.33% |
| Oct 23 - Sep 24 | 0.66%  | 0.61% | 0.76% | 0.90% | 0.97%  | 1.34% |
| Oct 24 - Sep 25 | 0.65%  | 0.61% | 0.75% | 0.89% | 0.96%  | 1.33% |
| Oct 25 - Sep 26 | 0.44%  | 0.40% | 0.50% | 0.60% | 0.64%  | 0.89% |
| Oct 26 - Sep 27 | 1.44%  | 1.34% | 1.66% | 1.97% | 2.12%  | 2.93% |
| Oct 27 - Sep 28 | 1.70%  | 1.57% | 1.96% | 2.32% | 2.50%  | 3.45% |
| Oct 28 - Sep 29 | 1.61%  | 1.49% | 1.85% | 2.19% | 2.36%  | 3.26% |
| Oct 29 - Sep 30 | 1.52%  | 1.41% | 1.75% | 2.08% | 2.24%  | 3.09% |
| Oct 30 - Sep 31 | 1.41%  | 1.31% | 1.63% | 1.93% | 2.07%  | 2.87% |
| Oct 31 - Sep 32 | 1.13%  | 1.04% | 1.30% | 1.54% | 1.65%  | 2.29% |
| Oct 32 - Sep 33 | 0.68%  | 0.63% | 0.79% | 0.93% | 1.00%  | 1.39% |
| Oct 33 - Sep 34 | 0.26%  | 0.24% | 0.29% | 0.35% | 0.38%  | 0.52% |
| Oct 34 - Sep 35 | 0.10%  | 0.09% | 0.11% | 0.13% | 0.14%  | 0.19% |
| Oct 35 - Sep 36 | 0.02%  | 0.02% | 0.02% | 0.02% | 0.03%  | 0.04% |
| Oct 36 - Sep 37 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 37 - Sep 38 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 38 - Sep 39 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 39 - Sep 40 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 40 - Sep 41 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 41 - Sep 42 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |
| Oct 42 - Sep 43 | 0.00%  | 0.00% | 0.00% | 0.00% | 0.00%  | 0.00% |

<sup>1</sup> All customers assumed to have BGSS Supply  
<sup>2</sup> Initial Rate period is October 2020 to September 2021 for the CEF-EE Program  
<sup>3</sup> SUT is assumed at the current SUT rate effective January 1, 2018 through the life of the Program  
<sup>4</sup> The rates are based on a typical residential bill as of September 1, 2020

**PSE&G Clean Energy Future Energy Efficiency Program  
Electric Over/(Under) Calculation**

Schedule SS-CEF-EE-6E

|                               |          |
|-------------------------------|----------|
| Reflects a tax rate of        | 28.11%   |
| Existing Rate / kWh (w/o SUT) | 0.000000 |
| Proposed Rate / kWh (w/o SUT) | 0.000215 |

|                                | (1)  | (2)                            | (3)   | (4)                                | (5)   | (6)   | (7)                                   | (8)   | (9)                     | (10)                           |
|--------------------------------|--|--------------------------------|---|------------------------------------|---|---|---------------------------------------|---|-------------------------|--------------------------------|
|                                | <u>Over / (Under)<br/>Recovery Beginning<br/>Balance</u> | <u>Electric<br/>Revenues</u>   | <u>Revenue<br/>Requirement</u>                | <u>Over / (Under)<br/>Recovery</u> | <u>Over / (Under)<br/>Recovery Ending<br/>Balance</u> | <u>Over / (Under)<br/>Average Monthly<br/>Balance</u> | <u>Interest Rate<br/>(Annualized)</u> | <u>Interest On Over /<br/>(Under) Average<br/>Monthly Balance</u> | <u>Interest Roll-In</u> | <u>Cumulative<br/>Interest</u> |
| <b>Monthly<br/>Calculation</b> |  |                                |   |                                    |   |   |                                       |   |                         |                                |
| Jan-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Feb-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Mar-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Apr-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| May-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Jun-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Jul-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Aug-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Sep-20                         | -  | -                              | -   | -                                  | -   | -   | 2.14%                                 | -   | -                       | -                              |
| Oct-20                         | -  | 666,051                        | 1,224,371                                     | (558,320)                          | (558,320)   | (279,160)   | 2.14%                                 | (358)   | -                       | (358)                          |
| Nov-20                         | (558,320)  | 629,938                        | 1,256,745                                     | (626,807)                          | (1,185,127)   | (871,724)   | 2.14%                                 | (1,118)   | -                       | (1,475)                        |
| Dec-20                         | (1,185,127)  | 718,729                        | 1,270,142                                     | (551,413)                          | (1,736,540)   | (1,460,833)   | 2.14%                                 | (1,873)   | -                       | (3,348)                        |
| Jan-21                         | (1,736,540)  | 758,469                        | 1,156,338                                     | (397,869)                          | (2,134,409)   | (1,935,474)   | 2.14%                                 | (2,481)   | -                       | (5,830)                        |
| Feb-21                         | (2,134,409)  | 688,465                        | 1,173,299                                     | (484,834)                          | (2,619,243)   | (2,376,826)   | 2.14%                                 | (3,047)   | -                       | (8,877)                        |
| Mar-21                         | (2,619,243)  | 692,767                        | 1,197,355                                     | (504,587)                          | (3,123,830)   | (2,871,537)   | 2.14%                                 | (3,681)   | -                       | (12,558)                       |
| Apr-21                         | (3,123,830)  | 599,517                        | 887,755                                       | (288,237)                          | (3,412,068)   | (3,267,949)   | 2.14%                                 | (4,190)   | -                       | (16,748)                       |
| May-21                         | (3,412,068)  | 671,801                        | 904,615                                       | (232,814)                          | (3,644,881)   | (3,528,475)   | 2.14%                                 | (4,524)   | -                       | (21,272)                       |
| Jun-21                         | (3,644,881)  | 781,108                        | 919,363                                       | (138,255)                          | (3,783,137)   | (3,714,009)   | 2.14%                                 | (4,762)   | -                       | (26,033)                       |
| Jul-21                         | (3,783,137)  | 911,272                        | 771,929                                       | 139,343                            | (3,643,794)   | (3,713,465)   | 2.14%                                 | (4,761)   | -                       | (30,794)                       |
| Aug-21                         | (3,643,794)  | 908,713                        | (871,699)                                     | 1,780,412                          | (1,863,382)   | (2,753,588)   | 2.14%                                 | (3,530)   | -                       | (34,324)                       |
| Sep-21                         | (1,863,382)  | 719,786                        | (1,123,818)                                   | 1,843,604                          | (19,778)  | (941,580)   | 2.14%                                 | (1,207)   | -                       | (35,531)                       |
|                                | (Prior Col 5) + (Col 9)                                  | Forecasted kWh * Proposed Rate | See Revenue Requirements Schedule for Details | Col 2 - Col 3                      | Col 1 + Col 4   | (Col 1 + Col 5) / 2                                   |                                       | (Col 6 * (Col 7) / 12)*net of tax rate                            |                         | Prior Month + Col 8 - Col 9    |

**PSE&G Clean Energy Future Energy Efficiency Program  
Gas Over/(Under) Calculation**

Schedule SS-CEF-EE-6G

|                                  |          |
|----------------------------------|----------|
| Reflects a tax rate of           | 28.11%   |
| Existing Rate / Therms (w/o SUT) | 0.000000 |
| Proposed Rate /Therms (w/o SUT)  | 0.001055 |

|                                 | (1)  | (2)                 | (3)   | (4)                                | (5)   | (6)   | (7)  | (8)   | (9)                     | (10)                           |
|---------------------------------|--|---------------------|---|------------------------------------|---|---|--|---|-------------------------|--------------------------------|
|                                 | <u>Over / (Under)<br/>Recovery Beginning<br/>Balance</u> | <u>Gas Revenues</u> | <u>Revenue<br/>Requirement</u>                | <u>Over / (Under)<br/>Recovery</u> | <u>Over / (Under)<br/>Recovery Ending<br/>Balance</u> | <u>Over / (Under)<br/>Average Monthly<br/>Balance</u> | <u>Interest Rate<br/>(Annualized)</u>          | <u>Interest On Over /<br/>(Under) Average<br/>Monthly Balance</u> | <u>Interest Roll-In</u> | <u>Cumulative<br/>Interest</u> |
| <b>Monthly<br/>Calculations</b> |  |                     |   |                                    |   |   |  |   |                         |                                |
| Jan-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Feb-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Mar-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Apr-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| May-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Jun-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Jul-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Aug-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Sep-20                          | -  | -                   | -   | -                                  | -   | -   | 2.14%  | -   | -                       | -                              |
| Oct-20                          | -  | 154,120             | 392,188                                       | (238,067)                          | (238,067)   | (119,034)   | 2.14%  | (153)   | -                       | (153)                          |
| Nov-20                          | (238,067)  | 293,829             | 405,446                                       | (111,617)                          | (349,684)   | (293,875)   | 2.14%  | (377)   | -                       | (529)                          |
| Dec-20                          | (349,684)  | 441,840             | 409,777                                       | 32,063                             | (317,621)   | (333,652)   | 2.14%  | (428)   | -                       | (957)                          |
| Jan-21                          | (317,621)  | 537,726             | 296,043                                       | 241,683                            | (75,938)  | (196,779)   | 2.14%  | (252)   | -                       | (1,209)                        |
| Feb-21                          | (75,938)   | 479,764             | 316,620                                       | 163,144                            | 87,206  | 5,634   | 2.14%  | 7   | -                       | (1,202)                        |
| Mar-21                          | 87,206   | 388,702             | 330,012                                       | 58,690                             | 145,896   | 116,551   | 2.14%  | 149   | -                       | (1,053)                        |
| Apr-21                          | 145,896  | 241,498             | 336,106                                       | (94,608)                           | 51,288  | 98,592  | 2.14%  | 126   | -                       | (926)                          |
| May-21                          | 51,288   | 122,145             | 349,199                                       | (227,054)                          | (175,766)   | (62,239)  | 2.14%  | (80)  | -                       | (1,006)                        |
| Jun-21                          | (175,766)  | 101,527             | 360,640                                       | (259,113)                          | (434,880)   | (305,323)   | 2.14%  | (391)   | -                       | (1,398)                        |
| Jul-21                          | (434,880)  | 80,892              | 342,750                                       | (261,858)                          | (696,737)   | (565,809)   | 2.14%  | (725)   | -                       | (2,123)                        |
| Aug-21                          | (696,737)  | 84,379              | (188,429)                                     | 272,808                            | (423,929)   | (560,333)   | 2.14%  | (718)   | -                       | (2,841)                        |
| Sep-21                          | (423,929)  | 83,234              | (340,062)                                     | 423,296                            | (634)   | (212,281)   | 2.14%  | (272)   | -                       | (3,113)                        |
|                                 | (Prior Col 5) + (Col 9)                                  |                     | See Revenue Requirements Schedule for Details | Col 2 - Col 3                      | Col 1 + Col 4   | (Col 1 + Col 5) / 2                                   | PSE&G CP/STD Wght Avg Rate from Previous Month | (Col 6 * (Col 7) / 12)*net of tax rate                            |                         | Prior Month + Col 8 - Col 9    |



**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 65**

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

**Superseding  
XXX Revised Sheet No. 65**

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatt-hour)**

**Component:**

|   |                   |
|---|-------------------|
| Carbon Abatement Program .....                              | \$0.000022        |
| Energy Efficiency Economic Stimulus Program.....            | (\$0.000060)      |
| Demand Response Program .....                               | \$0.000000        |
| Solar Generation Investment Program .....                   | \$0.000767        |
| Solar Loan II Program .....                                 | \$0.000282        |
| Energy Efficiency Economic Extension Program.....           | (\$0.000079)      |
| Solar Generation Investment Extension Program .....         | (\$0.000035)      |
| Solar Loan III Program .....                                | (\$0.000060)      |
| Energy Efficiency Economic Extension Program II.....        | \$0.000274        |
| Solar Generation Investment Extension II Program .....      | (\$0.000035)      |
| Energy Efficiency 2017 Program .....                        | \$0.000175        |
| Transition Renewable Energy Certificate Program.....        | \$0.000532        |
| <u>Clean Energy Future - Energy Efficiency Program.....</u> | <u>\$0.000000</u> |
| Sub-total per kilowatt-hour .....                           | \$0.001783        |
| <br>  |                   |
| Charge including New Jersey Sales and Use Tax (SUT) .....   | \$0.001901        |

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

Date of Issue:

Effective:

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

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

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 65**

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

**Superseding  
XXX Revised Sheet No. 65**

**GREEN PROGRAMS RECOVERY CHARGE**

**Charge  
(per kilowatt-hour)**

**Component:**

|   |                   |
|---|-------------------|
| Carbon Abatement Program .....                            | \$0.000022        |
| Energy Efficiency Economic Stimulus Program.....          | (\$0.000060)      |
| Demand Response Program .....                             | \$0.000000        |
| Solar Generation Investment Program .....                 | \$0.000767        |
| Solar Loan II Program .....                               | \$0.000282        |
| Energy Efficiency Economic Extension Program.....         | (\$0.000079)      |
| Solar Generation Investment Extension Program .....       | (\$0.000035)      |
| Solar Loan III Program .....                              | (\$0.000060)      |
| Energy Efficiency Economic Extension Program II.....      | \$0.000274        |
| Solar Generation Investment Extension II Program .....    | (\$0.000035)      |
| Energy Efficiency 2017 Program .....                      | \$0.000175        |
| Transition Renewable Energy Certificate Program.....      | \$0.000532        |
| Clean Energy Future - Energy Efficiency Program.....      | <u>\$0.000000</u> |
| Sub-total per kilowatt-hour .....                         | \$0.001783        |
| <br>  |                   |
| Charge including New Jersey Sales and Use Tax (SUT) ..... | \$0.001901        |

**GREEN PROGRAMS RECOVERY CHARGE**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs and other Board of Public Utilities (BPU) Programs approved for collection via this charge. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rates shall be reset each month.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 44**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 44**

**GREEN PROGRAMS RECOVERY CHARGE**

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

**Component:**

|  |                    |
|--|--------------------|
| Carbon Abatement Program .....   | \$ 0.000834        |
| Energy Efficiency Economic Stimulus Program.....                                 | (0.000555)         |
| Energy Efficiency Economic Extension Program.....                                | (0.000369)         |
| Energy Efficiency Economic Extension Program II.....                             | 0.002340           |
| Energy Efficiency 2017 Program .....   | 0.001840           |
| <u>Clean Energy Future - Energy Efficiency Program.....</u>                      | <u>0.000000</u>    |
| Green Programs Recovery Charge .....   | \$ 0.004090        |
| <br>   |                    |
| Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)..... | <u>\$ 0.004361</u> |

**Green Programs Recovery Charge**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

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

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 44**

**B.P.U.N.J. No. 16 GAS**

**Superseding**

**XXX Revised Sheet No. 44**

**GREEN PROGRAMS RECOVERY CHARGE**

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

**Component:**

|  |                    |
|--|--------------------|
| Carbon Abatement Program .....   | \$ 0.000834        |
| Energy Efficiency Economic Stimulus Program.....                                 | (0.000555)         |
| Energy Efficiency Economic Extension Program.....                                | (0.000369)         |
| Energy Efficiency Economic Extension Program II.....                             | 0.002340           |
| Energy Efficiency 2017 Program .....   | 0.001840           |
| Clean Energy Future - Energy Efficiency Program.....                             | <u>0.000000</u>    |
| Green Programs Recovery Charge .....   | \$ 0.004090        |
| <br>   |                    |
| Green Programs Recovery Charge including New Jersey Sales and Use Tax (SUT)..... | <u>\$ 0.004361</u> |

**Green Programs Recovery Charge**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. The charge will be reset nominally on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under- or over- recovered balances. The interest rate shall be reset each month.

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

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

|          | <b>Conservation Incentive Program</b> | <b>Conservation Incentive Program including SUT</b> |                                     |
|----------|---------------------------------------|---|-------------------------------------|
| RS & RHS | \$0.000000                            | \$0.000000  | Per kilowatt-hour                   |
| RLM      | \$0.000000                            | \$0.000000  | Per kilowatt-hour                   |
| GLP      | \$0.0000                              | \$0.0000  | Per kilowatt of monthly peak demand |
| LPL-S    | \$0.0000                              | \$0.0000  | Per kilowatt of monthly peak demand |

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

- the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program ("CIP") Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company's books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Revenue Per Customer**

- the Actual Revenue per Customer ("ARC") shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company's books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

**3. Adjustment Period**

- shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

- shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

- shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

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Effective:

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**6. Baseline Revenue per Customer**

– the Baseline Revenue per Customer (“BRC”) shall be stated in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BRC shall be calculated as the current variable margin revenue per rate schedule, including any revenue from Infrastructure Investment Program rate adjustments, divided by the number of customers from the most recent approve base rate case for the rate schedule. Baseline revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Securitization Transition Charges, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Technology Innovation Charge.

**7. Customer Class Group**

– For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:

|            |          |
|------------|----------|
| Group I:   | RS & RHS |
| Group IA:  | RLM      |
| Group II:  | GLP      |
| Group III: | LPL-S    |

**8. Forecast Annual Usage**

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

**9. Degree Days (DD)**

- the difference between 65°F and the mean daily temperature. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day. Heating Degree Days (HDD) are used to measure winter weather.

**10. Temperature Humidity Index (THI)**

- a measure of the degree of discomfort experienced by an individual in warm weather that includes temperature and humidity which is included by incorporating the dew point in the measure. The daily THI is the sum of the 24 hourly THI observations for a day. THI is used to measure summer weather.

**11. Actual Calendar Month HDD and THI**

- the accumulation of the actual HDD and THI for each day of a calendar month.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**12. Normal Calendar Month HDD and THI**

- the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the XXX-XXX Periods are set forth in the table below:

| <b>Month</b> | <b>Normal Heating Degree Days</b> | <b>Normal Temperature Humidity Index</b> |
|--------------|-----------------------------------|--|
| January      | XXX                               |  |
| February     | XXX                               |  |
| March        | XXX                               |  |
| April        | XXX                               | XXX                                      |
| May          | XXX                               | XXX                                      |
| June         |                                   | XXX                                      |
| July         |                                   | XXX                                      |
| August       |                                   | XXX                                      |
| September    |                                   | XXX                                      |
| October      | XXX                               | XXX                                      |
| November     | XXX                               |  |
| December     | XXX                               |  |

**13. Winter Period**

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

**14. Summer Period**

- shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**15. Consumption Factors**

- the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the XXX-XXX Winter Period for HDD and XXX Summer Period for THI are set forth below and presented as kWh per degree day:

| Month     | Consumption Factors<br>(kWh per HDD and THI) |     |     |     |     |     |
|-----------|--|-----|-----|-----|-----|-----|
|           | RS   |     | RHS |     | RLM |     |
|           | HDD  | THI | HDD | THI | HDD | THI |
| January   | XXX  | XXX | XXX | XXX | XXX | XXX |
| February  | XXX  | XXX | XXX | XXX | XXX | XXX |
| March     | XXX  | XXX | XXX | XXX | XXX | XXX |
| April     | XXX  | XXX | XXX | XXX | XXX | XXX |
| May       | XXX  | XXX | XXX | XXX | XXX | XXX |
| June      | XXX  | XXX | XXX | XXX | XXX | XXX |
| July      | XXX  | XXX | XXX | XXX | XXX | XXX |
| August    | XXX  | XXX | XXX | XXX | XXX | XXX |
| September | XXX  | XXX | XXX | XXX | XXX | XXX |
| October   | XXX  | XXX | XXX | XXX | XXX | XXX |
| November  | XXX  | XXX | XXX | XXX | XXX | XXX |
| December  | XXX  | XXX | XXX | XXX | XXX | XXX |

**II. BASELINE REVENUE PER CUSTOMER**

- The BRC for each Customer Class Group by month are as follows:

| Month               | RS & RHS     | RLM          | GLP          | LPL-S         |
|---------------------|--------------|--------------|--------------|---------------|
| Jun                 | XXX          | XXX          | XXX          | XXX           |
| Jul                 | XXX          | XXX          | XXX          | XXX           |
| Aug                 | XXX          | XXX          | XXX          | XXX           |
| Sep                 | XXX          | XXX          | XXX          | XXX           |
| Oct                 | XXX          | XXX          | XXX          | XXX           |
| Nov                 | XXX          | XXX          | XXX          | XXX           |
| Dec                 | XXX          | XXX          | XXX          | XXX           |
| Jan                 | XXX          | XXX          | XXX          | XXX           |
| Feb                 | XXX          | XXX          | XXX          | XXX           |
| Mar                 | XXX          | XXX          | XXX          | XXX           |
| Apr                 | XXX          | XXX          | XXX          | XXX           |
| May                 | XXX          | XXX          | XXX          | XXX           |
| <b>Total Annual</b> | <b>249.7</b> | <b>458.5</b> | <b>947.6</b> | <b>21,429</b> |

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

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM**

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Revenue per Customer from the Actual Revenue per Customer by the Actual Number of Customers.

