



April 26, 2013

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of a Solar Loan III Program and
an Associated Cost Recovery Mechanism and
for Changes in the Tariff for Electric Service,
B.P.U.N.J. No. 15 Electric Pursuant to
N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1
("Solar Loan III Petition")
BPU Docket No. EO12080726

In the Matter of the Petition of
Public Service Electric and Gas Company
for Approval of an Extension of a
Solar Generation Investment Program
and Associated Cost Recovery Mechanism
and for Changes in the Tariff for Electric Service,
B.P.U.N.J. No. 15 Electric Pursuant to
N.J.S.A. 48:2-21, 48:2-21.1 and N.J.S.A. 48:3-98.1
("Solar4All Extension Petition")
BPU Docket No. EO12080721

VIA ELECTRONIC & REGULAR MAIL

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625

Dear Secretary Izzo:

Enclosed for filing are an original and ten (10) copies of a Settlement Agreement in the above-referenced matters.

The following parties have signed the Settlement Agreement with respect to the Solar4All Extension Petition: Public Service Electric and Gas Company ("PSE&G"), the Staff of the New Jersey Board of Public Utilities ("BPU "or "Board"), the Solar

Energy Industries Association (“SEIA”), Mid-Atlantic Solar Energy Industries Association (“MSEIA”), Prologis, and KDC Solar LLC (“KDC Solar”). The signature pages of the aforementioned parties are attached to the Settlement Agreement. In addition to the parties that have signed the Settlement Agreement, we have been advised that Sundurance Energy agrees in principle with the agreement and intends to sign on to it shortly. In addition, the Solar Energy Coalition has provided a letter, which is being submitted herewith, in support of the Settlement Agreement with respect to the Solar 4 All Petition.

The following parties have signed the Settlement Agreement with respect to the Solar Loan III Petition: PSE&G, Board Staff, SEIA, MSEIA, and KDC Solar. The signature pages of the aforementioned parties are also attached to the Settlement Agreement. The letter from the Solar Energy Coalition referenced above has also been filed in support of the Solar Loan III Petition.

PSE&G has agreed to extend the Board’s review period for these matters, as provided for under N.J.S.A. 48:3-98.1, to no later than May 31, 2013. Also provided herewith is an Extension Stipulation providing for that extension and also providing that the parties shall have until May 9, 2013 to submit comments on the Settlement Agreement, with reply comments due on or before May 13, 2013. Board Staff has agreed that these matters will be listed for determination on the Board’s May 29, 2013 agenda and that an Order will be issued no later than May 31, 2013.

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

Respectfully submitted,



Matthew M. Weissman

C **E-Mail Only**
Attached Service List
Robert M. Hanna, President
Joseph Fiordaliso, Commissioner
Jeanne M. Fox, Commissioner
Mary-Anna Holden, Commissioner

BPU

William Agee, Esq.
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1616
 FAX: (609) 292-3332
 william.agee@bpu.state.nj.us

Alice Bator, Bureau Chief
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Floor
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 943-5805
 FAX: (____) ____-____
 alice.bator@bpu.state.nj.us

Rachel Boylan
 Board of Public Utilities
 44 South Clinton Street, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1458
 FAX: (609) 292-3332
 Rachel.Boylan@bpu.state.nj.us

John Garvey
 Board of Public Utilities
 44 South Clinton Avenue
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (____) ____-____
 FAX: (____) ____-____
 john.garvey@bpu.state.nj.us

Scott Hunter
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1956
 FAX: (____) ____-____
 B.Hunter@bpu.state.nj.us

Kristi Izzo, Secretary
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1599
 FAX: (____) ____-____
 kristi.izzo@bpu.state.nj.us

Son Lin Lai
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-2098
 FAX: (____) ____-____
 son-lin.lai@bpu.state.nj.us

Christine Lin
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-2956
 FAX: (____) ____-____
 christine.lin@bpu.state.nj.us

Jerome May, Director
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-3960
 FAX: (____) ____-____
 Jerome.may@bpu.state.nj.us

Stacy Peterson
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-4517
 FAX: (____) ____-____
 stacy.peterson@bpu.state.nj.us

Andrea Reid
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-4518
 FAX: (____) ____-____
 andrea.reid@bpu.state.nj.us

Andrea Sarmentero-Garzon
 Board of Public Utilities
 44 South Clinton Avenue
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1496
 FAX: (609) 292-3332
 andrea.sarmentero-garzon@bpu.state.nj.us

Michael Winka, Director
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 777-3312
 FAX: (____) ____-____
 m.winka@bpu.state.nj.us

DAG

Veronica A. Beke, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Floor
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (____) ____-____
 FAX: (____) ____-____
 Veronica.Beke@dol.lps.state.nj.us

Carolyn McIntosh, Deputy Attorney
 General
 NJ Department of Law and Safety
 124 Halsey Street
 PO Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3762
 FAX: (973) 648-3555
 carolyn.mcintosh@dol.lps.state.nj.us