2. The weather related change in customer usage shall be calculated as the difference between actual HDD and THI and the above HDD and THI multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGS savings test and a Variable Margin Revenue recovery limitation ("recovery tests"). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Variable Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program's Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Electric Distribution Net Plant (including the Electric Distribution allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

**IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM**

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RSG, GSG, LVG  
(Per Therm)**

|     | Conservation Incentive Program | Conservation Incentive Program including SUT |
|-----|--------------------------------|--|
| RSG | \$0.000000                     | \$0.000000                                   |
| GSG | \$0.000000                     | \$0.000000                                   |
| LVG | \$0.000000                     | \$0.000000                                   |

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Usage Per Customer**

– the Actual Usage per Customer (“AUC”) shall be determined in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company’s books divided by the ANC for the corresponding month.

**3. Adjustment Period**

– shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

– shall be the twelve consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

**6. Baseline Usage per Customer**

– the Baseline Usage per Customer (“BUC”) shall be stated in therms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.

The BUC shall be reset each time new base rates are placed into effect through a base rate case.

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**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**7. Customer Class Group**

– For purposes of determining and applying the CIP, customers shall be aggregated into three separate recovery class groups. The Customer Class Groups shall be as follows:

Group I: RSG  
Group II: GSG  
Group III: LVG

**8. Forecast Annual Usage**

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

**9. Margin Revenue Factor**

– the Margin Revenue Factor (“MRF”) shall be the weighted-average margin rate as quoted in the individual service classes to which the CIP applies. The MRFs by Customer Class Group are as follows:

Group I (RSG): \$XXX  
Group II (GSG): \$XXX  
Group III (LVG): \$XXX

The MRF shall be reset each time new base rates are placed into effect, including through a base rate case or any Infrastructure Investment Program rate adjustment.

**10. Degree Days (DD)**

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

**11. Actual Calendar Month Degree Days**

- the accumulation of the actual Degree Days for each day of a calendar month.

**12. Normal Calendar Month Degree Days**

- the level of calendar month degree days to which the weather portion of the CIP applies.

The normal calendar month Degree Days will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually. The base level of normal HDD for the defined winter period months for the XXX-XXX Winter Period are set forth in the table below:

| Month    | Normal Heating Degree Days |
|----------|----------------------------|
| October  | XXX                        |
| November | XXX                        |
| December | XXX                        |
| January  | XXX                        |
| February | XXX                        |
| March    | XXX                        |
| April    | XXX                        |
| May      | XXX                        |

**13. Winter Period**

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

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**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**14. Degree Day Consumption Factors**

- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the XXX-XXX Winter Period are set forth below and presented as therms per degree day:

| Month    | Consumption Factors<br>(therms per degree day) |             |         |             |     |
|----------|--|-------------|---------|-------------|-----|
|          | RSG  |             | GSG     |             | LVG |
|          | Heating  | Non-Heating | Heating | Non-Heating |     |
| October  | XXX  | XXX         | XXX     | XXX         | XXX |
| November | XXX  | XXX         | XXX     | XXX         | XXX |
| December | XXX  | XXX         | XXX     | XXX         | XXX |
| January  | XXX  | XXX         | XXX     | XXX         | XXX |
| February | XXX  | XXX         | XXX     | XXX         | XXX |
| March    | XXX  | XXX         | XXX     | XXX         | XXX |
| April    | XXX  | XXX         | XXX     | XXX         | XXX |
| May      | XXX  | XXX         | XXX     | XXX         | XXX |

**II. BASELINE USE PER CUSTOMER**

– The BUC for each Customer Class Group by month are as follows:

| Month               | RSG          | GSG            | LVG             |
|---------------------|--------------|----------------|-----------------|
| Oct.                | XXX          | XXX            | XXX             |
| Nov.                | XXX          | XXX            | XXX             |
| Dec.                | XXX          | XXX            | XXX             |
| Jan.                | XXX          | XXX            | XXX             |
| Feb.                | XXX          | XXX            | XXX             |
| Mar.                | XXX          | XXX            | XXX             |
| Apr.                | XXX          | XXX            | XXX             |
| May                 | XXX          | XXX            | XXX             |
| Jun.                | XXX          | XXX            | XXX             |
| Jul.                | XXX          | XXX            | XXX             |
| Aug.                | XXX          | XXX            | XXX             |
| Sep.                | XXX          | XXX            | XXX             |
| <b>Total Annual</b> | <b>909.7</b> | <b>2,132.3</b> | <b>40,143.9</b> |

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**B.P.U.N.J. No. 16 GAS**

**Original Sheet No. XX**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM**

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the Actual Number of Customers and then multiplying the resulting terms by the Margin Revenue Factor.

2. The weather related change in customer usage shall be calculated as the difference between actual degree days and the above normal degree days multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related deficiency in customer usage will be subject to a BGSS savings test and a Variable Margin Revenue recovery limitation ("recovery tests"). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGSS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGSS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program's Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Gas Net Plant (including the Gas allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

**IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM**

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

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ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1  
Page 1 of 3

Public Service Electric and Gas  
Conservation Incentive Program  
Group I: Residential Service RS and RHS  
June 2021 - May 2022

| Customer Class<br>(a)   | Actual/<br>Estimate | Actual per Books <sup>1</sup>  |                               | Actual Avg.<br>Revenue / Cust.<br>(d) = (b) / (c) | Baseline<br>Revenue / Cust. <sup>2</sup><br>(e) | Difference<br>(f) = (d) - (e) | Margin<br>Variance    |
|---|---------------------|--------------------------------|-------------------------------|---|---|-------------------------------|-----------------------|
|   |                     | Total Class<br>Revenues<br>(b) | Number of<br>Customers<br>(c) |   |   |                               |                       |
| <b>Residential</b>  |                     |                                |                               |   |   |                               |                       |
| June  | e                   | 49,371,972                     | 1,921,455                     | 25.7  | 33.2  | (7.5)                         | (\$14,451,083)        |
| July  | e                   | 66,562,969                     | 1,923,694                     | 34.6  | 42.4  | (7.8)                         | (\$15,061,780)        |
| August  | e                   | 62,183,411                     | 1,916,474                     | 32.5  | 42.5  | (10.0)                        | (\$19,204,604)        |
| September   | e                   | 39,442,052                     | 1,916,615                     | 20.6  | 20.4  | 0.2                           | \$419,197             |
| October   | e                   | 27,262,574                     | 1,914,216                     | 14.2  | 12.2  | 2.1                           | \$3,958,738           |
| November  | e                   | 28,180,670                     | 1,921,687                     | 14.7  | 12.5  | 2.2                           | \$4,160,448           |
| December  | e                   | 35,710,474                     | 1,916,894                     | 18.6  | 14.3  | 4.3                           | \$8,271,811           |
| January   | e                   | 37,910,446                     | 1,911,763                     | 19.8  | 15.1  | 4.7                           | \$8,997,068           |
| February  | e                   | 31,534,835                     | 1,916,381                     | 16.5  | 13.9  | 2.6                           | \$4,936,039           |
| March   | e                   | 29,979,266                     | 1,866,048                     | 16.1  | 13.5  | 2.5                           | \$4,706,744           |
| April   | e                   | 24,767,541                     | 1,995,221                     | 12.4  | 11.4  | 1.0                           | \$1,954,531           |
| May   | e                   | 31,047,164                     | 1,906,131                     | 16.3  | 18.3  | (2.0)                         | (\$3,824,224)         |
| Total   |                     | <u>463,953,374</u>             |                               | <u>241.9</u>                                      | <u>249.7</u>                                    | (7.8)                         | <u>(\$15,137,116)</u> |
| Margin Deficiency/ (Credit)                                   |                     |                                |                               |   |   |                               | \$ 15,137,116         |
| Prior Period (Over) / Under Recovery <sup>3</sup>             |                     |                                |                               |   |   |                               | \$ -                  |
| Total Deficiency/(Credit)                                     |                     |                                |                               |   |   |                               | \$ 15,137,116         |
| Projected Residential kWh Use                                 |                     |                                |                               |   |   |                               | 12,735,566,204        |
| Pre-tax CIP Charge/(Credit) per kWh                           |                     |                                |                               |   |   |                               | \$ 0.0012             |
| BPU/RC Assessment Factor                                      |                     |                                |                               |   |   |                               | <u>1.002569</u>       |
| CIP Charge/(Credit) including assessments                     |                     |                                |                               |   |   |                               | \$ 0.0012             |
| 6.625% Sales Tax  |                     |                                |                               |   |   |                               | <u>\$ 0.0001</u>      |
| <b>Proposed After-tax CIP Charge/(Credit) per kWh</b>         |                     |                                |                               |   |   |                               | <b>\$ 0.0013</b>      |
| Current After-tax CIP Charge/(Credit) per kWh                 |                     |                                |                               |   |   |                               | \$ -                  |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh |                     |                                |                               |   |   |                               | <u>\$ 0.0013</u>      |

<sup>1</sup> Per Exhibit C, Schedule 1, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1  
Page 2 of 3

Public Service Electric and Gas  
Customers and Therms

Group I: Residential Service RS and RHS

|                               | Estimate<br>Jun-21   | Estimate<br>Jul-21   | Estimate<br>Aug-21   | Estimate<br>Sep-21   | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21   | Estimate<br>Jan-22   | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>Customers</b>              |                      |                      |                      |                      |                    |                    |                      |                      |                    |                    |                    |                    |                      |
| Service Charge Revenues       | 8,915,549            | 8,925,942            | 8,892,438            | 8,893,095            | 8,881,964          | 8,916,629          | 8,894,386            | 8,870,582            | 8,892,006          | 8,658,464          | 9,257,826          | 8,844,450          |                      |
| Service Charge Rate (pre-tax) | 4.64                 | 4.64                 | 4.64                 | 4.64                 | 4.64               | 4.64               | 4.64                 | 4.64                 | 4.64               | 4.64               | 4.64               | 4.64               |                      |
| <b>Total Customers</b>        | <b>1,921,455</b>     | <b>1,923,694</b>     | <b>1,916,474</b>     | <b>1,916,615</b>     | <b>1,914,216</b>   | <b>1,921,687</b>   | <b>1,916,894</b>     | <b>1,911,763</b>     | <b>1,916,381</b>   | <b>1,866,048</b>   | <b>1,995,221</b>   | <b>1,906,131</b>   | <b>1,918,263</b>     |
| <b>Volumes</b>                |                      |                      |                      |                      |                    |                    |                      |                      |                    |                    |                    |                    |                      |
| RS kWh                        | 1,249,731,621        | 1,660,904,132        | 1,555,566,043        | 1,067,201,231        | 812,603,869        | 839,597,043        | 1,063,517,481        | 1,127,566,843        | 937,651,870        | 892,211,731        | 737,944,250        | 869,949,572        |                      |
| RHS kWh                       | 5,492,583            | 6,297,597            | 6,294,388            | 4,952,544            | 6,178,453          | 8,090,827          | 12,380,098           | 15,996,419           | 13,230,413         | 10,650,572         | 6,702,851          | 4,729,049          |                      |
| <b>Total Volumes</b>          | <b>1,255,224,204</b> | <b>1,667,201,729</b> | <b>1,561,860,431</b> | <b>1,072,153,774</b> | <b>818,782,322</b> | <b>847,687,870</b> | <b>1,075,897,579</b> | <b>1,143,563,262</b> | <b>950,882,282</b> | <b>902,862,303</b> | <b>744,647,102</b> | <b>874,678,621</b> | <b>7,043,583,705</b> |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1  
Page 3 of 3

**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group I: Residential Service RS and RHS**  
**June 2021 - May 2022**

|  | Estimate<br>Jun-21 | Estimate<br>Jul-21 | Estimate<br>Aug-21 | Estimate<br>Sep-21 | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | TOTAL          |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| Beginning Under/(Over) Recovery \$         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0              |
| kWh Sales                                  | 1,667,201,729      | 1,561,860,431      | 1,072,153,774      | 818,782,322        | 847,687,870        | 1,075,897,579      | 1,143,563,262      | 950,882,282        | 902,862,303        | 744,647,102        | 874,678,621        | 1,255,224,204      | 12,915,441,480 |
| Pre-tax Recovery Rate per kWh <sup>1</sup> | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             |                |
| Recovery \$                                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0              |
| Ending Under/(Over) Recovery \$            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0              |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.



ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1a  
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Public Service Electric and Gas  
Conservation Incentive Program  
Group Ia: Residential Load Management (RLM)  
June 2021 - May 2022

| Customer Class                     | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Revenue /<br>Cust. | Baseline<br>Revenue /<br>Cust. <sup>2</sup> | Difference<br>(f) = (d) - (e) | Margin<br>Variance |
|------------------------------------|---------------------|-------------------------------|------------------------|-----------------------------------|---|-------------------------------|--------------------|
|                                    |                     | Total Class<br>Revenues       | Number of<br>Customers |                                   |   |                               |                    |
| (a)                                |                     | (b)                           | (c)                    | (d) = (b) / (c)                   | (e)   | (f) = (d) - (e)               |                    |
| <b>Residential Load Management</b> |                     |                               |                        |                                   |   |                               |                    |
| June                               | e                   | 833,526                       | 11,427                 | 73.0                              | 61.0  | 12.0                          | \$136,744          |
| July                               | e                   | 1,157,983                     | 11,540                 | 100.3                             | 77.9  | 22.5                          | \$259,110          |
| August                             | e                   | 975,534                       | 11,475                 | 85.0                              | 78.0  | 7.0                           | \$80,869           |
| September                          | e                   | 570,198                       | 11,811                 | 48.3                              | 37.4  | 10.9                          | \$128,776          |
| October                            | e                   | 168,969                       | 11,545                 | 14.6                              | 22.3  | (7.7)                         | (\$88,939)         |
| November                           | e                   | 160,451                       | 11,511                 | 13.9                              | 22.9  | (9.0)                         | (\$103,562)        |
| December                           | e                   | 210,289                       | 11,542                 | 18.2                              | 26.3  | (8.1)                         | (\$92,998)         |
| January                            | e                   | 218,345                       | 11,559                 | 18.9                              | 27.8  | (8.9)                         | (\$102,553)        |
| February                           | e                   | 184,553                       | 11,609                 | 15.9                              | 25.5  | (9.6)                         | (\$111,296)        |
| March                              | e                   | 182,328                       | 11,233                 | 16.2                              | 24.9  | (8.6)                         | (\$97,040)         |
| April                              | e                   | 155,299                       | 11,576                 | 13.4                              | 21.0  | (7.6)                         | (\$87,543)         |
| May                                | e                   | 342,186                       | 11,781                 | 29.1                              | 33.6  | (4.5)                         | (\$53,437)         |
| Total                              |                     | <u>5,159,660</u>              |                        | <u>446.9</u>                      | <u>458.5</u>                                | (11.6)                        | <u>(\$131,868)</u> |

|   |           |                 |
|---|-----------|-----------------|
| Margin Deficiency/ (Credit)                                   | \$        | 131,868         |
| Prior Period (Over) / Under Recovery <sup>3</sup>             | \$        | -               |
| Total Deficiency/(Credit)                                     | \$        | 131,868         |
| Projected Residential kWh Use                                 |           | 186,694,277     |
| Pre-tax CIP Charge/(Credit) per kWh                           | \$        | 0.0007          |
| BPU/RC Assessment Factor                                      |           | <u>1.002569</u> |
| CIP Charge/(Credit) including assessments                     | \$        | 0.000708        |
| 6.625% Sales Tax  | \$        | -               |
| <b>Proposed After-tax CIP Charge/(Credit) per kWh</b>         | <b>\$</b> | <b>0.0007</b>   |
| Current After-tax CIP Charge/(Credit) per kWh                 | \$        | -               |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kWh | \$        | <u>0.0007</u>   |

<sup>1</sup> Per Exhibit C, Schedule 1a, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 1a  
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Public Service Electric and Gas  
Customers and Therms

**Group Ia: RLM**

|                               | Estimate<br>Jun-21 | Estimate<br>Jul-21 | Estimate<br>Aug-21 | Estimate<br>Sep-21 | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 |             |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| <b>Customers</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| Service Charge Revenues       | 149,346            | 150,829            | 149,980            | 154,366            | 150,892            | 150,449            | 150,854            | 151,070            | 151,729            | 146,810            | 151,298            | 153,973            |             |
| Service Charge Rate (pre-tax) | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              | 13.07              |             |
| <b>Total Customers</b>        | 11,427             | 11,540             | 11,475             | 11,811             | 11,545             | 11,511             | 11,542             | 11,559             | 11,609             | 11,233             | 11,576             | 11,781             |             |
| <b>Volumes</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| RLM kWh                       | 20,896,208         | 27,849,888         | 25,509,789         | 17,611,308         | 11,449,339         | 10,873,364         | 14,251,120         | 14,837,393         | 12,531,596         | 12,380,556         | 10,545,170         | 14,082,828         |             |
| <b>Total Volumes</b>          | 20,896,208         | 27,849,888         | 25,509,789         | 17,611,308         | 11,449,339         | 10,873,364         | 14,251,120         | 14,837,393         | 12,531,596         | 12,380,556         | 10,545,170         | 14,082,828         | 192,818,561 |

ILLUSTRATIVE PURPOSES ONLY

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**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group Ia: Residential Load Management (RLM)**  
**June 2021 - May 2022**

|  | Estimate<br>Jun-21 | Estimate<br>Jul-21 | Estimate<br>Aug-21 | Estimate<br>Sep-21 | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | TOTAL       |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Beginning Under/(Over) Recovery \$         | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0           |
| kWh Sales                                  | 27,849,888         | 25,509,789         | 17,611,308         | 11,449,339         | 10,873,364         | 14,251,120         | 14,837,393         | 12,531,596         | 12,380,556         | 10,545,170         | 14,082,828         | 20,896,208         | 192,818,561 |
| Pre-tax Recovery Rate per kWh <sup>1</sup> | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             | 0.0000             |             |
| Recovery \$                                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0           |
| Ending Under/(Over) Recovery \$            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0           |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
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Public Service Electric and Gas  
Conservation Incentive Program  
Group II: General Power & Light (GLP)  
June 2021 - May 2022

| Customer Class             | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Revenue / Cust. | Baseline<br>Revenue /<br>Cust. <sup>2</sup> | Difference<br>(f) = (d) - (e) | Margin<br>Variance    |
|----------------------------|---------------------|-------------------------------|------------------------|--------------------------------|---|-------------------------------|-----------------------|
|                            |                     | Total Class<br>Revenues       | Number of<br>Customers |                                |   |                               |                       |
| (a)                        |                     | (b)                           | (c)                    | (d) = (b) / (c)                | (e)   | (f) = (d) - (e)               |                       |
| <b>Residential Heating</b> |                     |                               |                        |                                |   |                               |                       |
| June                       | e                   | 32,681,689                    | 286,513                | 114.1                          | 134.2                                       | (20.1)                        | (\$5,759,173)         |
| July                       | e                   | 36,480,013                    | 283,243                | 128.8                          | 148.9                                       | (20.1)                        | (\$5,705,520)         |
| August                     | e                   | 37,048,243                    | 268,939                | 137.8                          | 156.5                                       | (18.7)                        | (\$5,042,047)         |
| September                  | e                   | 24,295,879                    | 295,678                | 82.2                           | 101.7                                       | (19.5)                        | (\$5,766,077)         |
| October                    | e                   | 14,966,985                    | 288,457                | 51.9                           | 46.9  | 5.0                           | \$1,435,801           |
| November                   | e                   | 12,280,664                    | 280,410                | 43.8                           | 46.9  | (3.1)                         | (\$855,537)           |
| December                   | e                   | 12,319,359                    | 284,876                | 43.2                           | 45.2  | (2.0)                         | (\$558,163)           |
| January                    | e                   | 13,020,503                    | 282,497                | 46.1                           | 45.9  | 0.2                           | \$60,502              |
| February                   | e                   | 12,583,581                    | 283,851                | 44.3                           | 46.8  | (2.4)                         | (\$689,008)           |
| March                      | e                   | 13,114,961                    | 272,327                | 48.2                           | 46.2  | 1.9                           | \$530,016             |
| April                      | e                   | 12,148,504                    | 292,470                | 41.5                           | 46.0  | (4.4)                         | (\$1,299,656)         |
| May                        | e                   | 22,334,793                    | 284,631                | 78.5                           | 82.5  | (4.0)                         | (\$1,145,607)         |
| <b>Total</b>               |                     | <b>243,275,174</b>            |                        | <b>860.3</b>                   | <b>947.6</b>                                | <b>(87.3)</b>                 | <b>(\$24,794,468)</b> |

|  |           |               |
|--|-----------|---------------|
| Margin Deficiency/ (Credit)                                  | \$        | 24,794,468    |
| Prior Period (Over) / Under Recovery <sup>3</sup>            | \$        | -             |
| Total Deficiency/(Credit)                                    | \$        | 24,794,468    |
| Projected GLP Annual kW Use                                  |           | 27,884,493    |
| Pre-tax CIP Charge/(Credit) per kW                           | \$        | 0.8892        |
| BPU/RC Assessment Factor                                     |           | 1.002569      |
| CIP Charge/(Credit) including assessments                    | \$        | 0.8915        |
| 6.625% Sales Tax   | \$        | 0.0591        |
| <b>Proposed After-tax CIP Charge/(Credit) per kW</b>         | <b>\$</b> | <b>0.9506</b> |
| Current After-tax CIP Charge/(Credit) per kW                 | \$        | -             |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW | \$        | 0.9506        |

<sup>1</sup> Per Exhibit C, Schedule 2, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 2, Page 3

ILLUSTRATIVE PURPOSES ONLY

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**Public Service Electric and Gas  
Customers and Therms**

**Group II: General Power & Light (GLP)**

|                               | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> |                   |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------|
| <b><u>Customers</u></b>       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| Service Charge Revenues       | 1,269,252                 | 1,254,767                 | 1,191,401                 | 1,309,853                 | 1,277,865                 | 1,242,218                 | 1,262,002                 | 1,251,462                 | 1,257,459                 | 1,206,409                 | 1,295,640                 | 1,260,914                 |                   |
| Service Charge Rate (pre-tax) | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      | 4.43                      |                   |
| <b>Total Customers</b>        | <b>286,513</b>            | <b>283,243</b>            | <b>268,939</b>            | <b>295,678</b>            | <b>288,457</b>            | <b>280,410</b>            | <b>284,876</b>            | <b>282,497</b>            | <b>283,851</b>            | <b>272,327</b>            | <b>292,470</b>            | <b>284,631</b>            |                   |
| <b><u>Demand</u></b>          |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| GLP kW                        | 2,504,424                 | 2,595,005                 | 2,707,023                 | 2,332,346                 | 2,566,230                 | 2,162,933                 | 2,023,033                 | 2,129,087                 | 2,131,198                 | 2,210,824                 | 2,123,320                 | 2,528,576                 |                   |
| <b>Total Demand</b>           | <b>2,504,424</b>          | <b>2,595,005</b>          | <b>2,707,023</b>          | <b>2,332,346</b>          | <b>2,566,230</b>          | <b>2,162,933</b>          | <b>2,023,033</b>          | <b>2,129,087</b>          | <b>2,131,198</b>          | <b>2,210,824</b>          | <b>2,123,320</b>          | <b>2,528,576</b>          | <b>28,013,999</b> |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
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**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group II: General Power & Light (GLP)**  
**June 2021 - May 2022**

|   | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | TOTAL      |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------|
| Beginning Under/(Over) Recovery \$        | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| kW Demand                                 | 2,595,005                 | 2,707,023                 | 2,332,346                 | 2,566,230                 | 2,162,933                 | 2,023,033                 | 2,129,087                 | 2,131,198                 | 2,210,824                 | 2,123,320                 | 2,528,576                 | 2,504,424                 | 28,013,999 |
| Pre-tax Recovery Rate per kW <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |            |
| Recovery \$                               | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| Ending Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 3  
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Public Service Electric and Gas  
Conservation Incentive Program  
Group III: Large Power & Light - Secondday (LPLS)  
June 2021 - May 2022

| Customer Class   | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Use / Cust. | Baseline<br>Use / Cust. <sup>2</sup> | Difference      | Margin<br>Variance    |
|--|---------------------|-------------------------------|------------------------|----------------------------|--------------------------------------|-----------------|-----------------------|
|  |                     | Total Class<br>Therms         | Number of<br>Customers |                            |                                      |                 |                       |
| (a)  |                     | (b)                           | (c)                    | (d) = (b) / (c)            | (e)                                  | (f) = (d) - (e) |                       |
| <u>General Service Small</u>                                 |                     |                               |                        |                            |                                      |                 |                       |
| June   | e                   | 8,638,705                     | 9,018                  | 958                        | 2,464                                | (2,536)         | (\$22,868,738)        |
| July   | e                   | 9,103,155                     | 9,251                  | 984                        | 3,494                                | (2,622)         | (\$24,254,873)        |
| August   | e                   | 9,431,600                     | 9,153                  | 1,030                      | 3,606                                | (1,221)         | (\$11,178,685)        |
| September  | e                   | 8,533,046                     | 9,122                  | 935                        | 2,252                                | (681)           | (\$6,213,948)         |
| October  | e                   | 8,789,688                     | 8,912                  | 986                        | 1,617                                | (122)           | (\$1,088,393)         |
| November   | e                   | 14,464,383                    | 9,026                  | 1,603                      | 1,108                                | 542             | \$4,891,640           |
| December   | e                   | 24,818,028                    | 9,234                  | 2,688                      | 1,061                                | 1,718           | \$15,861,232          |
| January  | e                   | 29,836,602                    | 8,927                  | 3,342                      | 970                                  | 2,237           | \$19,971,315          |
| February   | e                   | 29,402,661                    | 9,273                  | 3,171                      | 1,105                                | 2,092           | \$19,401,571          |
| March  | e                   | 21,209,712                    | 8,598                  | 2,467                      | 1,078                                | 1,457           | \$12,525,184          |
| April  | e                   | 9,727,248                     | 9,819                  | 991                        | 1,010                                | (674)           | (\$6,615,493)         |
| May  | e                   | 9,030,553                     | 8,978                  | 1,006                      | 1,664                                | (1,458)         | (\$13,090,450)        |
| Total  |                     | <u>182,985,380</u>            |                        | <u>20,161</u>              | <u>21,429</u>                        | (1,269)         | <u>(\$12,659,637)</u> |
| Margin Deficiency/ (Credit)                                  |                     |                               |                        |                            |                                      |                 | \$ 12,659,637         |
| Prior Period (Over) / Under Recovery <sup>3</sup>            |                     |                               |                        |                            |                                      |                 | \$ -                  |
| Total Deficiency/(Credit)                                    |                     |                               |                        |                            |                                      |                 | \$ 12,659,637         |
| Projected LPLS Annual kW Use                                 |                     |                               |                        |                            |                                      |                 | 27,994,029            |
| Pre-tax CIP Charge/(Credit) per kW                           |                     |                               |                        |                            |                                      |                 | \$ 0.4522             |
| BPU/RC Assessment Factor                                     |                     |                               |                        |                            |                                      |                 | <u>1.002569</u>       |
| CIP Charge/(Credit) including assessments                    |                     |                               |                        |                            |                                      |                 | \$ 0.4534             |
| 6.625% Sales Tax   |                     |                               |                        |                            |                                      |                 | <u>\$ 0.0300</u>      |
| <b>Proposed After-tax CIP Charge/(Credit) per kW</b>         |                     |                               |                        |                            |                                      |                 | <b>\$ 0.4834</b>      |
| Current After-tax CIP Charge/(Credit) per kW                 |                     |                               |                        |                            |                                      |                 | \$ -                  |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per kW |                     |                               |                        |                            |                                      |                 | <u>\$ 0.4834</u>      |

<sup>1</sup> Per Exhibit C, Schedule 3, Page 2

<sup>2</sup> From latest base rate adjustment for Madison and Marshall divided by billing determinants approved in the 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 3, Page 3

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**Public Service Electric and Gas  
Customers and Therms**

**Group III: LPLS**

|                               | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> |                   |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------|
| <b><u>Customers</u></b>       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| Service Charge Revenues       | 3,136,159                 | 3,217,067                 | 3,182,982                 | 3,172,309                 | 3,099,319                 | 3,138,913                 | 3,211,214                 | 3,104,484                 | 3,224,986                 | 2,990,179                 | 3,414,691                 | 3,122,387                 |                   |
| Service Charge Rate (pre-tax) | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       | 348                       |                   |
| <b>Total Customers</b>        | <b>9,018</b>              | <b>9,251</b>              | <b>9,153</b>              | <b>9,122</b>              | <b>8,912</b>              | <b>9,026</b>              | <b>9,234</b>              | <b>8,927</b>              | <b>9,273</b>              | <b>8,598</b>              | <b>9,819</b>              | <b>8,978</b>              |                   |
| <b><u>Demand</u></b>          |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                   |
| LPLS kW                       | 2,448,613                 | 2,580,259                 | 2,673,356                 | 2,418,664                 | 2,491,408                 | 2,211,925                 | 1,982,675                 | 2,184,804                 | 2,193,451                 | 2,182,891                 | 2,066,302                 | 2,559,680                 |                   |
| <b>Total Demand</b>           | <b>2,448,613</b>          | <b>2,580,259</b>          | <b>2,673,356</b>          | <b>2,418,664</b>          | <b>2,491,408</b>          | <b>2,211,925</b>          | <b>1,982,675</b>          | <b>2,184,804</b>          | <b>2,193,451</b>          | <b>2,182,891</b>          | <b>2,066,302</b>          | <b>2,559,680</b>          | <b>27,994,029</b> |



ILLUSTRATIVE PURPOSES ONLY

**PUBLIC SERVICE ELECTRIC AND GAS**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group III: Large Power & Light - Secondary (LPLS)**  
**June 2021 - May 2022**

|   | Estimate<br><u>Jun-21</u> | Estimate<br><u>Jul-21</u> | Estimate<br><u>Aug-21</u> | Estimate<br><u>Sep-21</u> | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | TOTAL      |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------|
| Beginning Under/(Over) Recovery \$        | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| kW Demand                                 | 2,580,259                 | 2,673,356                 | 2,418,664                 | 2,491,408                 | 2,211,925                 | 1,982,675                 | 2,184,804                 | 2,193,451                 | 2,182,891                 | 2,066,302                 | 2,559,680                 | 2,448,613                 | 27,994,029 |
| Pre-tax Recovery Rate per kW <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |            |
| Recovery \$                               | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |
| Ending Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0          |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Public Service Electric and Gas  
Conservation Incentive Program  
Weather Normalization Calculation

Group I  
RS

|        |   | DEGREE         |                |                  | HDD<br>CONSUMPTION | DEGREE         |                |                  | THI           |               |                 | TOTAL<br>kWh | MARGIN<br>FACTOR <sup>2</sup> | MARGIN<br>IMPACT |
|--------|---|----------------|----------------|------------------|--------------------|----------------|----------------|------------------|---------------|---------------|-----------------|--------------|-------------------------------|------------------|
|        |   | DAYS<br>NORMAL | DAYS<br>ACTUAL | DAYS<br>VARIANCE |                    | DAYS<br>NORMAL | DAYS<br>ACTUAL | DAYS<br>VARIANCE | THI<br>NORMAL | THI<br>ACTUAL | THI<br>VARIANCE |              |                               |                  |
| Jun-21 | e | 989            | 1,010          | 21               | 383,845            | 8,089,540      | 1              | 0                | -1            | 154,244       | (137,662)       | 7,951,878    | \$0.0334                      | \$265,911        |
| Jul-21 | e | 836            | 814            | (22)             | 382,431            | (8,462,078)    | 0              | 0                | 0             | 153,675       | (69,538)        | (8,531,616)  | \$0.0334                      | (\$285,297)      |
| Aug-21 | e | 685            | 734            | 48               | 385,559            | 18,591,967     | 30             | 23               | -7            | 154,932       | (1,122,483)     | 17,469,484   | \$0.0334                      | \$584,180        |
| Sep-21 | e | 350            | 302            | (48)             | 381,946            | (18,330,399)   | 182            | 169              | -13           | 153,480       | (1,987,571)     | (20,317,970) | \$0.0334                      | (\$679,433)      |
| Oct-21 | e | 126            | 127            | 2                | 386,245            | 580,976        | 925            | 791              | -134          | 155,208       | (20,815,678)    | (20,234,702) | \$0.0334                      | (\$676,648)      |
| Nov-21 | e | 14             | 2              | (12)             | 386,226            | (4,519,654)    | 3,009          | 2,814            | -195          | 155,200       | (30,331,589)    | (34,851,243) | \$0.0380                      | (\$1,324,347)    |
| Dec-21 | e | 0              | 0              | (0)              | 387,218            | (9,680)        | 5,275          | 6,710            | 1,436         | 155,599       | 223,406,438     | 223,396,757  | \$0.0380                      | \$8,489,077      |
| Jan-22 | e | 1              | 0              | (1)              | 386,022            | (260,565)      | 4,673          | 4,522            | -151          | 155,118       | (23,394,951)    | (23,655,516) | \$0.0380                      | (\$898,910)      |
| Feb-22 | e | 24             | 8              | (16)             | 388,852            | (6,355,305)    | 2,116          | 2,216            | 100           | 156,256       | 15,583,759      | 9,228,454    | \$0.0380                      | \$350,681        |
| Mar-22 | e | 240            | 178            | (62)             | 387,280            | (23,975,359)   | 345            | 476              | 131           | 155,624       | 20,462,203      | (3,513,155)  | \$0.0334                      | (\$117,480)      |
| Apr-22 | e | 511            | 650            | 139              | 389,194            | 54,106,315     | 21             | 0                | -21           | 156,393       | (3,315,921)     | 50,790,394   | \$0.0334                      | \$1,698,431      |
| May-22 | e | 824            | 836            | 12               | 387,107            | 4,808,194      | 6              | 0                | -6            | 155,554       | (866,049)       | 3,942,145    | \$0.0334                      | \$131,825        |
| TOTAL  |   | 4,600          | 4,662          | 61               |                    | 24,263,952     | 16,583         | 17,721           | 1,138         |               | 177,410,958     | 201,674,910  |                               | \$7,537,989      |

Group I  
RHS

|        |   | DEGREE         |                |                  | HDD<br>CONSUMPTION | DEGREE         |                |                  | THI           |               |                 | TOTAL<br>kWh | MARGIN<br>FACTOR <sup>2</sup> | MARGIN<br>IMPACT |
|--------|---|----------------|----------------|------------------|--------------------|----------------|----------------|------------------|---------------|---------------|-----------------|--------------|-------------------------------|------------------|
|        |   | DAYS<br>NORMAL | DAYS<br>ACTUAL | DAYS<br>VARIANCE |                    | DAYS<br>NORMAL | DAYS<br>ACTUAL | DAYS<br>VARIANCE | THI<br>NORMAL | THI<br>ACTUAL | THI<br>VARIANCE |              |                               |                  |
| Jun-21 | e | 989            | 1,010          | 21               | 14,674             | 309,255        | 1              | 0                | -1            | 729           | (651)           | 308,604      | \$0.0328                      | \$10,117         |
| Jul-21 | e | 836            | 814            | (22)             | 14,576             | (322,516)      | 0              | 0                | 0             | 724           | (328)           | (322,844)    | \$0.0328                      | (\$10,584)       |
| Aug-21 | e | 685            | 734            | 48               | 14,560             | 702,100        | 30             | 23               | -7            | 724           | (5,242)         | 696,858      | \$0.0328                      | \$22,846         |
| Sep-21 | e | 350            | 302            | (48)             | 14,458             | (693,883)      | 182            | 169              | -13           | 719           | (9,305)         | (703,188)    | \$0.0328                      | (\$23,053)       |
| Oct-21 | e | 126            | 127            | 2                | 14,386             | 21,639         | 925            | 791              | -134          | 715           | (95,884)        | (74,245)     | \$0.0328                      | (\$2,434)        |
| Nov-21 | e | 14             | 2              | (12)             | 14,287             | (167,192)      | 3,009          | 2,814            | -195          | 710           | (138,768)       | (305,960)    | \$0.0486                      | (\$14,874)       |
| Dec-21 | e | 0              | 0              | (0)              | 14,260             | (356)          | 5,275          | 6,710            | 1,436         | 709           | 1,017,505       | 1,017,149    | \$0.0486                      | \$49,447         |
| Jan-22 | e | 1              | 0              | (1)              | 14,136             | (9,541)        | 4,673          | 4,522            | -151          | 702           | (105,951)       | (115,492)    | \$0.0486                      | (\$5,614)        |
| Feb-22 | e | 24             | 8              | (16)             | 14,018             | (229,109)      | 2,116          | 2,216            | 100           | 697           | 69,480          | (159,629)    | \$0.0486                      | (\$7,760)        |
| Mar-22 | e | 240            | 178            | (62)             | 13,949             | (863,548)      | 345            | 476              | 131           | 693           | 91,150          | (772,398)    | \$0.0328                      | (\$25,322)       |
| Apr-22 | e | 511            | 650            | 139              | 13,906             | 1,933,227      | 21             | 0                | -21           | 691           | (14,653)        | 1,918,574    | \$0.0328                      | \$62,899         |
| May-22 | e | 824            | 836            | 12               | 13,802             | 171,437        | 6              | 0                | -6            | 686           | (3,819)         | 167,618      | \$0.0328                      | \$5,495          |
| TOTAL  |   | 4,600          | 4,662          | 61               |                    | 851,511        | 16,583         | 17,721           | 1,138         |               | 803,535         | 1,655,046    |                               | \$61,162         |