Alex Moreau, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P. O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3762
 FAX: (973) 648-3555
 Alex.Moreau@dol.lps.state.nj.us

Joshua Rabinowitz, DAG
 Department of Law & Public Safety
 124 Halsey Street
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (____) ____-____
 FAX: (____) ____-____
 joshua.rabinowitz@dol.lps.state.nj.us

Babette Tenzer, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 PO Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-7811
 FAX: (973) 648-3555
 babette.tenzer@dol.lps.state.nj.us

Kidar Twine, Paralegal
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3755
 FAX: (973) 648-3555
 kidar.twine@dol.lps.state.nj.us

Caroline Vachier, DAG, Section Chief,
 Deputy Attorney General
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3709
 FAX: (973) 648-3555
 caroline.vachier@dol.lps.state.nj.us

David Wand, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3441
 FAX: (____) ____-____
 david.wand@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Director
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 sbrand@rpa.state.nj.us

Paul Flanagan, Litigation Manager
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 pflanagan@rpa.state.nj.us

Kurt Lewandowski, Esq.
 Assistant Deputy Public Advocate
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 klewando@rpa.state.nj.us

Shelly Massey, Paralegal
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 smassey@rpa.state.nj.us

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

Sarah Steindel
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 ssteinde@rpa.state.nj.us

Felicia Thomas-Friel, Managing
 Attorney - Gas
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 fthomas@rpa.state.nj.us

RATE COUNSEL CONSULTANT

Andrea Crane
 The Columbia Group, Inc.
 90 Grove Street, Suite 211
 Ridgefield, CT 06877
 PHONE: (203) 438-2999
 FAX: (____) ____-____
 ctcolumbia@aol.com

David Dismukes
 Acadian Consulting Group
 5800 One Perkins Place Drive
 Suite 5F
 Baton Rouge, LA 70808
 PHONE: (225) 578-4343
 FAX: () - -
 daviddismukes@acadianconsulting.com

ATLANTIC CITY ELECTRIC CO.

Pamela J. Scott
 Atlantic City Electric Company
 P.O. Box 6066
 Newark, DE 19714-6066
 PHONE: (302) 429-3143
 FAX: () - -
 pjscott@pepcoholdings.com

MSEIA

R. William Potter - MSEIA
 194 Nassau Street, Suite 32
 Princeton, NJ 08542-7003
 PHONE: (609) 921-9555
 FAX: (609) 921-2181
 potterrex@cs.com

NJLEUC

Paul F. Forshay, Esq.
 Sutherland, Asbill & Brennan, LLP
 1275 Pennsylvania Avenue, NW
 Washington, DC 20004
 PHONE: (202) 383-0100
 FAX: (202) 637-3593
 pforshay@sablaw.com

Steven S. Goldenberg, NJLEUC, Esq.
 Fox Rothschild LLP
 Princeton Corporate Center
 997 Lenox Drive, BLDG. 3
 Lawrenceville, NJ 08648-2311
 PHONE: (609) 896-4586
 FAX: (609) 896-1469
 SGoldenberg@foxrothschild.com

NJSEC

Fred D. DeSanti
 MC2 Public Affairs, LLC
 P.O. Box 232
 Brookside, NJ 07926
 PHONE: () - -
 FAX: () - -
 fred.desanti@mc2publicaffairs.com

Gary Weisman, President
 New Jersey Solar Energy Coalition
 2520 Highway 35, Suite 301
 Manasquan, NJ 08736
 PHONE: () - -
 FAX: () - -
 gary.weisman@gmail.com

NJSIMA

Hani Khoury
 Awad & Khoury, LLP
 777 Terrace Avenue, Suite 303
 Hasbrouck Heights, NJ 07604
 PHONE: (201) 462-9500
 FAX: (201) 462-9501
 hani@awadkhoury.com

PETRA SOLAR

Matthew Davey
 300-G Corporate Court
 South Plainfield, NJ 07080
 PHONE: (732) 429-6461
 FAX: () - -
 matthew.davey@petrasolar.com

PROLOGIS

Robert F. Shapiro
 Chadbourne & Parke LLP
 1200 New Hampshire Avenue, NW
 Washington, DC 20036
 PHONE: (202) 974-5600
 FAX: () - -
 rshapiro@chadbourne.com

Drew Torbin, VP - Renewable Energy
 Prologis
 4545 Airport Way
 Denver, CO 80239
 PHONE: (303) 567-5143
 FAX: () - -
 atorbin@prologis.com

SEIA

Katie Bolcar Rever
 PHONE: () - -
 FAX: () - -
 KBolcar@seia.org

Michael A. Gruin, Esq.
 Stevens & Lee, P.C.
 17 North 2nd Street
 16th Floor
 Harrisburg, PA 17101
 PHONE: (717) 255-7365
 FAX: (610) 988-0852
 mag@stevenslee.com