Group Ia  
RLM

|        |   | DEGREE         |                |                  | HDD<br>CONSUMPTION | DEGREE         |                |                  | THI           |               |                 | TOTAL<br>kWh | MARGIN<br>FACTOR <sup>2</sup> | MARGIN<br>IMPACT |
|--------|---|----------------|----------------|------------------|--------------------|----------------|----------------|------------------|---------------|---------------|-----------------|--------------|-------------------------------|------------------|
|        |   | DAYS<br>NORMAL | DAYS<br>ACTUAL | DAYS<br>VARIANCE |                    | DAYS<br>NORMAL | DAYS<br>ACTUAL | DAYS<br>VARIANCE | THI<br>NORMAL | THI<br>ACTUAL | THI<br>VARIANCE |              |                               |                  |
| Jun-21 | e | 989            | 1,010          | 21               | 6,104              | 128,637        | 1              | 0                | -1            | 2,440         | (2,178)         | 126,459      | \$0.0147                      | \$1,862          |
| Jul-21 | e | 836            | 814            | (22)             | 6,015              | (133,099)      | 0              | 0                | 0             | 2,405         | (1,088)         | (134,187)    | \$0.0147                      | (\$1,976)        |
| Aug-21 | e | 685            | 734            | 48               | 6,104              | 294,329        | 30             | 23               | -7            | 2,440         | (17,681)        | 276,648      | \$0.0147                      | \$4,074          |
| Sep-21 | e | 350            | 302            | (48)             | 6,077              | (291,660)      | 182            | 169              | -13           | 2,430         | (31,466)        | (323,126)    | \$0.0147                      | (\$4,759)        |
| Oct-21 | e | 126            | 127            | 2                | 6,040              | 9,085          | 925            | 791              | -134          | 2,415         | (323,864)       | (314,779)    | \$0.0147                      | (\$4,636)        |
| Nov-21 | e | 14             | 2              | (12)             | 6,019              | (70,431)       | 3,009          | 2,814            | -195          | 2,406         | (470,298)       | (540,730)    | \$0.0705                      | (\$38,146)       |
| Dec-21 | e | 0              | 0              | (0)              | 6,047              | (151)          | 5,275          | 6,710            | 1,436         | 2,418         | 3,471,476       | 3,471,324    | \$0.0705                      | \$244,888        |
| Jan-22 | e | 1              | 0              | (1)              | 6,026              | (4,068)        | 4,673          | 4,522            | -151          | 2,409         | (363,389)       | (367,456)    | \$0.0705                      | (\$25,923)       |
| Feb-22 | e | 24             | 8              | (16)             | 5,999              | (98,041)       | 2,116          | 2,216            | 100           | 2,398         | 239,200         | 141,159      | \$0.0705                      | \$9,958          |
| Mar-22 | e | 240            | 178            | (62)             | 6,089              | (376,968)      | 345            | 476              | 131           | 2,435         | 320,118         | (56,850)     | \$0.0147                      | (\$837)          |
| Apr-22 | e | 511            | 650            | 139              | 6,095              | 847,372        | 21             | 0                | -21           | 2,437         | (51,671)        | 795,701      | \$0.0147                      | \$11,718         |
| May-22 | e | 824            | 836            | 12               | 5,990              | 74,397         | 6              | 0                | -6            | 2,395         | (13,333)        | 61,063       | \$0.0147                      | \$899            |
| TOTAL  |   | 4,600          | 4,662          | 61               |                    | 379,402        | 16,583         | 17,721           | 1,138         |               | 2,755,824       | 3,135,227    |                               | \$197,124        |

Total  
All Groups

|        |   |  |  |  |  |  |  |  |  |  | TOTAL<br>kWh | MARGIN<br>IMPACT |             |
|--------|---|--|--|--|--|--|--|--|--|--|--------------|------------------|-------------|
| Jun-21 | a |  |  |  |  |  |  |  |  |  |              | 8,386,941        | 277,890     |
| Jul-21 | a |  |  |  |  |  |  |  |  |  |              | (8,988,647)      | (297,858)   |
| Aug-21 | a |  |  |  |  |  |  |  |  |  |              | 18,442,989       | 611,100     |
| Sep-21 | a |  |  |  |  |  |  |  |  |  |              | (21,344,284)     | (707,245)   |
| Oct-21 | a |  |  |  |  |  |  |  |  |  |              | (20,623,726)     | (683,718)   |
| Nov-21 | a |  |  |  |  |  |  |  |  |  |              | (35,697,933)     | (1,377,367) |
| Dec-21 | a |  |  |  |  |  |  |  |  |  |              | 227,885,230      | 8,783,411   |
| Jan-22 | a |  |  |  |  |  |  |  |  |  |              | (24,138,465)     | (930,447)   |
| Feb-22 | a |  |  |  |  |  |  |  |  |  |              | 9,209,985        | 352,879     |
| Mar-22 | a |  |  |  |  |  |  |  |  |  |              | (4,342,403)      | (143,639)   |
| Apr-22 | a |  |  |  |  |  |  |  |  |  |              | 53,504,669       | 1,773,048   |
| May-22 | a |  |  |  |  |  |  |  |  |  |              | 4,170,827        | 138,220     |
| TOTAL  |   |  |  |  |  |  |  |  |  |  |              | 206,465,182      | \$7,796,274 |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 5  
Page 1 of 5

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
June 2021 - May 2022  
CIP Recovery Tests  
Summary**

**Determine Weather and Non-Weather CIP Impacts**

|                           | <u>Weather</u> | <u>Non-Weather</u> | <u>Total</u>  |
|---------------------------|----------------|--------------------|---------------|
| CIP Group I RS RHS        | \$ 7,599,151   | \$ 7,537,965       | \$ 15,137,116 |
| CIP Group II RLM          | \$ 197,124     | \$ (65,255)        | \$ 131,868    |
| CIP Group III GLP         | \$ -           | \$ 24,794,468      | \$ 24,794,468 |
| CIP Group IV LPLS         | \$ -           | \$ 12,659,637      | \$ 12,659,637 |
| Total Deficiency/(Credit) | \$ 7,796,274   | \$ 44,926,815      | \$ 52,723,089 |

**Step 2: Apply Modified BGSS Savings Test**

A. Non-weather Impact Subject to Modified BGS Savings Test

|   |                      |
|---|----------------------|
| Non-Weather Impact                                    | \$ 44,926,815        |
| 75% Factor  | 75%                  |
| Subtotal  | \$ 33,695,111        |
| Prior Year Carry-Forward (Modified BGSS Savings Test) | \$ -                 |
| Non-weather Impact Subject to Test                    | <b>\$ 33,695,111</b> |

B. BGS Savings

|   |                      |
|---|----------------------|
| Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)      | \$ 64,505,906        |
| Additional Capacity BGS Savings (Exhibit C, Schedule 6, Page 3) | \$ -                 |
| Avoided Cost BGS Savings (Exhibit C, Schedule 6, Page 4)        | \$ 26,508,428        |
| Total BGS Savings   | <b>\$ 91,014,334</b> |

C. Results

|   |                      |
|---|----------------------|
| Non-Weather Impacts Passing Test (current accrual)          | <b>\$ 44,926,815</b> |
| Non-Weather Impacts Passing Test (prior year carry-forward) | \$ -                 |
| Non-Weather Impacts Exceeding Test                          | \$ -                 |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 5  
Page 2 of 5

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
June 2021 - May 2022  
CIP Recovery Tests  
Summary**

**Step 3: Apply Variable Margin Revenue Test**

|  |                      |
|--|----------------------|
| <u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u> |                      |
| Non-Weather Impact   | \$ 44,926,815        |
| Prior Year Carry-Forward (Variable Margin Revenue Test)              | \$ -                 |
| Non-weather Impact Subject to Test                                   | <b>\$ 44,926,815</b> |
| <br>   |                      |
| <u>B. Variable Margin Revenues</u>                                   |                      |
| Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)             | \$ 949,240,295       |
| 6.5% Factor  | <u>6.5%</u>          |
| Total Fixed Recovery Cap   | <b>\$ 61,700,619</b> |
| <br>   |                      |
| <u>C. Results</u>  |                      |
| Non-Weather Impacts Passing Test (current accrual)                   | <b>\$ 44,926,815</b> |
| Non-Weather Impacts Passing Test (prior year carry-forward)          | \$ -                 |
| Non-Weather Impacts Exceeding Test                                   | \$ -                 |

**Step 4: Determine Recoverable Non-Weather CIP Impacts**

|  |                                 |
|--|---------------------------------|
| <u>A. Current Year Accrual Recoverable Non-Weather Impacts</u> |                                 |
| Amount Passing Modified BGSS Savings Test                      | \$ 44,926,815                   |
| Amount Passing Variable Margin Revenue Test                    | \$ 44,926,815                   |
| Recoverable Amount   | <b>\$ 44,926,815</b>            |
| <br>   |                                 |
| <u>B. Previous Carry-Forward Recoverable Amounts</u>           |                                 |
| Amount Passing Modified BGSS Savings Test                      | \$ -                            |
| Amount Passing Variable Margin Revenue Test                    | \$ -                            |
| Deduction for any amount also included in above                | <u>\$ -</u>                     |
|  | \$ -                            |
| <br><b>Total Non-Weather Recoverable CIP Amount</b>            | <br><b><u>\$ 44,926,815</u></b> |

**Public Service Electric and Gas  
CIP Recovery Tests  
CIP BGS Savings**

**I. Permanent BGS Savings**

| Year      | WN Summer Peak | Final Zonal UCAP Obligation | PS Zonal Net Load Price \$/MW-Day | PS Zonal Net Load Price \$/kW-yr |
|-----------|----------------|-----------------------------|-----------------------------------|----------------------------------|
| 2011/2012 | 10,340         | 12,333                      | \$116.15                          | \$42.42                          |
| 2012/2013 | 10,150         | 11,645                      | \$157.73                          | \$57.61                          |
| 2013/2014 | 10,100         | 11,629                      | \$248.30                          | \$90.69                          |
| 2014/2015 | 10,120         | 11,564                      | \$170.95                          | \$62.44                          |
| 2015/2016 | 10,160         | 11,398                      | \$166.29                          | \$60.74                          |
| 2016/2017 | 9,490          | 11,043                      | \$224.70                          | \$82.07                          |
| 2017/2018 | 9,530          | 10,932                      | \$208.59                          | \$76.19                          |
| 2018/2019 | 9,450          | 11,272                      | \$218.96                          | \$79.97                          |
| 2019/2020 | 9,370          | 11,281                      | \$115.83                          | \$42.31                          |
| 2020/2021 | 9,480          | 11,320                      | \$174.32                          | \$63.67                          |

Permanent Capacity Savings 1,013  
2021 PS Zonal Net Load Capacity Cost per kW-year \$63.67

**Total Permanent Reductions \$64,505,906**

**II. Additional Capacity BGS Savings**

CIP Recovery

| Year       | WN Summer Peak | Final Zonal IUCAP Obligation | PS Zonal Net Load Price \$/MW-Day |
|------------|----------------|------------------------------|-----------------------------------|
| 2019/2020  | 9,370          | 11,281                       | \$42.31                           |
| 2020/2021* | 9,480          | 11,320                       | \$63.67                           |

Incremental Capacity Savings\* 0  
PS Zonal Net Load Capacity Cost per kW-year \$63.67

**Total Additional Capacity Reductions \$ -**

\* Due to the potential for Peak increases due to Electric Vehicles and Electrification, incremental savings is set as a minimum of the incremental obligation savings or zero

**III. Avoided Capacity**

CIP Recovery

| Year      | Annual \$     |
|-----------|---------------|
| 2019/2020 | \$ 26,508,428 |

**VI. Total of all Savings**

| CIP Recovery Year | Permanent Capacity Savings | Additional Capacity BGS Savings | Avoided Cost BGS Savings | Annual \$     |
|-------------------|----------------------------|---------------------------------|--------------------------|---------------|
| 2019/2020         | \$ 64,505,906              | \$ -                            | \$ 26,508,428            | \$ 91,014,334 |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 5  
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Public Service Electric and Gas  
CIP Recovery Tests  
Avoided Capacity Cost BGS Savings

| Month  | Base Year<br>Customer Count | Current Year<br>Customer Count | Net Increase/<br>(Decrease)<br>Customer Count | Base Year<br>Unforced<br>Capacity /<br>Customer<br>(kW) | Current Year<br>Capacity Rate /<br>Cust.<br>(\$/kW) | Avoided<br>Capacity<br>(g) = (d) * (e) * (f)<br>* 1,000 |
|--|-----------------------------|--------------------------------|---|---|---|---|
| (a)  | (b)                         | (c)                            | (d) = (b) / (c)                               | (e)   | (f)   |   |
| <b>Group 1: RS</b>                             |                             |                                |   |   |   |   |
| June   | 1,882,438                   | 1,921,455                      | 45,393  | 2.3   | \$5.31  | 559,726   |
| July   | 1,876,061                   | 1,923,694                      | 58,192  | 2.3   | \$5.31  | 720,245   |
| August   | 1,865,502                   | 1,916,474                      | 43,971  | 2.3   | \$5.31  | 544,190   |
| September                                      | 1,872,503                   | 1,916,615                      | 43,447  | 2.3   | \$5.31  | 538,382   |
| October  | 1,873,168                   | 1,914,216                      | 41,351  | 2.3   | \$5.31  | 510,417   |
| November                                       | 1,872,865                   | 1,921,687                      | 35,139  | 2.3   | \$5.31  | 434,824   |
| December                                       | 1,886,548                   | 1,916,894                      | 26,299  | 2.3   | \$5.31  | 326,307   |
| January  | 1,890,595                   | 1,911,763                      | 31,675  | 2.3   | \$5.31  | 392,062   |
| February                                       | 1,880,088                   | 1,916,381                      | 64,008  | 2.4   | \$5.31  | 813,641   |
| March  | 1,852,372                   | 1,866,048                      | (52,315)                                      | 2.2   | \$5.31  | (621,957)   |
| April  | 1,918,364                   | 1,995,221                      | 131,146                                       | 2.3   | \$5.31  | 1,632,007   |
| May  | 1,864,076                   | 1,906,131                      | 28,250  | 2.3   | \$5.31  | 348,742   |
| Subtotal                                       | 1,877,882                   | 1,918,882                      | 41,380  |   |   | \$6,198,587   |
| <b>Group 2: RLM</b>                            |                             |                                |   |   |   |   |
| June   | 12,114                      | 11,427                         | (971)   | 7.4   | \$5.31  | (38,152)  |
| July   | 12,213                      | 11,540                         | (574)   | 7.4   | \$5.31  | (22,690)  |
| August   | 11,549                      | 11,475                         | (738)   | 7.2   | \$5.31  | (28,337)  |
| September                                      | 12,247                      | 11,811                         | 262   | 7.4   | \$5.31  | 10,287  |
| October  | 12,179                      | 11,545                         | (702)   | 7.4   | \$5.31  | (27,654)  |
| November                                       | 12,329                      | 11,511                         | (668)   | 7.4   | \$5.31  | (26,261)  |
| December                                       | 12,188                      | 11,542                         | (787)   | 7.4   | \$5.31  | (30,898)  |
| January  | 12,017                      | 11,559                         | (630)   | 7.4   | \$5.31  | (24,612)  |
| February                                       | 12,039                      | 11,609                         | (408)   | 7.6   | \$5.31  | (16,480)  |
| March  | 12,316                      | 11,233                         | (806)   | 7.4   | \$5.31  | (31,589)  |
| April  | 12,310                      | 11,576                         | (740)   | 7.3   | \$5.31  | (28,477)  |
| May  | 12,397                      | 11,781                         | (529)   | 7.5   | \$5.31  | (21,014)  |
| Subtotal                                       | 12,158                      | 11,551                         | (608)   |   |   | (\$285,878)   |
| <b>Group 3: GLP</b>                            |                             |                                |   |   |   |   |
| June   | 269,005                     | 286,513                        | 21,754  | 8.9   | \$5.31  | 1,030,287   |
| July   | 264,759                     | 283,243                        | 23,892  | 9.4   | \$5.31  | 1,191,750   |
| August   | 259,351                     | 268,939                        | 4,401   | 8.6   | \$5.31  | 199,656   |
| September                                      | 264,539                     | 295,678                        | 48,029  | 8.8   | \$5.31  | 2,233,630   |
| October  | 247,648                     | 288,457                        | 29,778  | 9.0   | \$5.31  | 1,424,579   |
| November                                       | 258,679                     | 280,410                        | 13,735  | 8.9   | \$5.31  | 646,784   |
| December                                       | 266,675                     | 284,876                        | 23,772  | 8.9   | \$5.31  | 1,128,831   |
| January  | 261,105                     | 282,497                        | 19,522  | 8.9   | \$5.31  | 922,614   |
| February                                       | 262,975                     | 283,851                        | 27,296  | 9.3   | \$5.31  | 1,344,609   |
| March  | 256,555                     | 272,327                        | 4,903   | 8.6   | \$5.31  | 224,882   |
| April  | 267,424                     | 292,470                        | 27,829  | 8.9   | \$5.31  | 1,311,598   |
| May  | 264,641                     | 284,631                        | 15,626  | 8.8   | \$5.31  | 731,611   |
| Subtotal                                       | 261,946                     | 283,658                        | 21,711  |   |   | \$12,390,832  |
| <b>Group 4: LPLS</b>                           |                             |                                |   |   |   |   |
| June   | 8,883                       | 9,018                          | 162   | 267.1   | \$5.31  | 229,325   |
| July   | 8,727                       | 9,251                          | 368   | 270.0   | \$5.31  | 526,705   |
| August   | 8,370                       | 9,153                          | 425   | 270.9   | \$5.31  | 611,195   |
| September                                      | 8,140                       | 9,122                          | 752   | 277.3   | \$5.31  | 1,106,538   |
| October  | 9,014                       | 8,912                          | 772   | 273.8   | \$5.31  | 1,120,956   |
| November                                       | 7,780                       | 9,026                          | 11  | 267.6   | \$5.31  | 16,100  |
| December                                       | 8,886                       | 9,234                          | 1,454   | 276.8   | \$5.31  | 2,135,451   |
| January  | 8,481                       | 8,927                          | 41  | 266.5   | \$5.31  | 57,568  |
| February                                       | 8,891                       | 9,273                          | 793   | 287.4   | \$5.31  | 1,208,750   |
| March  | 8,867                       | 8,598                          | (293)   | 251.7   | \$5.31  | (391,031)   |
| April  | 8,846                       | 9,819                          | 952   | 275.2   | \$5.31  | 1,390,334   |
| May  | 8,856                       | 8,978                          | 133   | 274.0   | \$5.31  | 192,996   |
| Subtotal                                       | 8,645                       | 9,109                          | 464   |   |   | \$8,204,886   |
| <b>Total Avoided Capacity Cost BGS Savings</b> |                             |                                |   |   |   | <b>\$26,508,428</b>                                     |

Notes:

- (1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case
- (2) Current Year Customer Count is equal to the customer count in the CIP accrual year.
- (3) Base Year Unforced capacity is equal to the 2017/2018 Unforced capacity from PJM by rate schedule divided by number of customers
- (4) Current Year Capacity rate is the current year PS Zonal Net Load Price \$/kW-yr divided by 12

**Public Service Electric and Gas  
CIP Recovery Tests  
Allowed Margin**

|                       |                      |
|-----------------------|----------------------|
| Group I (RS)          | \$479,659,857        |
| Group II (RLM)        | \$5,296,387          |
| Group III (GLP)       | \$268,638,974        |
| Group IV              | <u>\$195,645,078</u> |
| Total Variable Margin | <u>\$949,240,295</u> |

| Customer Class                                 | Actual/<br>Estimate | Number of<br>Customers | Baseline<br>Revenue / Cust. | Variable<br>Revenue |
|--|---------------------|------------------------|-----------------------------|---------------------|
| <b>Group I: Residential Service RS and RHS</b> |                     |                        |                             |                     |
| June   | e                   | 1,921,455              | 42.4                        | \$81,526,572        |
| July   | e                   | 1,923,694              | 42.5                        | \$81,700,841        |
| August   | e                   | 1,916,474              | 20.4                        | \$39,021,862        |
| September                                      | e                   | 1,916,615              | 12.2                        | \$23,328,902        |
| October  | e                   | 1,914,216              | 12.5                        | \$23,918,140        |
| November                                       | e                   | 1,921,687              | 14.3                        | \$27,508,538        |
| December                                       | e                   | 1,916,894              | 15.1                        | \$28,990,789        |
| January  | e                   | 1,911,763              | 13.9                        | \$26,543,477        |
| February                                       | e                   | 1,916,381              | 13.5                        | \$25,962,537        |
| March  | e                   | 1,866,048              | 11.4                        | \$21,329,665        |
| April  | e                   | 1,995,221              | 18.3                        | \$36,505,114        |
| May  | e                   | 1,906,131              | 33.2                        | <u>\$63,323,418</u> |
| Total  |                     |                        | 249.7                       | \$479,659,857       |

|  |   |        |       |                  |
|--|---|--------|-------|------------------|
| <b>Group Ia: Residential Load Management (RLM)</b> |   |        |       |                  |
| June   | e | 11,427 | 77.9  | \$889,984        |
| July   | e | 11,540 | 78.0  | \$899,696        |
| August   | e | 11,475 | 37.4  | \$428,901        |
| September  | e | 11,811 | 22.3  | \$263,895        |
| October  | e | 11,545 | 22.9  | \$264,804        |
| November   | e | 11,511 | 26.3  | \$302,478        |
| December   | e | 11,542 | 27.8  | \$320,435        |
| January  | e | 11,559 | 25.5  | \$294,593        |
| February   | e | 11,609 | 24.9  | \$288,705        |
| March  | e | 11,233 | 21.0  | \$235,688        |
| April  | e | 11,576 | 33.6  | \$388,791        |
| May  | e | 11,781 | 61.0  | <u>\$718,417</u> |
| Total  |   |        | 458.5 | \$5,296,387      |

|  |   |         |       |                     |
|--|---|---------|-------|---------------------|
| <b>Group II: General Power &amp; Light (GLP)</b> |   |         |       |                     |
| June   | e | 286,513 | 148.9 | \$42,671,371        |
| July   | e | 283,243 | 156.5 | \$44,329,777        |
| August   | e | 268,939 | 101.7 | \$27,343,386        |
| September  | e | 295,678 | 46.9  | \$13,870,980        |
| October  | e | 288,457 | 46.9  | \$13,514,508        |
| November   | e | 280,410 | 45.2  | \$12,674,355        |
| December   | e | 284,876 | 45.9  | \$13,068,934        |
| January  | e | 282,497 | 46.8  | \$13,208,820        |
| February   | e | 283,851 | 46.2  | \$13,117,814        |
| March  | e | 272,327 | 46.0  | \$12,522,612        |
| April  | e | 292,470 | 82.5  | \$24,127,246        |
| May  | e | 284,631 | 134.2 | <u>\$38,189,171</u> |
| Total  |   |         | 947.6 | \$268,638,974       |

|  |   |       |          |                     |
|--|---|-------|----------|---------------------|
| <b>Group III: Large Power &amp; Light - Secondary (LPLS)</b> |   |       |          |                     |
| June   | e | 9,018 | 3,493.9  | \$31,507,445        |
| July   | e | 9,251 | 3,606.1  | \$33,358,072        |
| August   | e | 9,153 | 2,251.9  | \$20,610,296        |
| September  | e | 9,122 | 1,616.7  | \$14,746,992        |
| October  | e | 8,912 | 1,108.4  | \$9,878,101         |
| November   | e | 9,026 | 1,060.6  | \$9,572,704         |
| December   | e | 9,234 | 970.0    | \$8,956,818         |
| January  | e | 8,927 | 1,105.1  | \$9,865,275         |
| February   | e | 9,273 | 1,078.5  | \$10,001,098        |
| March  | e | 8,598 | 1,010.0  | \$8,684,560         |
| April  | e | 9,819 | 1,664.4  | \$16,342,703        |
| May  | e | 8,978 | 2,463.8  | <u>\$22,121,014</u> |
| Total  |   |       | 21,429.4 | \$195,645,078       |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6E  
Schedule 6

**PUBLIC SERVICE ELECTRIC AND GAS  
CONSERVATION INCENTIVE PROGRAM  
EARNINGS TEST  
JANUARY 1, 2021 THROUGH DECEMBER 31, 2021  
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE**

in \$000

|   |                               |                    |                               |
|---|-------------------------------|--------------------|-------------------------------|
| 1 | Equity Base for Earnings Test | 3,000,000          |                               |
| 2 | Allowed ROE                   | 9.6%               | 2018 Base Rate Case           |
| 3 | ROE Limit buffer              | 0.5%               | From IIP                      |
| 4 | Maximum ROE                   | <u>10.1%</u>       | = ln 2 + ln 3                 |
| 5 | Actual Net Income             | <u>250,000</u>     |                               |
| 6 | ROE for Earnings Test         | 8.33%              | = ln 5 / ln 1                 |
| 7 | Earnings Test Pass / Fail     | <u><b>Pass</b></u> | = IF ln 4 > 6, Pass else Fail |



ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 1  
Page 1 of 3

Public Service Electric and Gas Company  
Conservation Incentive Program  
Group I: Residential Heat & Non-Heating  
October 2021 - September 2022

| Customer Class<br>(a)  | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                               | Actual Avg.<br>Use / Cust.<br>(d) = (b) / (c) | Baseline<br>Use / Cust. <sup>2</sup><br>(e) | Difference<br>(f) = (d) - (e) | Aggregate<br>Therm Impact<br>(g) = (f) * (c) | Margin<br>Factor | Margin<br>Variance   |
|--|---------------------|-------------------------------|-------------------------------|---|---|-------------------------------|--|------------------|----------------------|
|  |                     | Total Class<br>Therms<br>(b)  | Number of<br>Customers<br>(c) |   |   |                               |  |                  |                      |
| <b>Residential Non-Heating</b>                                   |                     |                               |                               |   |   |                               |  |                  |                      |
| October  | e                   | 67,342,776                    | 1,660,099                     | 40.6  | 38.8  | 1.8                           | 2,981,652                                    | \$0.3686         | \$1,098,986          |
| November   | e                   | 156,785,130                   | 1,664,795                     | 94.2  | 87.3  | 6.9                           | 11,432,341                                   | \$0.3686         | \$4,213,767          |
| December   | e                   | 233,972,053                   | 1,663,080                     | 140.7   | 144.0                                       | (3.3)                         | (5,484,489)                                  | \$0.3743         | (\$2,052,674)        |
| January  | e                   | 295,224,713                   | 1,661,673                     | 177.7   | 179.4                                       | (1.7)                         | (2,875,459)                                  | \$0.3800         | (\$1,092,545)        |
| February   | e                   | 254,970,665                   | 1,662,634                     | 153.4   | 153.1                                       | 0.3                           | 461,869                                      | \$0.3800         | \$175,490            |
| March  | e                   | 196,889,032                   | 1,643,868                     | 119.8   | 125.3                                       | (5.5)                         | (9,097,576)                                  | \$0.3800         | (\$3,456,669)        |
| April  | e                   | 115,198,363                   | 1,684,260                     | 68.4  | 69.2  | (0.8)                         | (1,412,867)                                  | \$0.3800         | (\$536,826)          |
| May  | e                   | 52,555,770                    | 1,669,027                     | 31.5  | 36.7  | (5.2)                         | (8,745,217)                                  | \$0.3800         | (\$3,322,789)        |
| June   | e                   | 41,511,324                    | 1,669,739                     | 24.9  | 21.0  | 3.9                           | 6,520,385                                    | \$0.3851         | \$2,510,883          |
| July   | e                   | 29,156,563                    | 1,674,659                     | 17.4  | 17.3  | 0.1                           | 128,099                                      | \$0.3902         | \$49,985             |
| August   | e                   | 27,497,947                    | 1,672,495                     | 16.4  | 18.1  | (1.6)                         | (2,728,931)                                  | \$0.3902         | (\$1,064,853)        |
| September  | e                   | 30,310,167                    | 1,670,608                     | 18.1  | 19.5  | (1.3)                         | (2,249,715)                                  | \$0.3902         | (\$877,859)          |
| <b>Total</b>   |                     | <b>1,501,414,504</b>          |                               | <b>903.0</b>                                  | <b>909.7</b>                                |                               | <b>(11,069,907)</b>                          |                  | <b>(\$4,355,105)</b> |
| Margin Deficiency/ (Credit)                                      |                     |                               |                               |   |   |                               | \$   | 4,355,105        |                      |
| Prior Period (Over) / Under Recovery <sup>3</sup>                |                     |                               |                               |   |   |                               | \$   | -                |                      |
| Total Deficiency/(Credit)  |                     |                               |                               |   |   |                               | \$   | 4,355,105        |                      |
| Projected Residential Non-Heating Throughput for Recovery Period |                     |                               |                               |   |   |                               |  | 1,521,598,100    |                      |
| Pre-tax CIP Charge/(Credit)                                      |                     |                               |                               |   |   |                               | \$   | 0.0029           |                      |
| BPU/RC Assessment Factor   |                     |                               |                               |   |   |                               |  | <u>1.002569</u>  |                      |
| CIP Charge/(Credit) including assessments                        |                     |                               |                               |   |   |                               | \$   | 0.0029           |                      |
| 6.625% Sales Tax   |                     |                               |                               |   |   |                               | \$   | <u>0.0002</u>    |                      |
| <b>Proposed After-tax CIP Charge/(Credit) per Therm</b>          |                     |                               |                               |   |   |                               | \$   | <b>0.0031</b>    |                      |
| Current After-tax CIP Charge/(Credit) per Therm                  |                     |                               |                               |   |   |                               | \$   | <u>-</u>         |                      |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm  |                     |                               |                               |   |   |                               | \$   | <u>0.0031</u>    |                      |

<sup>1</sup> Per Exhibit C, Schedule 1, Page 2

<sup>2</sup> From 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 1, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 1  
Page 2 of 3

Public Service Electric and Gas Company  
Customers and Therms

**Group I: Residential Heat & Non-Heating**

|                         | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> |                      |
|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------|
| <b><u>Customers</u></b> |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                      |
| RSG heating             | 1,432,278                 | 1,435,713                 | 1,434,502                 | 1,424,074                 | 1,430,635                 | 1,416,067                 | 1,456,991                 | 1,442,691                 | 1,443,720                 | 1,448,951                 | 1,446,908                 | 1,444,193                 |                      |
| RSG non-heating         | 227,821                   | 229,083                   | 228,577                   | 237,599                   | 231,999                   | 227,801                   | 227,269                   | 226,336                   | 226,019                   | 225,708                   | 225,587                   | 226,415                   |                      |
| <b>Total Customers</b>  | <b>1,660,099</b>          | <b>1,664,795</b>          | <b>1,663,080</b>          | <b>1,661,673</b>          | <b>1,662,634</b>          | <b>1,643,868</b>          | <b>1,684,260</b>          | <b>1,669,027</b>          | <b>1,669,739</b>          | <b>1,674,659</b>          | <b>1,672,495</b>          | <b>1,670,608</b>          |                      |
| <b><u>Volumes</u></b>   |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                      |
| RSG heating             | 65,270,130                | 148,604,339               | 225,403,007               | 289,967,465               | 250,424,912               | 193,012,074               | 111,867,103               | 49,912,548                | 39,212,812                | 26,571,828                | 25,387,358                | 28,285,580                | 1,453,919,157        |
| RSG non-heating         | 2,072,647                 | 8,180,791                 | 8,569,046                 | 5,257,248                 | 4,545,753                 | 3,876,959                 | 3,331,260                 | 2,643,222                 | 2,298,511                 | 2,584,736                 | 2,110,589                 | 2,024,586                 | 47,495,348           |
| <b>Total Volumes</b>    | <b>67,342,776</b>         | <b>156,785,130</b>        | <b>233,972,053</b>        | <b>295,224,713</b>        | <b>254,970,665</b>        | <b>196,889,032</b>        | <b>115,198,363</b>        | <b>52,555,770</b>         | <b>41,511,324</b>         | <b>29,156,563</b>         | <b>27,497,947</b>         | <b>30,310,167</b>         | <b>1,501,414,504</b> |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 1  
Page 3 of 3

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group I: Residential Heat & Non-Heating**  
**October 2021 - September 2022**

|  | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> | TOTAL         |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| Beginning Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0             |
| Therm Sales                                  | 67,342,776                | 156,785,130               | 233,972,053               | 295,224,713               | 254,970,665               | 196,889,032               | 115,198,363               | 52,555,770                | 41,511,324                | 29,156,563                | 27,497,947                | 30,310,167                | 1,501,414,504 |
| Pre-tax Recovery Rate per Therm <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |               |
| Recovery \$                                  | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0             |
| Ending Under/(Over) Recovery \$              | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0             |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 2  
Page 1 of 3

Public Service Electric and Gas  
Conservation Incentive Program  
Group II: General Service Gas (GSG)  
October 2021 - September 2022

| Customer Class  | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Actual Avg.<br>Use / Cust. | Baseline<br>Use / Cust. <sup>2</sup> | Difference      | Aggregate<br>Therm Impact | Margin<br>Factor | Margin<br>Variance   |
|---|---------------------|-------------------------------|------------------------|----------------------------|--------------------------------------|-----------------|---------------------------|------------------|----------------------|
|   |                     | Total Class<br>Therms         | Number of<br>Customers |                            |                                      |                 |                           |                  |                      |
| (a)   |                     | (b)                           | (c)                    | (d) = (b) / (c)            | (e)                                  | (f) = (d) - (e) | (g) = (f) * (c)           |                  |                      |
| <u>General Service Small</u>                                    |                     |                               |                        |                            |                                      |                 |                           |                  |                      |
| October   | e                   | 12,918,483                    | 139,593                | 92.5                       | 112.2                                | (19.7)          | (2,748,266)               | \$0.2926         | (\$804,019)          |
| November  | e                   | 27,806,708                    | 139,796                | 198.9                      | 173.7                                | 25.2            | 3,526,241                 | \$0.2926         | \$1,031,619          |
| December  | e                   | 47,586,518                    | 139,531                | 341.1                      | 320.4                                | 20.7            | 2,885,422                 | \$0.2956         | \$853,016            |
| January   | e                   | 55,978,433                    | 139,557                | 401.1                      | 433.7                                | (32.6)          | (4,551,009)               | \$0.2987         | (\$1,359,404)        |
| February  | e                   | 46,707,448                    | 139,502                | 334.8                      | 354.4                                | (19.6)          | (2,736,061)               | \$0.2987         | (\$817,273)          |
| March   | e                   | 37,335,157                    | 137,321                | 271.9                      | 281.5                                | (9.6)           | (1,324,681)               | \$0.2987         | (\$395,688)          |
| April   | e                   | 21,785,596                    | 140,732                | 154.8                      | 164.4                                | (9.6)           | (1,348,271)               | \$0.2987         | (\$402,734)          |
| May   | e                   | 11,439,173                    | 140,077                | 81.7                       | 80.6                                 | 1.0             | 144,114                   | \$0.2987         | \$43,047             |
| June  | e                   | 7,482,658                     | 140,041                | 53.4                       | 49.7                                 | 3.8             | 527,964                   | \$0.3014         | \$159,105            |
| July  | e                   | 7,109,375                     | 138,968                | 51.2                       | 57.1                                 | (6.0)           | (829,433)                 | \$0.3040         | (\$252,155)          |
| August  | e                   | 7,669,412                     | 139,089                | 55.1                       | 51.2                                 | 4.0             | 549,968                   | \$0.3040         | \$167,195            |
| September   | e                   | 6,820,285                     | 138,549                | 49.2                       | 53.4                                 | (4.2)           | (575,054)                 | \$0.3040         | (\$174,822)          |
| Total   |                     | <u>290,639,246</u>            |                        | <u>2,085.7</u>             | <u>2,132.3</u>                       |                 | <u>(6,479,067)</u>        |                  | <u>(\$1,952,111)</u> |
| Margin Deficiency/ (Credit)                                     |                     |                               |                        |                            |                                      |                 | \$                        | 1,952,111        |                      |
| Prior Period (Over) / Under Recovery <sup>3</sup>               |                     |                               |                        |                            |                                      |                 | \$                        | -                |                      |
| Total Deficiency/(Credit)                                       |                     |                               |                        |                            |                                      |                 | \$                        | 1,952,111        |                      |
| Projected Commercial Throughput for Recovery Period             |                     |                               |                        |                            |                                      |                 |                           | 289,952,320      |                      |
| Pre-tax CIP Charge/(Credit)                                     |                     |                               |                        |                            |                                      |                 | \$                        | 0.0067           |                      |
| BPU/RC Assessment Factor  |                     |                               |                        |                            |                                      |                 |                           | <u>1.002569</u>  |                      |
| CIP Charge/(Credit) including assessments                       |                     |                               |                        |                            |                                      |                 | \$                        | 0.0067           |                      |
| 6.625% Sales Tax  |                     |                               |                        |                            |                                      |                 | \$                        | <u>0.0004</u>    |                      |
| <b>Proposed After-tax CIP Charge/(Credit) per Therm</b>         |                     |                               |                        |                            |                                      |                 | <b>\$</b>                 | <b>0.0071</b>    |                      |
| Current After-tax CIP Charge/(Credit) per Therm                 |                     |                               |                        |                            |                                      |                 | \$                        | -                |                      |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm |                     |                               |                        |                            |                                      |                 | \$                        | <u>0.0071</u>    |                      |

<sup>1</sup> Per Exhibit C, Schedule 3, Page 2

<sup>2</sup> From 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 3, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
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Public Service Electric and Gas  
Customers and Therms

**Group II: General Service Gas (GSG)**

|                        | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> |                    |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| <b>Customers</b>       |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                    |
| GSG Heating            | 114,183                   | 114,527                   | 114,337                   | 114,295                   | 114,273                   | 112,674                   | 115,341                   | 114,934                   | 114,880                   | 113,941                   | 114,194                   | 113,625                   |                    |
| GSG Non-Heating        | 25,410                    | 25,269                    | 25,194                    | 25,263                    | 25,229                    | 24,647                    | 25,391                    | 25,142                    | 25,162                    | 25,027                    | 24,895                    | 24,924                    |                    |
| <b>Total Customers</b> | <b>139,593</b>            | <b>139,796</b>            | <b>139,531</b>            | <b>139,557</b>            | <b>139,502</b>            | <b>137,321</b>            | <b>140,732</b>            | <b>140,077</b>            | <b>140,041</b>            | <b>138,968</b>            | <b>139,089</b>            | <b>138,549</b>            |                    |
| <b>Volumes</b>         |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                           |                    |
| GSG Heating            | 10,454,149                | 24,089,750                | 41,550,122                | 50,222,054                | 40,967,187                | 32,276,661                | 18,277,654                | 8,821,668                 | 5,244,883                 | 5,013,542                 | 5,501,554                 | 5,136,675                 | 247,555,900        |
| GSG Non-Heating        | 2,464,334                 | 3,716,958                 | 6,036,396                 | 5,756,379                 | 5,740,261                 | 5,058,496                 | 3,507,942                 | 2,617,505                 | 2,237,775                 | 2,095,833                 | 2,167,858                 | 1,683,610                 | 43,083,346         |
| <b>Total Volumes</b>   | <b>12,918,483</b>         | <b>27,806,708</b>         | <b>47,586,518</b>         | <b>55,978,433</b>         | <b>46,707,448</b>         | <b>37,335,157</b>         | <b>21,785,596</b>         | <b>11,439,173</b>         | <b>7,482,658</b>          | <b>7,109,375</b>          | <b>7,669,412</b>          | <b>6,820,285</b>          | <b>290,639,246</b> |