Susan P. LeGros
 Stevens & Lee
 620 Freedom Business Center
 Suite 200
 P.O. Box 62330
 King of Prussia, PA 19406
 PHONE: (610) 205-6006
 FAX: (610) 988-0862
 spl@stevenslee.com

Fred Zalcan
 PHONE: () - -
 FAX: () - -
 fzalcan@sunedison.com

SUNDURANCE

Robert T. Lawless
 Hedinger & Lawless LLC
 147 Columbia Turnpike
 Florham Park, NJ 07932-2145
 PHONE: (973) 301-3100
 FAX: (973) 301-9191
 rlawless@hedlaw.com

WATTLOTS

William E. S. Kaufman, CEO
 Wattlots, LLC
 1932 Long Hill Road
 Millington, NJ 07946
 PHONE: (877) 928-8568
 FAX: () - -
 wkaufman@wattlots.com

James E. McGuire (Wattlots), Esq.
 Reed Smith LLP
 Princeton Forrestal Village
 136 Main Street, Suite 250
 Princeton, NJ 08540
 PHONE: (609) 514-5968
 FAX: () - -
 jemcguire@reedsmith.com

Lance Miller
 Omni Environmental, LLC
 321 Wall Street
 Princeton, NJ 08540
 PHONE: (609) 454-4568
 FAX: () - -
 lmiller@omni-env.com

PSE&G

Sheree Kelly, Esq.
 Assistant General Regulatory Counsel
 PSEG Services Corporation
 80 Park Plaza, T-05
 Newark, NJ 07102
 PHONE: (973) 430-6468
 FAX: (973) 430-5983
 sheree.kelly@pseg.com

Connie E. Lembo
 PSEG Services Corporation
 80 Park Plaza, T-05
 Newark, NJ 07102
 PHONE: (973) 430-6273
 FAX: (973) 430-5983
 constance.lembo@pseg.com

Matthew M. Weissman, Esq.
 Public Service Electric & Gas Co.
 80 Park Plaza, T-5
 Newark, NJ 07101
 PHONE: (973) 430-7052
 FAX: (973) 430-5983
 matthew.weissman@pseg.com

BPU

William Agee, Esq.
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1616
 FAX: (609) 292-3332
 william.agee@bpu.state.nj.us

Alice Bator, Bureau Chief
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Floor
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 943-5805
 FAX: (____) ____-____
 alice.bator@bpu.state.nj.us

Rachel Boylan
 Board of Public Utilities
 44 South Clinton Street, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1458
 FAX: (609) 292-3332
 Rachel.Boylan@bpu.state.nj.us

Tricia Caliguire, Chief Counsel
 Board of Public Utilities
 44 South Clinton Avenue
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1482
 FAX: (____) ____-____
 Tricia.Caliguire@bpu.state.nj.us

John Garvey
 Board of Public Utilities
 44 South Clinton Avenue
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (____) ____-____
 FAX: (____) ____-____
 john.garvey@bpu.state.nj.us

Scott Hunter
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1956
 FAX: (____) ____-____
 B.Hunter@bpu.state.nj.us

Kristi Izzo, Secretary
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1599
 FAX: (____) ____-____
 kristi.izzo@bpu.state.nj.us

Christine Lin
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-2956
 FAX: (____) ____-____
 christine.lin@bpu.state.nj.us

Jerome May, Director
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-3960
 FAX: (____) ____-____
 Jerome.may@bpu.state.nj.us

Stacy Peterson
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-4517
 FAX: (____) ____-____
 stacy.peterson@bpu.state.nj.us

Andrea Sarmentero-Garzon
 Board of Public Utiliti
 44 South Clinton Avenue
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 292-1496
 FAX: (609) 292-3332
 andrea.sarmentero-garzon@bpu.state.nj.us

Nnajindu Ugoji
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 777-1694
 FAX: (____) ____-____
 Nnajindu.ugoji@bpu.state.nj.us

Michael Winka, Director
 Board of Public Utilities
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 777-3312
 FAX: (____) ____-____
 m.winka@bpu.state.nj.us

John Zarzycki
 Board of Public Utilities
 Division of Energy
 44 South Clinton Avenue, 9th Flr.
 P.O. Box 350
 Trenton, NJ 08625-0350
 PHONE: (609) 341-5738
 FAX: (____) ____-____
 john.zarzycki@bpu.state.nj.us

DAG

Jenique Jones, Paralegal
 NJ Department of Law and Safety
 Division of Law
 124 Halsey Street
 PO Box 45029
 Newark, NJ 07102
 PHONE: (____) ____-____
 FAX: (____) ____-____
 jenique.jones@dol.lps.state.nj.us

Alex Moreau, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P. O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3762
 FAX: (973) 648-3555
 Alex.Moreau@dol.lps.state.nj.us

Joshua Rabinowitz, DAG
 Department of Law & Public Safety
 124 Halsey Street
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (____) ____-____
 FAX: (____) ____-____
 joshua.rabinowitz@dol.lps.state.nj.us

Babette Tenzer, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 PO Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-7811
 FAX: (973) 648-3555
 babette.tenzer@dol.lps.state.nj.us

Caroline Vachier, DAG, Section Chief,
 Deputy Attorney General
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3709
 FAX: (973) 648-3555
 caroline.vachier@dol.lps.state.nj.us

David Wand, DAG
 NJ Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street, 5th Flr.
 P.O. Box 45029
 Newark, NJ 07101
 PHONE: (973) 648-3441
 FAX: (____) ____-____
 david.wand@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Director
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 sbrand@rpa.state.nj.us

Paul Flanagan, Litigation Manage
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 pflanagan@rpa.state.nj.us

James Glassen
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 jglassen@rpa.state.nj.us

Shelly Massey, Paralegal
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 smassey@rpa.state.nj.us

Sarah Steindel
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 ssteinde@rpa.state.nj.us

Felicia Thomas-Friel, Managing
 Attorney - Gas
 Division of Rate Counsel
 140 East Front Street, 4th Flr.
 Trenton, NJ 08625
 PHONE: (609) 984-1460
 FAX: (____) ____-____
 fthomas@rpa.state.nj.us

RATE COUNSEL CONSULTA

Andrea Crane
 The Columbia Group, Inc.
 90 Grove Street, Suite 211
 Ridgefield, CT 06877
 PHONE: (203) 438-2999
 FAX: (____) ____-____
 ctolumbia@aol.com

David Dismukes
 Acadian Consulting Group
 5800 One Perkins Place Drive
 Suite 5F
 Baton Rouge, LA 70808
 PHONE: (225) 578-4343
 FAX: (____) ____-____
 daviddismukes@acadianconsultin

Beth Oleks
 PHONE: (____) ____-____
 FAX: (____) ____-____
 betholeks@verizon.net

KDC SOLAR

James E. McGuire (KDC)
Reed Smith LLP
136 Main Street
Princeton, NJ 08540
PHONE: () - -
FAX: () - -
jemcguire@reedsmith.com

Connie E. Lembo
PSEG Services Corporation
80 Park Plaza, T-05
Newark, NJ 07102
PHONE: (973) 430-6273
FAX: (973) 430-5983
constance.lembo@pseg.com

MSEIA

R. William Potter - MSEIA
194 Nassau Street, Suite 32
Princeton, NJ 08542-7003
PHONE: (609) 921-9555
FAX: (609) 921-2181
potterrex@cs.com

Matthew M. Weissman, Esq.
Public Service Electric & Gas Co.
80 Park Plaza, T-5
Newark, NJ 07101
PHONE: (973) 430-7052
FAX: (973) 430-5983
matthew.weissman@pseg.com

NJSEC

Fred D. DeSanti
MC2 Public Affairs, LLC
P.O. Box 232
Brookside, NJ 07926
PHONE: () - -
FAX: () - -
fred.desanti@mc2publicaffairs.com

Gary Weisman, President
New Jersey Solar Energy Coalition
2520 Highway 35, Suite 301
Manasquan, NJ 08736
PHONE: () - -
FAX: () - -
gary.weisman@gmail.com

SEIA

Michael A. Gruin, Esq.
Stevens & Lee, P.C.
17 North 2nd Street
16th Floor
Harrisburg, PA 17101
PHONE: (717) 255-7365
FAX: (610) 988-0852
mag@stevenslee.com

Susan P. LeGros
Stevens & Lee
620 Freedom Business Center
Suite 200
P.O. Box 62330
King of Prussia, PA 19406
PHONE: (610) 205-6006
FAX: (610) 988-0862
spl@stevenslee.com

PSE&G

Sheree Kelly, Esq.
Assistant General Regulatory Counsel
PSEG Services Corporation
80 Park Plaza, T-05
Newark, NJ 07102
PHONE: (973) 430-6468
FAX: (973) 430-5983
sheree.kelly@pseg.com

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF AN EXTENSION)
OF A SOLAR GENERATION INVESTMENT)
PROGRAM AND ASSOCIATED COST)
RECOVERY MECHANISM AND FOR CHANGES)
IN THE TARIFF FOR ELECTRIC SERVICE,)
B.P.U.N.J. NO. 15 ELECTRIC PURSUANT TO)
N.J.S.A. 48:2-21, 48:2-21.1 AND N.J.S.A. 48:3-98.1)
("SOLAR4ALL EXTENSION PETITION"))

STIPULATION

BPU Docket No. EO12080721

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF A SOLAR)
LOAN III PROGRAM AND AN ASSOCIATED)
COST RECOVERY MECHANISM AND FOR)
CHANGES IN THE TARIFF FOR ELECTRIC)
SERVICE, B.P.U.N.J. NO. 15 ELECTRIC)
PURSUANT TO N.J.S.A. 48:2-21 AND)
N.J.S.A. 48:2-21.1)