ILLUSTRATIVE PURPOSES ONLY

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group II: General Service Gas (GSG)**  
**October 2021 - September 2022**

|  | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> | TOTAL       |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------|
| Beginning Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Therm Sales                                  | 12,918,483                | 27,806,708                | 47,586,518                | 55,978,433                | 46,707,448                | 37,335,157                | 21,785,596                | 11,439,173                | 7,482,658                 | 7,109,375                 | 7,669,412                 | 6,820,285                 | 290,639,246 |
| Pre-tax Recovery Rate per Therm <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |             |
| Recovery \$                                  | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Ending Under/(Over) Recovery \$              | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

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Public Service Electric and Gas Company  
Conservation Incentive Program  
Group III: Large Volume Gas (LVG)  
October 2021 - September 2022

| Customer Class               | Actual/<br>Estimate | Actual per Books <sup>1</sup> |                        | Large<br>Customer<br>Adjustment | Adjusted<br>Number of<br>Customers | Actual Avg.<br>Use / Cust. <sup>2</sup> | Baseline<br>Use / Cust. | Difference      | Aggregate<br>Therm Impact | Margin<br>Factor | Margin<br>Variance |
|------------------------------|---------------------|-------------------------------|------------------------|---------------------------------|------------------------------------|---|-------------------------|-----------------|---------------------------|------------------|--------------------|
|                              |                     | Total Class<br>Therms         | Number of<br>Customers |                                 |                                    |   |                         |                 |                           |                  |                    |
| (a)                          |                     | (b)                           | (c)                    | (c2)                            | (c) = (c1) + (c2)                  | (d) = (b) / (c)                         | (e)                     | (f) = (d) - (e) | (g) = (f) * (c)           |                  |                    |
| <b>General Service Large</b> |                     |                               |                        |                                 |                                    |   |                         |                 |                           |                  |                    |
| October                      | e                   | 42,763,409                    | 19,081                 | -                               | 19,081                             | 2,241.1                                 | 2,391.9                 | (150.7)         | (2,876,010)               | \$0.0440         | (\$126,455)        |
| November                     | e                   | 70,622,456                    | 19,101                 | -                               | 19,101                             | 3,697.4                                 | 3,570.6                 | 126.7           | 2,420,323                 | \$0.0440         | \$106,419          |
| December                     | e                   | 106,773,356                   | 19,008                 | -                               | 19,008                             | 5,617.3                                 | 5,232.3                 | 385.0           | 7,318,162                 | \$0.0451         | \$329,793          |
| January                      | e                   | 121,930,621                   | 18,668                 | -                               | 18,668                             | 6,531.4                                 | 6,507.3                 | 24.1            | 450,365                   | \$0.0462         | \$20,789           |
| February                     | e                   | 109,927,597                   | 19,016                 | -                               | 19,016                             | 5,780.9                                 | 5,836.7                 | (55.8)          | (1,061,727)               | \$0.0462         | (\$49,010)         |
| March                        | e                   | 103,382,969                   | 18,579                 | -                               | 18,579                             | 5,564.5                                 | 5,497.3                 | 67.2            | 1,248,064                 | \$0.0462         | \$57,612           |
| April                        | e                   | 66,170,486                    | 19,692                 | -                               | 19,692                             | 3,360.3                                 | 3,498.7                 | (138.4)         | (2,725,064)               | \$0.0462         | (\$125,792)        |
| May                          | e                   | 36,430,854                    | 19,054                 | -                               | 19,054                             | 1,911.9                                 | 2,012.5                 | (100.6)         | (1,916,701)               | \$0.0462         | (\$88,477)         |
| June                         | e                   | 27,748,463                    | 19,080                 | -                               | 19,080                             | 1,454.3                                 | 1,457.5                 | (3.1)           | (59,566)                  | \$0.0451         | (\$2,685)          |
| July                         | e                   | 23,818,293                    | 19,086                 | -                               | 19,086                             | 1,248.0                                 | 1,366.7                 | (118.7)         | (2,265,279)               | \$0.0440         | (\$99,661)         |
| August                       | e                   | 25,317,371                    | 18,926                 | -                               | 18,926                             | 1,337.7                                 | 1,404.2                 | (66.5)          | (1,258,509)               | \$0.0440         | (\$55,368)         |
| September                    | e                   | 25,679,844                    | 18,851                 | -                               | 18,851                             | 1,362.3                                 | 1,368.3                 | (6.0)           | (113,418)                 | \$0.0440         | (\$4,990)          |
| Total                        |                     | <u>760,565,719</u>            |                        |                                 |                                    | <u>40,107.1</u>                         | <u>40,143.9</u>         |                 | <u>(839,360)</u>          |                  | <u>(\$37,825)</u>  |

|   |    |                 |
|---|----|-----------------|
| Margin Deficiency/ (Credit)                                     | \$ | 37,825          |
| Prior Period (Over) / Under Recovery <sup>3</sup>               | \$ | -               |
| Total Deficiency/(Credit)                                       | \$ | 37,825          |
| Projected Commercial Throughput for Recovery Period             |    | 760,577,559     |
| Pre-tax CIP Charge/(Credit)                                     | \$ | -               |
| BPU/RC Assessment Factor  |    | <u>1.002569</u> |
| CIP Charge/(Credit) including assessments                       | \$ | -               |
| 6.625% Sales Tax  | \$ | -               |
| <b>Proposed After-tax CIP Charge/(Credit) per Therm</b>         | \$ | -               |
| Current After-tax CIP Charge/(Credit) per Therm                 | \$ | <u>-</u>        |
| Increase/ (Decrease) in After-tax CIP Charge/(Credit) per Therm | \$ | <u>-</u>        |

<sup>1</sup> Per Exhibit C, Schedule 4, Page 2

<sup>2</sup> From 2018 Base Rate Case

<sup>3</sup> Per Exhibit C, Schedule 4, Page 3

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 3  
Page 2 of 3

**Public Service Electric and Gas Company  
Customers and Therms**

**Group III: Large Volume Gas (LVG)**

|                         | Estimate<br>Oct-21 | Estimate<br>Nov-21 | Estimate<br>Dec-21 | Estimate<br>Jan-22 | Estimate<br>Feb-22 | Estimate<br>Mar-22 | Estimate<br>Apr-22 | Estimate<br>May-22 | Estimate<br>Jun-22 | Estimate<br>Jul-22 | Estimate<br>Aug-22 | Estimate<br>Sep-22 |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b><u>Customers</u></b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| LVG                     | 19,081             | 19,101             | 19,008             | 18,668             | 19,016             | 18,579             | 19,692             | 19,054             | 19,080             | 19,086             | 18,926             | 18,851             |                    |
| <b>Total Customers</b>  | <b>19,081</b>      | <b>19,101</b>      | <b>19,008</b>      | <b>18,668</b>      | <b>19,016</b>      | <b>18,579</b>      | <b>19,692</b>      | <b>19,054</b>      | <b>19,080</b>      | <b>19,086</b>      | <b>18,926</b>      | <b>18,851</b>      |                    |
| <b><u>Volumes</u></b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| LVG                     | 42,763,409         | 70,622,456         | 106,773,356        | 121,930,621        | 109,927,597        | 103,382,969        | 66,170,486         | 36,430,854         | 27,748,463         | 23,818,293         | 25,317,371         | 25,679,844         | 760,565,719        |
| <b>Total Volumes</b>    | <b>42,763,409</b>  | <b>70,622,456</b>  | <b>106,773,356</b> | <b>121,930,621</b> | <b>109,927,597</b> | <b>103,382,969</b> | <b>66,170,486</b>  | <b>36,430,854</b>  | <b>27,748,463</b>  | <b>23,818,293</b>  | <b>25,317,371</b>  | <b>25,679,844</b>  | <b>760,565,719</b> |



ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 3  
Page 3 of 3

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**  
**STATEMENT OF ESTIMATED UNDER/(OVER) RECOVERED CIP BALANCE**  
**Group III: Large Volume Gas (LVG)**  
**October 2021 - September 2022**

|  | Estimate<br><u>Oct-21</u> | Estimate<br><u>Nov-21</u> | Estimate<br><u>Dec-21</u> | Estimate<br><u>Jan-22</u> | Estimate<br><u>Feb-22</u> | Estimate<br><u>Mar-22</u> | Estimate<br><u>Apr-22</u> | Estimate<br><u>May-22</u> | Estimate<br><u>Jun-22</u> | Estimate<br><u>Jul-22</u> | Estimate<br><u>Aug-22</u> | Estimate<br><u>Sep-22</u> | TOTAL       |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------|
| Beginning Under/(Over) Recovery \$           | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Therm Sales                                  | 42,763,409                | 70,622,456                | 106,773,356               | 121,930,621               | 109,927,597               | 103,382,969               | 66,170,486                | 36,430,854                | 27,748,463                | 23,818,293                | 25,317,371                | 25,679,844                | 760,565,719 |
| Pre-tax Recovery Rate per Therm <sup>1</sup> | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    | 0.0000                    |             |
| Recovery \$                                  | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |
| Ending Under/(Over) Recovery \$              | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0                         | 0           |

<sup>1</sup> Pre-tax Recovery Rate per therm excluding BPU and RC assessments.

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 4

**Public Service Electric and Gas  
Weather Normalization  
2021-2022 Winter Period**

**Step 1: Determine the degree day variance from the dead band.**

|          | Normal<br>Degree Days | 0.50%<br>Dead Band |         | Dead Band |       | Actual<br>Degree Days | Normalization<br>Amount (1) |
|----------|-----------------------|--------------------|---------|-----------|-------|-----------------------|-----------------------------|
|          |                       | Band               | Low End | High End  |       |                       |                             |
| October  | 243                   | 1                  | 242     | 244       | 243   | -                     |                             |
| November | 516                   | 3                  | 514     | 519       | 516   | -                     |                             |
| December | 827                   | 4                  | 823     | 831       | 827   | -                     |                             |
| January  | 1,003                 | 5                  | 998     | 1,008     | 1,003 | -                     |                             |
| February | 858                   | 4                  | 854     | 862       | 858   | -                     |                             |
| March    | 692                   | 3                  | 688     | 695       | 692   | -                     |                             |
| April    | 358                   | 2                  | 356     | 359       | 358   | -                     |                             |
| May      | 124                   | 1                  | 123     | 124       | 124   | -                     |                             |

**Step 2: Determine the normalized volumes by rate class.**

|          | Therms Per Degree Day (2) |        |        | Normalization Volumes (3) |     |     |
|----------|---------------------------|--------|--------|---------------------------|-----|-----|
|          | RSG                       | GSG    | LVG    | RSG                       | GSG | LVG |
| October  | 155,872                   | 17,368 | 88,550 | -                         | -   | -   |
| November | 249,538                   | 31,588 | 88,550 | -                         | -   | -   |
| December | 246,824                   | 54,161 | 88,550 | -                         | -   | -   |
| January  | 284,118                   | 68,715 | 89,001 | -                         | -   | -   |
| February | 291,909                   | 59,983 | 89,001 | -                         | -   | -   |
| March    | 292,968                   | 61,432 | 89,001 | -                         | -   | -   |
| April    | 270,873                   | 61,014 | 89,001 | -                         | -   | -   |
| May      | 196,672                   | 17,503 | 89,001 | -                         | -   | -   |

**Step 3: Calculate the margin revenue to be deferred.**

|                     | Margin Revenue Deferral (4) |                              |      |      | Total |
|---------------------|-----------------------------|------------------------------|------|------|-------|
|                     | December 2020- May 2021     | October 2020 - November 2020 |      |      |       |
| October             | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| November            | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| December            | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| January             | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| February            | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| March               | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| April               | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| May                 | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |
| Winter Period Total | \$ -                        | \$ -                         | \$ - | \$ - | \$ -  |

(1) Amount above or below the Dead Band

(2) Consumption factors to be true-up at the end of the Winter Period for actual # of customers.

(3) Normalization degree days x Therms Per Degree Day

(4) Normalization Volumes x Margin Revenue Factor

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 5  
Page 1 of 5

**Public Service Electric and Gas  
Conservation Incentive Program Filing  
October 2021 - September 2022  
CIP Recovery Tests  
Summary**

**Determine Weather and Non-Weather CIP Impacts**

|                           | <u>Weather</u> | <u>Non-Weather</u> | <u>Total</u>     |
|---------------------------|----------------|--------------------|------------------|
| CIP Group 1 (RSG)         | \$ -           | \$ 4,355,105       | \$ 4,355,105     |
| CIP Group 2 (GSG)         | \$ -           | \$ 1,952,111       | \$ 1,952,111     |
| CIP Group 3 (LVG)         | <u>\$ -</u>    | <u>\$ 37,825</u>   | <u>\$ 37,825</u> |
| Total Deficiency/(Credit) | \$ -           | \$ 6,345,041       | \$ 6,345,041     |

**Step 2: Apply Modified BGSS Savings Test**

**A. Non-weather Impact Subject to Modified BGSS Savings Test**

|   |                     |
|---|---------------------|
| Non-Weather Impact                                    | \$ 6,345,041        |
| 75% Factor  | <u>75%</u>          |
| Subtotal  | \$ 4,758,781        |
| Prior Year Carry-Forward (Modified BGSS Savings Test) | \$ -                |
| Non-weather Impact Subject to Test                    | <b>\$ 4,758,781</b> |

**B. BGSS Savings**

|  |                      |
|--|----------------------|
| Permanent Capacity Savings (Exhibit C, Schedule 6, Page 3)       | \$ 45,394,957        |
| Additional Capacity BGSS Savings (Exhibit C, Schedule 6, Page 3) | \$ -                 |
| Avoided Cost BGSS Savings (Exhibit C, Schedule 6, Page 4)        | <u>\$ 3,387,831</u>  |
| Total BGSS Savings   | <b>\$ 48,782,788</b> |

**C. Results**

|   |                     |
|---|---------------------|
| Non-Weather Impacts Passing Test (current accrual)          | <b>\$ 6,345,041</b> |
| Non-Weather Impacts Passing Test (prior year carry-forward) | \$ -                |
| Non-Weather Impacts Exceeding Test                          | \$ -                |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 6  
Page 2 of 5

Public Service Electric and Gas  
Conservation Incentive Program Filing  
October 2021 - September 2022  
CIP Recovery Tests  
Summary

**Step 3: Apply Variable Margin Revenue Test**

|  |                |
|--|----------------|
| <u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u> |                |
| Non-Weather Impact   | \$ 6,345,041   |
| Prior Year Carry-Forward (Variable Margin Revenue Test)              | \$ -           |
| Non-weather Impact Subject to Test                                   | \$ 6,345,041   |
| <br>   |                |
| <u>B. Variable Margin Revenues</u>                                   |                |
| Variable Margin Revenues (Exhibit C, Schedule 6, Page 5)             | \$ 695,148,298 |
| 6.5% Factor  | 6.5%           |
| Total Fixed Recovery Cap   | \$ 45,184,639  |
| <br>   |                |
| <u>C. Results</u>  |                |
| Non-Weather Impacts Passing Test (current accrual)                   | \$ 6,345,041   |
| Non-Weather Impacts Passing Test (prior year carry-forward)          | \$ -           |
| Non-Weather Impacts Exceeding Test                                   | \$ -           |

**Step 4: Determine Recoverable Non-Weather CIP Impacts**

|  |                         |
|--|-------------------------|
| <u>A. Current Year Accrual Recoverable Non-Weather Impacts</u> |                         |
| Amount Passing Modified BGSS Savings Test                      | \$ 6,345,041            |
| Amount Passing Variable Margin Revenue Test                    | \$ 6,345,041            |
| Recoverable Amount   | \$ 6,345,041            |
| <br>   |                         |
| <u>B. Previous Carry-Forward Recoverable Amounts</u>           |                         |
| Amount Passing Modified BGSS Savings Test                      | \$ -                    |
| Amount Passing Variable Margin Revenue Test                    | \$ -                    |
| Deduction for any amount also included in above                | \$ -                    |
|  | \$ -                    |
| <br><b>Total Non-Weather Recoverable CIP Amount</b>            | <br><b>\$ 6,345,041</b> |

Public Service Electric and Gas Company  
CIP Recovery Tests  
CIP BGSS Savings

I. Permanent BGSS Savings

| <u>Pipeline</u>                   | <u>Contract No.</u> | <u>Type of Transaction</u> | <u>Quantity Dth</u> | <u>Annual \$</u>     |
|-----------------------------------|---------------------|----------------------------|---------------------|----------------------|
| Texas Eastern                     | 870146              | Contract Terminated        | 88,321              | \$ 3,539,906         |
| Texas Eastern                     | 870145              | Contract Terminated        | 25,000              | 821,250              |
| Texas Eastern                     | 911678              | Contract Reduced           | 33,376              | 1,400,000            |
| Texas Eastern                     | 911677              | Contract Reduced           | 56,493              | 2,000,000            |
| Texas Eastern                     | 911679              | Contract Reduced           | 59,817              | 2,200,000            |
| Dominion                          | 200318/200315       | Contract Terminated        | 43,300              | 1,089,237            |
| Dominion                          | 525445              | Contract Reduced           | 48,526              | 2,537,483            |
| Dominion                          | 200482              | Contract Reduced           | 55,737              | 4,271,190            |
| National Fuel                     | F11135              | Contract Terminated        | 48,400              | 3,545,087            |
| National Fuel                     | F10833              | Contract Terminated        | 30,795              | 1,265,702            |
| National Fuel                     | F10845              | Contract Terminated        | 20,000              | 822,018              |
| Steuben                           | 4                   | Contract Terminated        | 11,111              | 1,084,634            |
| Steuben                           | 3                   | Contract Terminated        | 30,955              | 3,333,011            |
| Trunkline                         | 21079               | Contract Terminated        | 89,392              | 6,630,062            |
| Trunkline                         | 20912               | Contract Terminated        | 25,242              | 998,725              |
| Panhandle                         | 22945               | Contract Terminated        | 88,498              | 2,994,348            |
| Panhandle                         | 22652               | Contract Terminated        | 25,000              | 718,138              |
| Texas Gas                         | T025024             | Contract Terminated        | 85,417              | 6,144,167            |
| <b>Total Permanent Reductions</b> |                     |                            |                     | <b>\$ 45,394,957</b> |

II. Additional Capacity BGSS Savings

| <u>CIP Recovery</u> | <u>Year</u> | <u>Annual \$</u> |
|---------------------|-------------|------------------|
| 2020-2021           |             | \$ -             |

III. Avoided Capacity

| <u>CIP Recovery</u> | <u>Year</u> | <u>Annual \$</u> |
|---------------------|-------------|------------------|
| 2020-2021           |             | \$ 3,387,831     |