STIPULATION

BPU Docket No. EO12080726

APPEARANCES FOR SOLAR4ALL EXTENSION

Matthew M. Weissman, General Regulatory Counsel-Rates and **Sheree L. Kelly**, Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Paul E. Flanagan, Esq., Litigation Manager, **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, **Maria Novas-Ruiz, Esq.**, Assistant Deputy Rate Counsel and **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel and **Felicia Thomas-Friel, Esq.**, Deputy Rate Counsel (**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel)

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

Stephen S. Goldenberg, Esq., and Paul F. Forshay, Esq., Fox Rothschild, LLP, for New Jersey Large Energy Users Coalition

James E. McGuire, Esq., Reed Smith LLP, for Wattlots, LLC

Susan P. LeGros, Esq. and Michael A. Gruin, Esq., Stevens & Lee, P.C., for Solar Energy Industries Association

William Potter, Esq., Potter and Dickson, for Mid-Atlantic Solar Energy Industries Association

Basem Ramada, Esq., for Petra Solar

Robert F. Shapiro, Esq., Chadbourne & Parke, LLP, for Prologis

Hani Khoury, Esq., Awad & Khoury, Attorneys at Law, for New Jersey Solar Industry Manufacturers Association

Robert T. Lawless Esq., Hedinger & Lawless, LLC, for SunDurance Energy

Michael R. Yellin, Esq., David M. Kohane, Esq., Jason R. Melzer, Esq., & Marcie R. Horowitz, Esq., Cole, Schotz, Meisel, Forman & Leonard, P.A., for KDC Solar, LLC

Pamela J. Scott, Esq., for Atlantic City Electric Company

APPEARANCES FOR SOLAR LOAN III:

Matthew M. Weissman, General Regulatory Counsel-Rates and **Sheree L. Kelly,** Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Paul E. Flanagan, Esq., Litigation Manager, **Sarah H. Steindel, Esq.** and **James Glassen Esq.,** Assistant Deputy Rate Counsels and **Felicia Thomas-Friel, Esq.,** Deputy Rate Counsel (**Stefanie A. Brand, Esq.,** Director, New Jersey Division of Rate Counsel)

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

James E. McGuire, Esq., Reed Smith LLP, for KDC Solar LLC

Susan P. LeGros, Esq. and Michael A. Gruin, Esq., Stevens & Lee, P.C., for Solar Energy Industries Association

William Potter, Esq., Potter and Dickson, for Mid-Atlantic Solar Energy Industries Association

TO THE HONORABLE COMMISSIONER JOSEPH L. FIORDALISO:

It is hereby AGREED, as of the 26th day of April, 2013, by and between Public Service Electric and Gas Company (“PSE&G” or the “Company”), the Staff of the New Jersey Board of Public Utilities (“BPU” or “Board”), and the undersigned parties (hereinafter referred to as the “S4AE Signatory Parties”) to execute this Settlement Agreement for PSE&G’s Petition for Approval of an Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric (“Solar4All Extension Petition” or “S4AE Program”).

It is hereby FURTHER AGREED, as of the 26th day of April, 2013, by and between PSE&G, the Board Staff, and certain of the undersigned parties (hereinafter referred to as the “SLIII Signatory Parties”) to execute this Settlement Agreement for PSE&G’s Solar Loan III Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service (“Solar Loan III Petition,” “Solar Loan III Program,” or “SLIII”).

The S4AE and SLIII Signatory Parties do hereby join in recommending that the Board issue a Final Decision and Order approving this Global Settlement Agreement, including the Program Rules for the S4AE Program and the SLIII Program attached hereto and the attached proposed sheets of PSE&G’s Tariff for Electric Service, as set forth herein.

I. BACKGROUND

A. SOLAR 4 ALL EXTENSION PROGRAM

On February 28, 2012 PSE&G held a pre-filing meeting at the Board's offices in Trenton, New Jersey during which it set forth its intention to seek an extension of the original Solar 4 All Program ("Original Program"). In subsequent meetings held on April 18, 2012 in Trenton and on July 12, 2012 at the Company's offices in Newark, PSE&G updated Board Staff and Rate Counsel regarding its plans to file for an extension of the Original Program.

On August 1, 2012, PSE&G filed a Petition ("S4AE Petition")¹ with the Board seeking approval of an extension of its existing approved Solar 4 All Program.² PSE&G also filed the supporting testimonies of PSE&G's Vice President of Customer Operations, Joseph A. Forline; Stephen Swetz, Director – Corporate Rates and Revenue Requirements, PSEG Services Corporation; and Donna M. Powell, Assistant Controller of PSEG Services Corporation.

By letter dated August 31, 2012, Board Staff notified PSE&G that the Petition was administratively incomplete.

On September 12, 2012, PSE&G submitted a supplemental filing to address the deficiencies identified in Staff's August 31, 2012 letter.

By letter dated October 19, 2012, Staff notified the Company that the Petition was administratively complete.

By Order dated October 23, 2012, the Board determined that this matter should be retained by the Board for review and hearing and designated Board President Hanna as the

¹ I/M/O Petition of Public Service Electric and Gas Company for Approval of an Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and For Changes in the Tariff For Electric Service, BPU Docket No. EO12080721

² In re Petition of Public Service Electric and Gas Company for Approval of a Solar Generation Investment Program and Associated Cost Recovery Mechanism, Docket No. E009020125.

presiding officer.³ By Order dated November 19, 2012, President Hanna set forth the procedural schedule for this matter.

Motions to intervene were filed on behalf of: the Solar Energy Industries Association (“SEIA”), WattLots, L.L.C. (“WattLots”), New Jersey Large Energy Users Coalition (“NJLEUC”), Petra Solar, Inc. (“Petra Solar”) Mid-Atlantic Solar Energy Industries Association (“MSEIA”), Prologis, New Jersey Solar Industry Manufacturers Association (“NJSIMA”), Sundurance Energy (“Sundurance”), KDC Solar LLC (“KDC Solar”), and New Jersey Solar Energy Coalition (“NJSEC”). In addition, Atlantic City Electric Company (“ACE”) filed a motion to participate. By Orders dated November 29, 2012 and January 9, 2013, the Board granted the aforementioned motions to intervene⁴ and motion to participate.

Public hearings were held in New Brunswick on November 27, 2012, in Hackensack on November 29, 2012, and in Mt. Holly on December 4, 2012. Numerous members of the public spoke in support of the S4AE Program, including representatives from various labor unions, solar developers, contractors and environmental groups. Concerns about overall costs of the Program were expressed by AARP and Rate Counsel. Additionally, one customer expressed some general concerns over utility communication with customers and utility bills.

On January 18, 2013, the Rate Counsel submitted the pre-filed direct testimony of Andrea C. Crane and David E. Dismukes. In addition, direct testimony was filed by interveners SEIA, Wattlots, KDC, MSEIA, Sundurance and Petra Solar.

³ President Hanna subsequently designated BPU Commissioner Fiordaliso as the presiding officer in this matter.

⁴ NJSEC’s motion was conditioned upon it obtaining counsel. That condition was not met, so PSE&G has not included NJSEC as a signatory party to the within agreement.

On February 4, 2013, PSE&G submitted the pre-filed rebuttal testimony of Terrence J. Moran, Director of Market Strategy and Development; Paul Ronald Moul - Managing Consultant at the firm P. Moul & Associates; Stephen Swetz - Director – Corporate Rates and Revenue Requirements; and Jorge L. Cardenas - Vice President – Asset Management and Centralized Services. Rate Counsel, also on February 4, 2013, submitted the rebuttal testimony of David E. Dismukes. SEIA witness Katie Bolcar-Rever filed rebuttal testimony in response to the direct testimony of Wattlots.

On February 8, 2013, Rate Counsel filed a motion *in limine* to strike the testimony of Paul Moul and Jorge Cardenas or, alternatively, extend by sixty days the time for Rate Counsel to issue discovery on the rebuttal testimony and to present written surrebuttal testimony.

On February 13, 2013, PSE&G filed its opposition to the motion asserting that the challenged testimony was properly submitted and responsive to Rate Counsel’s testimony.

On February 15, 2013, a revised schedule was agreed to between the Parties, allowing time for written surrebuttal and limited discovery by Rate Counsel.

By Order dated February 21, 2013, President Hanna approved a revised procedural schedule. Pursuant to the modified procedural schedule, on March 1, 2013, Rate Counsel submitted the surrebuttal testimony of Andrea C. Crane, David E. Dismukes, and Matthew I Kahal.

Commissioner Fiordaliso presided over evidentiary hearings in this matter, which took place on March 18, 19 and 21, 2013. PSE&G proffered three witnesses covering the Program components, need for the Program, cost of capital and cost recovery. Rate Counsel also proffered three witnesses. SEIA and Wattlots each proffered a witness. In addition to the

written pre-filed direct, rebuttal and surrebuttal testimony submitted by the parties, PSE&G and Wattlotts presented oral surrebuttal testimony at the time of the hearings.

Throughout the course of this proceeding, the parties have served and responded to numerous discovery requests, which have all been moved into evidence and are part of the record in this matter.

B. SOLAR LOAN III PROGRAM

The Solar Loan III Program was developed in accordance with the Board's Order dated May 23, 2012 in Docket No. EO11050311V ("May 2012 Order") concerning future public utility investment in renewable energy programs. The May 2012 Order adopted the recommendation of the Board's Office of Clean Energy ("OCE") to extend the existing Electric Distribution Company ("EDC") SREC financing programs by 180 MW over a three-year period. PSE&G's share of that additional capacity is 97.5 MW.⁵ The May 2012 Order directed each EDC to indicate in writing its acceptance of its respective allocation. On June 1, 2012, PSE&G submitted correspondence accepting its respective allocation.