VI. Total of all Savings

| <u>CIP Recovery Year</u> | <u>Permanent Capacity Savings</u> | <u>Additional Capacity BGSS Savings</u> | <u>Avoided Cost BGSS Savings</u> | <u>Annual \$</u> |
|--------------------------|-----------------------------------|---|----------------------------------|------------------|
| 2020-2021                | \$ 45,394,957                     | \$ -                                    | \$ 3,387,831                     | \$ 48,782,788    |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 5  
Page 4 of 5

**Public Service Electric and Gas  
CIP Recovery Tests  
Avoided Capacity Cost BGSS Savings**

| Month<br>(a)                             | Base Year<br>Customer Count<br>(b) | Current Year<br>Customer Count<br>(c) | Net Increase/ (Decrease)<br>Customer Count<br>(d) = (b) / (c) | Baseline<br>Use / Cust.<br>(e) | Avoided<br>Capacity<br>(f) = (d) * (e) |
|--|------------------------------------|---------------------------------------|---|--------------------------------|--|
| Group 1: RSG                             |                                    |                                       |   |                                |  |
| October                                  | 1,624,278                          | 1,660,099                             | 35,821  | 38.8                           | 1,388,915                              |
| November                                 | 1,630,996                          | 1,664,795                             | 33,799  | 87.3                           | 2,951,107                              |
| December                                 | 1,635,566                          | 1,663,080                             | 27,514  | 144.0                          | 3,961,612                              |
| January                                  | 1,636,952                          | 1,661,673                             | 24,721  | 179.4                          | 4,434,874                              |
| February                                 | 1,630,001                          | 1,662,634                             | 32,633  | 153.1                          | 4,995,253                              |
| March                                    | 1,615,444                          | 1,643,868                             | 28,424  | 125.3                          | 3,561,676                              |
| April                                    | 1,653,790                          | 1,684,260                             | 30,470  | 69.2                           | 2,109,693                              |
| May                                      | 1,636,600                          | 1,669,027                             | 32,427  | 36.7                           | 1,191,044                              |
| June                                     | 1,631,876                          | 1,669,739                             | 37,863  | 21.0                           | 793,411                                |
| July                                     | 1,683,288                          | 1,674,659                             | (8,629)   | 17.3                           | (149,565)                              |
| August                                   | 1,621,557                          | 1,672,495                             | 50,938  | 18.1                           | 920,535                                |
| September                                | 1,630,455                          | 1,670,608                             | 40,153  | 19.5                           | 782,444                                |
| Subtotal                                 |                                    |                                       |   | 909.7                          | 26,940,999                             |
| Average Per Unit BGSS Capacity Cost      |                                    |                                       |   |                                | 0.12575                                |
| Total Avoided Capacity Cost BGSS Savings |                                    |                                       |   |                                | <u>\$3,387,831</u>                     |

Notes:

- (1) Base Year Customer Count is equal to the test year customer count used to set base rates in a base rate case
- (2) Current Year Customer Count is equal to the customer count in the CIP accrual year.
- (3) The average per unit BGSS Capacity Cost represents the average of all capacity costs in the BGSS portfolio included in the annual BGSS filing for the prospective BGSS year. This value is used as a proxy for the avoided cost of incremental capacity.

**Public Service Electric and Gas  
CIP Recovery Tests  
Variable Margin**

|                 |                     |
|-----------------|---------------------|
| Group I (RSG)   | \$572,054,911       |
| Group II (GSG)  | \$88,504,755        |
| Group III (LVG) | <u>\$34,588,632</u> |

Total Variable Margin \$695,148,298

| <u>Customer Class</u> | <u>Actual/<br/>Estimate</u> | <u>Number of<br/>Customers</u> | <u>Baseline<br/>Use / Cust.</u> | <u>Margin<br/>Factor</u> | <u>Variable<br/>Revenue</u> |
|-----------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------|-----------------------------|
| <u>RSG</u>            |                             |                                |                                 |                          |                             |
| October               | e                           | 1,660,099                      | 38.8                            | \$0.3686                 | \$23,725,156                |
| November              | e                           | 1,664,795                      | 87.3                            | \$0.3686                 | \$53,576,514                |
| December              | e                           | 1,663,080                      | 144.0                           | \$0.3743                 | \$89,623,633                |
| January               | e                           | 1,661,673                      | 179.4                           | \$0.3800                 | \$113,266,416               |
| February              | e                           | 1,662,634                      | 153.1                           | \$0.3800                 | \$96,699,726                |
| March                 | e                           | 1,643,868                      | 125.3                           | \$0.3800                 | \$78,264,526                |
| April                 | e                           | 1,684,260                      | 69.2                            | \$0.3800                 | \$44,308,922                |
| May                   | e                           | 1,669,027                      | 36.7                            | \$0.3800                 | \$23,292,338                |
| June                  | e                           | 1,669,739                      | 21.0                            | \$0.3851                 | \$13,473,757                |
| July                  | e                           | 1,674,659                      | 17.3                            | \$0.3902                 | \$11,326,878                |
| August                | e                           | 1,672,495                      | 18.1                            | \$0.3902                 | \$11,793,969                |
| September             | e                           | 1,670,608                      | <u>19.5</u>                     | \$0.3902                 | <u>\$12,703,075</u>         |
| Total                 |                             |                                | 909.7                           |                          | \$572,054,911               |
| <u>GSG</u>            |                             |                                |                                 |                          |                             |
| October               | e                           | 139,593                        | 112.2                           | \$0.2926                 | \$4,583,213                 |
| November              | e                           | 139,796                        | 173.7                           | \$0.2926                 | \$7,103,377                 |
| December              | e                           | 139,531                        | 320.4                           | \$0.2956                 | \$13,215,149                |
| January               | e                           | 139,557                        | 433.7                           | \$0.2987                 | \$18,080,212                |
| February              | e                           | 139,502                        | 354.4                           | \$0.2987                 | \$14,769,162                |
| March                 | e                           | 137,321                        | 281.5                           | \$0.2987                 | \$11,547,748                |
| April                 | e                           | 140,732                        | 164.4                           | \$0.2987                 | \$6,910,111                 |
| May                   | e                           | 140,077                        | 80.6                            | \$0.2987                 | \$3,373,728                 |
| June                  | e                           | 140,041                        | 49.7                            | \$0.3014                 | \$2,095,763                 |
| July                  | e                           | 138,968                        | 57.1                            | \$0.3040                 | \$2,413,539                 |
| August                | e                           | 139,089                        | 51.2                            | \$0.3040                 | \$2,164,358                 |
| September             | e                           | 138,549                        | <u>53.4</u>                     | \$0.3040                 | <u>\$2,248,396</u>          |
| Total                 |                             |                                | 2,132.3                         |                          | \$88,504,755                |
| <u>LVG</u>            |                             |                                |                                 |                          |                             |
| October               | e                           | 19,081                         | 2,391.9                         | \$0.0440                 | \$2,006,715                 |
| November              | e                           | 19,101                         | 3,570.6                         | \$0.0440                 | \$2,998,783                 |
| December              | e                           | 19,008                         | 5,232.3                         | \$0.0451                 | \$4,481,945                 |
| January               | e                           | 18,668                         | 6,507.3                         | \$0.0462                 | \$5,607,648                 |
| February              | e                           | 19,016                         | 5,836.7                         | \$0.0462                 | \$5,123,380                 |
| March                 | e                           | 18,579                         | 5,497.3                         | \$0.0462                 | \$4,714,650                 |
| April                 | e                           | 19,692                         | 3,498.7                         | \$0.0462                 | \$3,180,291                 |
| May                   | e                           | 19,054                         | 2,012.5                         | \$0.0462                 | \$1,770,159                 |
| June                  | e                           | 19,080                         | 1,457.5                         | \$0.0451                 | \$1,253,530                 |
| July                  | e                           | 19,086                         | 1,366.7                         | \$0.0440                 | \$1,147,551                 |
| August                | e                           | 18,926                         | 1,404.2                         | \$0.0440                 | \$1,169,202                 |
| September             | e                           | 18,851                         | <u>1,368.3</u>                  | \$0.0440                 | <u>\$1,134,777</u>          |
| Total                 |                             |                                | 40,143.9                        |                          | \$34,588,632                |

ILLUSTRATIVE PURPOSES ONLY

Attachment 6G  
Schedule 6

**PUBLIC SERVICE ELECTRIC AND GAS  
CONSERVATION INCENTIVE PROGRAM  
EARNINGS TEST  
APRIL 1, 2021 THROUGH MARCH 31, 2022  
NINE MONTHS ACTUAL, THREE MONTHS ESTIMATE**

in \$000

|   |                               |                    |                               |
|---|-------------------------------|--------------------|-------------------------------|
| 1 | Equity Base for Earnings Test | 3,000,000          |                               |
| 2 | Allowed ROE                   | 9.6%               | 2018 Base Rate Case           |
| 3 | ROE Limit buffer              | 0.5%               | From IIP                      |
| 4 | Maximum ROE                   | 10.1%              | = ln 2 + ln 3                 |
| 5 | Actual Net Income             | 250,000            |                               |
| 6 | ROE for Earnings Test         | 8.33%              | = ln 5 / ln 1                 |
| 7 | Earnings Test Pass / Fail     | <u><b>Pass</b></u> | = IF ln 4 > 6, Pass else Fail |



## Shareholder Contribution Spending

| Total                                  |   | Percent | Annual      | Monthly   |
|--|---|---------|-------------|-----------|
| \$ 3,300,000                           | E | 55%     | \$1,815,000 | \$151,250 |
|  | G | 45%     | \$1,485,000 | \$123,750 |
| Electric Deferral June 2021 - May 2022 |   |         |             |           |
| Gas Deferral Oct 2021 - Sep 2022       |   |         |             |           |

|          | Reporting Time Period Spending |             |             |
|----------|--------------------------------|-------------|-------------|
|          | 6/21-9/22                      | 10/22-9/23  | 10/23-9/24  |
| Totals   |                                |             |             |
| Electric | \$2,420,000                    | \$1,815,000 | \$1,815,000 |
| Gas      | \$1,485,000                    | \$1,485,000 | \$1,485,000 |
| Total    | \$3,905,000                    | \$3,300,000 | \$3,300,000 |

|           | Electric   | Gas        |
|-----------|------------|------------|
| 6/1/2021  | \$151,250  |            |
| 7/1/2021  | \$151,250  |            |
| 8/1/2021  | \$151,250  |            |
| 9/1/2021  | \$151,250  |            |
| 10/1/2021 | \$ 151,250 | \$ 123,750 |
| 11/1/2021 | \$ 151,250 | \$ 123,750 |
| 12/1/2021 | \$ 151,250 | \$ 123,750 |
| 1/1/2022  | \$ 151,250 | \$ 123,750 |
| 2/1/2022  | \$ 151,250 | \$ 123,750 |
| 3/1/2022  | \$ 151,250 | \$ 123,750 |
| 4/1/2022  | \$ 151,250 | \$ 123,750 |
| 5/1/2022  | \$ 151,250 | \$ 123,750 |
| 6/1/2022  | \$ 151,250 | \$ 123,750 |
| 7/1/2022  | \$ 151,250 | \$ 123,750 |
| 8/1/2022  | \$ 151,250 | \$ 123,750 |
| 9/1/2022  | \$ 151,250 | \$ 123,750 |
| 10/1/2022 | \$ 151,250 | \$ 123,750 |
| 11/1/2022 | \$ 151,250 | \$ 123,750 |
| 12/1/2022 | \$ 151,250 | \$ 123,750 |
| 1/1/2023  | \$ 151,250 | \$ 123,750 |
| 2/1/2023  | \$ 151,250 | \$ 123,750 |
| 3/1/2023  | \$ 151,250 | \$ 123,750 |
| 4/1/2023  | \$ 151,250 | \$ 123,750 |
| 5/1/2023  | \$ 151,250 | \$ 123,750 |
| 6/1/2023  | \$ 151,250 | \$ 123,750 |
| 7/1/2023  | \$ 151,250 | \$ 123,750 |
| 8/1/2023  | \$ 151,250 | \$ 123,750 |
| 9/1/2023  | \$ 151,250 | \$ 123,750 |
| 10/1/2023 | \$ 151,250 | \$ 123,750 |
| 11/1/2023 | \$ 151,250 | \$ 123,750 |
| 12/1/2023 | \$ 151,250 | \$ 123,750 |
| 1/1/2024  | \$ 151,250 | \$ 123,750 |
| 2/1/2024  | \$ 151,250 | \$ 123,750 |
| 3/1/2024  | \$ 151,250 | \$ 123,750 |
| 4/1/2024  | \$ 151,250 | \$ 123,750 |
| 5/1/2024  | \$ 151,250 | \$ 123,750 |
| 6/1/2024  | \$ 151,250 | \$ 123,750 |
| 7/1/2024  | \$ 151,250 | \$ 123,750 |
| 8/1/2024  | \$ 151,250 | \$ 123,750 |
| 9/1/2024  | \$ 151,250 | \$ 123,750 |
| 10/1/2024 | \$ 151,250 | \$ 123,750 |
| 11/1/2024 | \$ 151,250 | \$ 123,750 |
| 12/1/2024 | \$ 151,250 | \$ 123,750 |

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 2**

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

**Superseding**

**XXX Revised Sheet No. 2**

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 66

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

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XXX Revised Sheet No. 66

**CONSERVATION INCENTIVE PROGRAM**

**CHARGE APPLICABLE TO  
RATE SCHEDULES RS, RHS, RLM, GLP, LPL-S**

|          | <b>Conservation Incentive Program</b> | <b>Conservation Incentive Program including SUT</b> |                                     |
|----------|---------------------------------------|---|-------------------------------------|
| RS & RHS | \$(0.001108)                          | \$(0.001181)  | Per kilowatt-hour                   |
| RLM      | \$(0.000598)                          | \$(0.000638)  | Per kilowatt-hour                   |
| GLP      | \$0.6371                              | \$0.6793  | Per kilowatt of monthly peak demand |
| LPL-S    | \$0.6108                              | \$0.6513  | Per kilowatt of monthly peak demand |

**Conservation Incentive Program**

This charge shall be applicable to the rate schedules listed above. The Conservation Incentive Program shall be based on the differences between actual and allowed revenue per customer during the preceding annual period. The Conservation Incentive Program mechanism shall be determined as follows:

**I. DEFINITION OF TERMS AS USED HEREIN**

**1. Actual Number of Customers**

– the Actual Number of Customers (“ANC”) shall be determined on a monthly basis for each of the Customer Class Groups to which the Conservation Incentive Program (“CIP”) Clause applies. The ANC shall equal the aggregate actual monthly Service Charge revenue for each class of customers subject to the CIP as recorded on the Company’s books, divided by the service charge rate applicable to such class of customers in each Customer Class Group.

**2. Actual Revenue Per Customer**

– the Actual Revenue per Customer (“ARC”) shall be determined in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The ARC shall equal the aggregate actual booked variable margin revenue per applicable rate schedule for the month as recorded on the Company’s books divided by the Actual Number of Customers for the corresponding month. Actual revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges as well as any Infrastructure Investment Program revenues, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Tax Adjustment Credit.

**3. Adjustment Period**

– shall be the year beginning immediately following the conclusion of the Annual Period.

**4. Annual Period**

– shall be the twelve consecutive months from June 1 of one calendar year through May 31 of the following calendar year.

**5. Average 13 Month Common Equity Balance**

– shall be the average of the beginning and ending common equity balances based on the latest publically available financials available before the end of the Annual Period. The Company shall provide the most recently available actual months plus forecasted data at the time of each Initial Filing. The forecasted data will be updated with actuals once the financial statements for the months have been disclosed.

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**Superseding  
Original Sheet No. 66A**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**6. Baseline Revenue per Customer**

– the Baseline Revenue per Customer (“BRC”) shall be stated in dollars per customer on a monthly basis for each of the Customer Class Groups to which the CIP applies. The BRC shall be calculated as the current variable margin revenue per rate schedule, including any revenue from Infrastructure Investment Program rate adjustments, divided by the number of customers from the most recent approve base rate case for the rate schedule. Baseline revenues shall include Distribution Kilowatt-hour and Distribution Kilowatt charges, and shall not include the Service Charge and any non-base rate charges such as the Societal Benefits, Non-Utility Generation Charge, Zero Emission Certificate Recovery Charge, Solar Pilot Recovery Charges, Green Programs Recovery Charges, or the Tax Adjustment Credit.

**7. Customer Class Group**

– for purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:

|            |          |
|------------|----------|
| Group I:   | RS & RHS |
| Group IA:  | RLM      |
| Group II:  | GLP      |
| Group III: | LPL-S    |

**8. Forecast Annual Usage**

– the Forecast Annual Usage (“FAU”) shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.

**9. Degree Days (DD)**

– the difference between 65°F and the mean daily temperature. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day. Heating Degree Days (HDD) are used to measure winter weather.

**10. Temperature Humidity Index (THI)**

– a measure of the degree of discomfort experienced by an individual in warm weather that includes temperature and humidity which is included by incorporating the dew point in the measure. The daily THI is the sum of the 24 hourly THI observations for a day. THI is used to measure summer weather.

**11. Actual Calendar Month HDD and THI**

– the accumulation of the actual HDD and THI for each day of a calendar month.

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Original Sheet No. 66B**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**12. Normal Calendar Month HDD and THI**

– the level of calendar month HDD and THI to which the weather portion of this CIP applies.