As provided for under the May 2012 Order and subsequent communications from the OCE, PSE&G convened a pre-filing meeting for its Solar Loan III Program with Board Staff and Rate Counsel on July 12, 2012.

⁵ All references to MW capacity of Solar Systems in this Settlement Agreement are in direct current or "dc." The electricity generated by a solar system passes through an inverter and is converted to alternating current or "ac."

On August 1, 2012, PSE&G filed a petition ("SLIII Petition") with the Board seeking approval of its Solar Loan III Program.⁶ PSE&G also filed the supporting testimonies of PSE&G's Vice President of Customer Operations, Joseph A. Forline; Stephen Swetz, Director – Corporate Rates and Revenue Requirements, PSEG Services Corporation; and Donna M. Powell, Assistant Controller of PSEG Services Corporation.

By letter dated August 31, 2012, Board Staff notified PSE&G that the SLIII Petition was administratively complete and the 180-day review period under N.J.S.A. 48:3-98.1 commenced on August 31, 2012.

By Order dated September 13, 2012, the Board determined that the matter should be retained by the Board for review and hearing and designated Commissioner Fiordaliso as the Presiding Officer.

By Order dated October 4, 2012 Commissioner Fiordaliso set forth the procedural schedule for this matter. The procedural schedule anticipated a March 2013 agenda date.⁷

Public hearings were consolidated with the S4AE public hearings and held in New Brunswick on November 27, 2012, in Hackensack on November 29, 2012, and in Mt. Holly on December 4, 2012.

Motions to intervene were filed on behalf of the following parties: SEIA, NJSEC, KDC Solar and MSEIA. By Order dated December 3, 2012 Commissioner Fiordaliso granted the motions to intervene.

⁶ I/M/O The Petition of Public Service Electric and Gas Company for Approval of a Solar Loan III Program and Associated Cost Recovery Mechanism, Docket No. E012080726.

⁷ By Order dated January 23, 2013, the Board approved a Stipulation to extend the deadline for Board action on the Petition to April 1, 2013. The Board subsequently approved a Stipulation to extend the deadline for Board action until May 1, 2013.

On January 11, 2013, Rate Counsel submitted the pre-filed direct testimony of Andrea C. Crane and David E. Dismukes.

On February 6, 2013, PSE&G submitted the pre-filed rebuttal testimony of Terrence J. Moran, Director of Market Strategy and Development; Paul Ronald Moul - Managing Consultant at the firm P. Moul & Associates; Stephen Swetz - Director – Corporate Rates and Revenue Requirements; and Jorge L. Cardenas - Vice President – Asset Management and Centralized Services. SEIA also filed rebuttal testimony.

On February 12, 2013, Rate Counsel filed a motion *in limine* to strike the testimony of Paul Moul and Jorge Cardenas or, in the alternative, extend by sixty days the time for Rate Counsel to issue discovery on the rebuttal testimony and to present written surrebuttal testimony.

On February 15, 2013, the Parties agreed to a revised schedule, allowing time for written surrebuttal and limited discovery by Rate Counsel.

By Order dated February 21, 2013, Commissioner Fiordaliso approved that revised procedural schedule, and on March 1, 2013, Rate Counsel submitted the surrebuttal testimonies of Andrea C. Crane, David E. Dismukes, and Matthew I. Kahal.

Throughout the course of the proceeding, the Parties served and responded to numerous discovery requests, which are part of the record in this matter. In addition, a discovery conference was held on November 7, 2012.

Hearings in this matter were scheduled for April 1 and 2, 2013.

By Order dated April 1, 2013, Commissioner Fiordaliso approved a Stipulation canceling the hearings and accepting the agreement of the parties with respect to items

comprising the record.⁸ Pursuant to that Stipulation and Order, the record in the SLIII proceeding includes, among other things, (a) all prefiled testimony submitted in this docket; (b) all discovery responses provided by the parties in this docket; and (c) the transcripts and Exhibits included in the record of the separate matter, I/M/O the Petition of Public Service Electric and Gas Company for Approval of an Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service, B.P.U.N.J. No. 15 Electric, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:3-98.1, BPU Docket No. EO12080721, to the extent those record items pertain to witnesses of parties in the Solar Loan III proceeding and concern issues that are substantially similar or identical to issues addressed and testimony submitted in the Solar Loan III proceeding.