The normal calendar month HDD and THI will be based on the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station hourly observations at the Newark airport and will be updated annually. The base level of normal HDD and THI for the defined winter and summer period months for the 2021-2022 Periods are set forth in the table below:

| <b>Month</b>   | <b>Normal Heating Degree Days</b> | <b>Normal Temperature Humidity Index</b> |
|----------------|-----------------------------------|--|
| January 2022   | 992                               |  |
| February 2022  | 833                               |  |
| March 2022     | 693                               |  |
| April 2022     | 357                               | 189                                      |
| May 2022       | 128                               | 926                                      |
| June 2021      |                                   | 2,993                                    |
| July 2021      |                                   | 5,507                                    |
| August 2021    |                                   | 4,847                                    |
| September 2021 |                                   | 2,174                                    |
| October 2021   | 236                               | 391                                      |
| November 2021  | 516                               |  |
| December 2021  | 818                               |  |

**13. Winter Period**

– shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

**14. Summer Period**

– shall be the seven consecutive calendar months from April of one calendar year through October of the calendar year.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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**Superseding  
Original Sheet No. 66C**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**15. Consumption Factors**

– the use per HDD and THI component by month used in forecasting sales for the applicable rate schedules. These factors will be updated annually. Consumption Factors for the 2021-2022 Winter Period for HDD and 2021 Summer Period for THI are set forth below and presented as kWh per degree day:

| Month          | Consumption Factors<br>(kWh per HDD and THI) |         |        |     |       |       |
|----------------|--|---------|--------|-----|-------|-------|
|                | RS   |         | RHS    |     | RLM   |       |
|                | HDD  | THI     | HDD    | THI | HDD   | THI   |
| January 2022   | 475,206                                      | 154,756 | 12,919 | 514 | 6,275 | 2,041 |
| February 2022  | 474,987                                      | 154,685 | 12,843 | 511 | 6,377 | 2,074 |
| March 2022     | 474,902                                      | 154,657 | 12,787 | 508 | 6,409 | 2,085 |
| April 2022     | 475,583                                      | 154,879 | 12,712 | 505 | 6,312 | 2,053 |
| May 2022       | 475,790                                      | 154,946 | 12,681 | 504 | 6,184 | 2,012 |
| June 2021      | 455,913                                      | 154,354 | 12,929 | 514 | 6,365 | 2,070 |
| July 2021      | 458,664                                      | 155,285 | 12,881 | 512 | 6,185 | 2,012 |
| August 2021    | 456,939                                      | 154,701 | 12,728 | 506 | 6,427 | 2,090 |
| September 2021 | 458,141                                      | 155,108 | 12,676 | 504 | 6,281 | 2,043 |
| October 2021   | 458,714                                      | 155,302 | 12,586 | 500 | 6,280 | 2,043 |
| November 2021  | 459,202                                      | 155,468 | 12,550 | 499 | 6,211 | 2,020 |
| December 2021  | 460,274                                      | 155,831 | 12,461 | 495 | 6,228 | 2,026 |

**II. BASELINE REVENUE PER CUSTOMER**

– the BRC for each Customer Class Group by month are as follows:

| Month               | RS & RHS        | RLM             | GLP             | LPL-S              |
|---------------------|-----------------|-----------------|-----------------|--------------------|
| Jun                 | \$30.26         | \$87.92         | \$129.53        | \$2,669.62         |
| Jul                 | 37.65           | 99.56           | 149.32          | 3,911.18           |
| Aug                 | 34.81           | 93.44           | 144.52          | 3,948.53           |
| Sep                 | 21.37           | 42.69           | 90.25           | 2,217.92           |
| Oct                 | 13.79           | 16.88           | 54.33           | 1,610.54           |
| Nov                 | 14.98           | 15.45           | 48.46           | 1,000.64           |
| Dec                 | 18.57           | 19.90           | 48.39           | 856.78             |
| Jan                 | 20.60           | 21.67           | 51.81           | 918.58             |
| Feb                 | 17.06           | 18.87           | 49.47           | 921.00             |
| Mar                 | 16.39           | 18.10           | 49.53           | 922.50             |
| Apr                 | 13.98           | 14.31           | 49.06           | 878.89             |
| May                 | 15.43           | 18.46           | 87.32           | 1,707.49           |
| <b>Total Annual</b> | <b>\$254.88</b> | <b>\$467.25</b> | <b>\$951.99</b> | <b>\$21,563.65</b> |

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 66D**

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

**Superseding  
Original Sheet No. 66D**

**CONSERVATION INCENTIVE PROGRAM  
(Continued)**

**III. DETERMINATION OF THE CONSERVATION INCENTIVE PROGRAM**

1. At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency or excess to be surcharged or credited to customers pursuant to the CIP mechanism. The deficiency or excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Revenue per Customer from the Actual Revenue per Customer by the Actual Number of Customers.

2. The weather related change in customer usage shall be calculated as the difference between actual HDD and THI and the above HDD and THI multiplied by the consumption factors, and multiplying the result by the margin revenue factors as defined in Section I.10. of this rate schedule to determine the weather-related deficiency or excess. The weather-related amount will be subtracted from the total deficiency or excess to determine the non-weather related deficiency or excess.

3. Recovery of margin deficiency associated with non-weather related changes in customer usage will be subject to a BGS savings test and a Variable Margin Revenue recovery limitation ("recovery tests"). Recovery of non-weather related margin deficiency will be limited to the smaller of (1) the level of BGS savings achieved when such savings are less than 75 percent of the non-weather related margin deficiency, i.e. BGS savings test, and (2) 6.5 percent of variable margins for the CIP Annual Period, i.e., Variable Margin Revenue recovery limitation. Any amount that exceeds the above limitations may be deferred for future recovery and is subject to either or both of the recovery tests in a future year consistent with the amount by which either or both of the non-weather related margin deficiency exceeded the recovery tests. For the purposes of this calculation, the value of the weather related portion shall be calculated as set forth in Section III.2. of this rate schedule.

4. In addition, if the calculated ROE exceeds the allowed ROE from the utility's last base rate case by 50 basis points or more, recovery of lost revenues through the CIP shall not be allowed for the applicable filing period. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's net income for the applicable period as defined in the Average 13 Month Common Equity Balance by the Company's average common equity balance for the same period, all as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total operating income, any clause related Net Income, such as the Green Program's Recovery Charge, the Technology Innovation Charge and interest expenses. The Company's Average 13 Month Common Equity Balance shall be the ratio of Electric Distribution Net Plant (including the Electric Distribution allocation of Common Plant) to total PSE&G Net Plant for the Average 13 Month Common Equity Balance period multiplied by the Company's total common equity for the same period.

5. The amount to be surcharged or credited shall equal the eligible aggregate deficiency or excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the Forecast Annual Usage for the Customer Class Group.

**IV. TRACKING THE OPERATION OF THE CONSERVATION INCENTIVE PROGRAM**

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Conservation Incentive Program Rate shall be accumulated for each month of the Adjustment Period and applied against the CIP excess or deficiency from the Annual Period and any cumulative balances remaining from prior periods.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

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

**Original Sheet No. 67**  
**Original Sheet No. 68**

**RESERVED FOR FUTURE USE**

Date of Issue: October 30, 2018

Effective: November 1, 2018

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated October 29, 2018  
in Docket Nos. ER18010029, GR18010030, AX18010001 and ER18030231



**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 93**

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

**Superseding  
XXX Revised Sheet No. 93**

**RATE SCHEDULE RS  
RESIDENTIAL SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

Delivery service for residential purposes. Customers may either purchase electric supply from a Third Party Supplier (TPS) or from Public Service's Basic Generation Service default service as detailed in this rate schedule.

**DELIVERY CHARGES:**

**Service Charge:**

\$4.64 in each month [\$4.95 including New Jersey Sales and Use Tax (SUT)].

**Distribution Charges per Kilowatt-hour:**

First 600 hours used in each of the months of:

| <u>October through May</u> |                      | <u>June through September</u> |                      |
|----------------------------|----------------------|-------------------------------|----------------------|
| Charge                     |                      | Charge                        |                      |
| <u>Charge</u>              | <u>Including SUT</u> | <u>Charge</u>                 | <u>Including SUT</u> |
| \$ 0.033344                | \$ 0.035553          | \$ 0.042318                   | \$ 0.045122          |

In excess of 600 hours used in each of the months of:

| <u>October through May</u> |                      | <u>June through September</u> |                      |
|----------------------------|----------------------|-------------------------------|----------------------|
| Charge                     |                      | Charge                        |                      |
| <u>Charge</u>              | <u>Including SUT</u> | <u>Charge</u>                 | <u>Including SUT</u> |
| \$ 0.033344                | \$ 0.035553          | \$ 0.046139                   | \$ 0.049196          |

Distribution charges include Infrastructure Improvement Program Charges (IIP). Refer to Tariff Sheet 70 for details of these charges.

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

**Non-utility Generation Charge:**

This charge shall recover above market costs associated with non-utility generation costs and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

**Solar Pilot Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket Nos. ER18010029, GR18010030, AX18010001 and ER18030231 EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 94**

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

**Superseding  
XXX Revised Sheet No. 94**

**RATE SCHEDULE RS  
RESIDENTIAL SERVICE  
(Continued)**

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

**Tax Adjustment Credit:**

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

**Zero Emission Certificate Recovery Charge:**

This charge provides for the recovery of costs associated with the Zero Emission Certificate Program directed by the Board of Public Utilities ("BPU" or "Board"). Refer to the Zero Emission Certificate Recovery Charge sheet of this Tariff for the current charge.

**Conservation Incentive Program Charge:**

This mechanism provides for recovery of lost revenues associated with various energy efficiency programs. Refer to the Conservation Incentive Program sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge, the Tax Adjustment Credit, the Zero Emission Certificate Recovery Charge and the Conservation Incentive Program Charge shall be combined for billing.

**ELECTRIC SUPPLY CHARGES:**

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) default service.

**Third Party Supply:**

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

**Basic Generation Service:**

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RS.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 99**

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

**Superseding  
XXX Revised Sheet No. 99**

**RATE SCHEDULE RHS  
RESIDENTIAL HEATING SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

This rate schedule is closed and is in the process of elimination. Delivery service under this rate schedule is limited to residential purposes where electricity is the sole source of space heating for customers at their current premise that are presently served under this rate schedule. Customers may either purchase electric supply from a Third Party Supplier (TPS) or from Public Service's Basic Generation Service default service as detailed in this rate schedule.

**DELIVERY CHARGES:**

**Service Charge:**

\$4.64 in each month [\$4.95 including New Jersey Sales and Use Tax (SUT)].

**Distribution Charges per Kilowatt-hour:**

First 600 hours used in each of the months of:

| <u>October through May</u> |                      | <u>June through September</u> |                      |
|----------------------------|----------------------|-------------------------------|----------------------|
| Charge                     |                      | Charge                        |                      |
| <u>Charge</u>              | <u>Including SUT</u> | <u>Charge</u>                 | <u>Including SUT</u> |
| \$ 0.033843                | \$ 0.036085          | \$ 0.050928                   | \$ 0.054302          |

In excess of 600 hours used in each of the months of:

| <u>October through May</u> |                      | <u>June through September</u> |                      |
|----------------------------|----------------------|-------------------------------|----------------------|
| Charge                     |                      | Charge                        |                      |
| <u>Charge</u>              | <u>Including SUT</u> | <u>Charge</u>                 | <u>Including SUT</u> |
| \$ 0.016243                | \$ 0.017319          | \$ 0.055828                   | \$ 0.059527          |

Distribution charges include Infrastructure Improvement Program Charges (IIP). Refer to Tariff Sheet 70 for details of these charges.

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

**Non-utility Generation Charge:**

This charge shall recover above market costs associated with non-utility generation costs and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

**Solar Pilot Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

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

**Superseding  
XXX Revised Sheet No. 100**

**RATE SCHEDULE RHS  
RESIDENTIAL HEATING SERVICE  
(Continued)**

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

**Tax Adjustment Credit:**

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

**Zero Emission Certificate Recovery Charge:**

This charge provides for the recovery of costs associated with the Zero Emission Certificate Program directed by the Board of Public Utilities ("BPU" or "Board"). Refer to the Zero Emission Certificate Recovery Charge sheet of this Tariff for the current charge.

**Conservation Incentive Program Charge:**

This mechanism provides for recovery of lost revenues associated with various energy efficiency programs. Refer to the Conservation Incentive Program sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge, the Tax Adjustment Credit, the Zero Emission Certificate Recovery Charge and the Conservation Incentive Program Charge shall be combined for billing.

**ELECTRIC SUPPLY CHARGES:**

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) default service.

**Third Party Supply:**

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

**Basic Generation Service:**

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RHS.

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**XXX Revised Sheet No. 105**

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

**Superseding  
XXX Revised Sheet No. 105**

**RATE SCHEDULE RLM  
RESIDENTIAL LOAD MANAGEMENT SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

Delivery service for residential purposes. Customers may either purchase electric supply from a Third Party Supplier (TPS) or from Public Service's Basic Generation Service default service as detailed in this rate schedule.

**DELIVERY CHARGES:**

**Service Charge:**

\$13.07 in each month [\$13.94 including New Jersey Sales and Use Tax (SUT)].

**Distribution Charges per Kilowatt-hour:**

|          | In each of the months of<br><u>October through May</u> |                      | In each of the months of<br><u>June through September</u> |                      |
|----------|--|----------------------|---|----------------------|
|          | Charges  |                      | Charges   |                      |
|          | <u>Charges</u>   | <u>Including SUT</u> | <u>Charges</u>  | <u>Including SUT</u> |
| On-Peak  | \$ 0.015394  | \$ 0.016414          | \$ 0.073753   | \$ 0.078639          |
| Off-Peak | \$ 0.015394  | \$ 0.016414          | \$ 0.015394   | \$ 0.016414          |

Distribution charges include Infrastructure Improvement Program Charges (IIP). Refer to Tariff Sheet 70 for details of these charges.

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

**Non-utility Generation Charge:**

This charge shall recover above market costs associated with non-utility generation costs and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

**Solar Pilot Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

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**XXX Revised Sheet No. 106**

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

**Superseding**

**XXX Revised Sheet No. 106**

**RATE SCHEDULE RLM  
RESIDENTIAL LOAD MANAGEMENT SERVICE**

**(Continued)**

**Tax Adjustment Credit:**

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

**Zero Emission Certificate Recovery Charge:**

This charge provides for the recovery of costs associated with the Zero Emission Certificate Program directed by the Board of Public Utilities ("BPU" or "Board"). Refer to the Zero Emission Certificate Recovery Charge sheet of this Tariff for the current charge.

**Conservation Incentive Program Charge:**

This mechanism provides for recovery of lost revenues associated with various energy efficiency programs. Refer to the Conservation Incentive Program sheet of this Tariff for the current charge.

The Distribution Charges, Societal Benefits Charge, Non-utility Generation Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge, the Tax Adjustment Credit, the Zero Emission Certificate Recovery Charge and the Conservation Incentive Program Charge shall be combined for billing.

**ELECTRIC SUPPLY CHARGES:**

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) default service.

**Third Party Supply:**

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

**Basic Generation Service:**

Customers that do not receive electric supply from a TPS will be supplied under the Basic Generation Service – Residential Small Commercial Pricing (BGS-RSCP) default service.

The BGS Energy Charges and the BGS Reconciliation Charge, as applicable, will be applied to all kilowatt-hours billed each month. Refer to the Basic Generation Service sheets of this Tariff for the current charges applicable to Rate Schedule RLM.

**MINIMUM CHARGE:**

Where all or part of the electricity utilized by the customer is produced from on-site generation equipment and not delivered by Public Service, a Monthly Minimum charge of \$2.95 (\$3.15 including SUT) per kW of Measured Peak Demand shall be applied. The customer's Measured Peak Demand in any month shall be the greatest average number of kilowatts delivered by Public Service during any thirty-minute interval as registered by a demand meter furnished by Public Service. Revenue to satisfy the Monthly Minimum requirement shall be derived solely from Distribution Kilowatt-hour Charges.

This Minimum Charge shall not apply to Qualified Customer-Generators as defined in the Standard Terms and Conditions Section 15.2 in accordance with N.J.A.C. 14:8-4.3(n).

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 130**

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

**Superseding**

**XXX Revised Sheet No. 130**

**RATE SCHEDULE GLP  
GENERAL LIGHTING AND POWER SERVICE  
(Continued)**

**Commercial and Industrial Energy Pricing (CIEP) Standby Fee:**

Applicable to all kilowatt-hour usage for customers who have selected the option of hourly energy pricing service from either Basic Generation Service-Commercial and Industrial Energy Pricing (BGS-CIEP) or a Third Party Supplier. This charge shall recover costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

**Solar Pilot Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

**Tax Adjustment Credit:**

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

**Zero Emission Certificate Recovery Charge:**

This charge provides for the recovery of costs associated with the Zero Emission Certificate Program directed by the Board of Public Utilities ("BPU" or "Board"). Refer to the Zero Emission Certificate Recovery Charge sheet of this Tariff for the current charge.

**Conservation Incentive Program Charge:**

This mechanism provides for recovery of lost revenues associated with various energy efficiency programs. Refer to the Conservation Incentive Program sheet of this Tariff for the current charge.

The Distribution Kilowatt-hour Charge, the Non-utility Generation Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge, the Tax Adjustment Credit and the Zero Emission Certificate Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

The Distribution Kilowatt Charge and the Conservation Incentive Program Charge shall be combined for billing.

**ELECTRIC SUPPLY CHARGES:**

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

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**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 143**

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

**Superseding  
XXX Revised Sheet No. 143**

**RATE SCHEDULE LPL  
LARGE POWER AND LIGHTING SERVICE  
(Continued)**

**DELIVERY CHARGES FOR SERVICE AT PRIMARY DISTRIBUTION VOLTAGES:**

**Service Charge:**

\$347.77 in each month [\$370.81 including New Jersey Sales and Use Tax (SUT)].

**Distribution Kilowatt Charges:**

**Annual Demand Charge applicable in all months:**

| <u>Charge</u> | <u>Charge<br/>Including SUT</u> |  |
|---------------|---------------------------------|--|
| \$ 1.6666     | \$ 1.7770                       | per kilowatt of highest Monthly Peak Demand in any time period |

**Summer Demand Charge applicable in the months of June through September:**

| <u>Charge</u> | <u>Charge<br/>Including SUT</u> |   |
|---------------|---------------------------------|---|
| \$ 9.2517     | \$ 9.8646                       | per kilowatt of On-Peak Monthly Peak Demand |

**Distribution Kilowatt-hour Charges:**

| <u>Charge</u> | <u>All Use<br/>Charge<br/>Including SUT</u> |                   |
|---------------|---|-------------------|
| \$0.000000    | \$0.000000                                  | per kilowatt-hour |

Distribution charges include Infrastructure Improvement Program Charges (IIP). Refer to Tariff Sheet 71 for details of these charges.

**DELIVERY CHARGES FOR SERVICE AT SECONDARY AND PRIMARY DISTRIBUTION VOLTAGES:**

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

**Non-utility Generation Charge:**

This charge shall recover above market costs associated with non-utility generation costs and other generation related costs as may be approved by the Board. Refer to the Non-utility Generation Charge sheet of this Tariff for the current charge.

**Commercial and Industrial Energy Pricing (CIEP) Standby Fee:**

Applicable to all kilowatt-hour usage for customers who have selected the hourly energy pricing service from either Basic Generation Service - Commercial and Industrial Energy Pricing (BGS-CIEP) or a Third Party Supplier. This charge shall recover costs associated with the administration, maintenance and availability of BGS-CIEP default supply service. Refer to the CIEP Standby Fee sheet of this Tariff for the current charge.

Date of Issue:

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

Effective:

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in Docket No.



**PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

**XXX Revised Sheet No. 144**

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

**Superseding**

**XXX Revised Sheet No. 144**

**RATE SCHEDULE LPL  
LARGE POWER AND LIGHTING SERVICE  
(Continued)**

**Solar Pilot Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the Public Service Solar Pilot Program per the Board Order in Docket No. EO07040278 less the net proceeds from the sale of associated Solar Renewable Energy Certificates (SRECs) or cash received in lieu of SRECs. Refer to the Solar Pilot Recovery Charge sheet of this tariff for the current charge.

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

**Tax Adjustment Credit:**

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

**Zero Emission Certificate Recovery Charge:**

This charge provides for the recovery of costs associated with the Zero Emission Certificate Program directed by the Board of Public Utilities ("BPU" or "Board"). Refer to the Zero Emission Certificate Recovery Charge sheet of this Tariff for the current charge.

**Conservation Incentive Program Charge:**

This charge is applicable only to LPL customers for service at secondary distribution voltages. This mechanism provides for recovery of lost revenues associated with various energy efficiency programs. Refer to the Conservation Incentive Program sheet of this Tariff for the current charge.

The Distribution Kilowatt-hour Charge, the Non-utility Generation Charge, the Solar Pilot Recovery Charge, the Green Programs Recovery Charge, the Tax Adjustment Credit and the Zero Emission Certificate Recovery Charge shall be combined for billing. The CIEP Standby Fee shall also be combined with these charges where applicable.

The Distribution Kilowatt Charge and the Conservation Incentive Program Charge shall be combined for billing.

**ELECTRIC SUPPLY CHARGES:**

A customer may choose to receive electric supply from either:

- a) A TPS as described in Section 14 of this Tariff, or
- b) Public Service through its Basic Generation Service.

**Third Party Supply:**

A customer that receives electric supply from a TPS will be charged for electric supply according to any agreement between the customer and the TPS. The customer will not be charged for electric supply by Public Service.

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