C. SETTLEMENT EFFORTS

Throughout the course of both the S4AE and SLIII proceedings, both formal and informal settlement efforts have been on-going. Settlement meetings among all parties were conducted on November 27, 2012, December 4, 2012, and January 14, 2013 at PSE&G's offices in Newark, New Jersey and on April 24, 2013 at PSE&G's offices in Trenton, New Jersey

On October 29, 2012 Superstorm Sandy made landfall in New Jersey. Although remaining committed to the continued development of solar in New Jersey in accordance with New Jersey's Energy Master Plan ("EMP") goals and objectives, PSE&G has incorporated the priority of strengthening and making its distribution system more resilient into its settlement

⁸ I/M/O The Petition of Public Service Electric and Gas Company for Approval of a Solar Loan III Program and Associated Cost Recovery, Docket No. EO12080726, Order Adopting Stipulation Setting Contents of the Record and Canceling Evidentiary Hearings (April 1, 2013).

efforts in the within matters. Additionally, pursuant to the EMP, the State of New Jersey is supportive of solar investment particularly on landfills and brownfields. As such, and in consideration of these issues as well as other issues raised in these proceedings by various parties, PSE&G has agreed to certain modifications to the S4AE and SLIII Programs as set forth below.

In light of the foregoing, the Signatory Parties have agreed to submit this Settlement Agreement, the terms of which are set forth below. Specifically, the Signatory Parties hereby **STIPULATE AND AGREE** to the following:

II. STIPULATED MATTERS

A. SOLAR 4 ALL EXTENSION PETITION

Program Size, Segments, Solicitation Process and Allocation of Capacity

1. The Signatory Parties agree that the Program Size will be capped at 45 MW (dc) of grid-connected solar-projects interconnected to a utility's electrical distribution system under the terms and conditions of this settlement. The capital investment (excluding AFUDC) over the initial build-out period is estimated to be \$247.2 million. The reduced size of the S4AE Program is the result of a negotiation between the parties reflecting the different views as set forth in the testimony presented by several parties indicating support for PSE&G's continued involvement in solar development, at a reduced Program size and scope.

2. The Solar Photovoltaic System ("Solar System") must be capable of generating solar renewable energy certificates ("SRECs") as defined under the Board's regulations.

3. No capacity will be placed into service before Energy Year (“EY”) 2015, and no more than 20 MWs of the 45MWs will be placed in service in EY 2015, with the remainder going into service in EY 2016 or thereafter.

4. The S4AE Program will have the following Segments:

- A. Landfills/brownfields – 42 MW, minimum project size 1000 kW
- B. Underutilized government facilities – 1 MW, minimum project size 100 kW
- C. Pilot program on grid security/storm preparedness – 1 MW, minimum project size 100 kW
- D. Pilot program for innovative parking lot applications – 1 MW, minimum project size 100 kW

Segments B, C and D are collectively referred to as “Pilots.”

The reduced scope of the Program Segments reflects the result of negotiations among the parties consistent with the evidence presented in this proceeding reflecting the unique challenges with achieving the EMP’s objective of building solar on landfills and brownfields. In addition, the parties expressed an interest in exploring the evaluation of the innovative use of solar technologies through pilot programs.

5. PSE&G will have flexibility to move capacity only between the Pilots. PSE&G may increase the landfills/brownfields Segment by up to 3 MWs, but may not reduce solar on landfills/brownfields to increase the size of another Pilot Segment. For solar on landfills/brownfields, PSE&G will seek Board certification of project location pursuant to the Board’s Order implementing the Solar Act of 2012, N.J.S.A. 48:3-87 subsection (t) by submitting an application to the Board for NJDEP review and approval by the Board.

6. PSE&G shall not transfer any costs from a canceled project to a new Solar4All Extension project unless those costs directly benefit the new project.

Selection Process and Site Identification for Segments A & B

7. PSE&G will be responsible for identifying and selecting suitable sites for the Solar Systems. Additionally, PSE&G may also request landfill or brownfield site owners to submit proposals for consideration. PSE&G will give favorable consideration to those projects in which the site owner and solar contractor have coordinated and prepared a fully engineered, ready to build project.

8. PSE&G may retain the services of an engineering firm for site assessment, development of the scope of work, permitting, proposal review, and other services.

9. PSE&G and a host site owner will enter into a suitable agreement (“Lease”) containing typical terms and conditions including rent payments, insurance, indemnifications, owner responsibility for pre-existing site conditions, and access, all to be negotiated with the site owner. All Leases between PSE&G and the site owner will have a 20 year term, unless applicable law requires a shorter term, and may contain options to extend the term as negotiated by the parties.

10. The determination of the lease payment will follow the methodology established in the current Solar 4 AllTM program and will be escalated by a percentage annually for a term of 20 years. The lease payment will be set at a price per kWh of projected output in the first year.

11. Additional payments may be made to site owners, which may also include pre- and post- commercial operation payments, and other option payments necessary to secure property rights for the site.

12. The site owner must accept responsibility for pre-existing site conditions including, but not limited to, environmental and subsurface conditions.

Selection Process and Site Identification for Segments C & D

13. For Segments C and D, PSE&G will conduct a solicitation requesting proposals that meet the objectives of each pilot/demo segment. Notices for each solicitation will be posted on the PSE&G website and may also be promoted through other means as determined by PSE&G.

14. Each proposal shall contain: (i) a project description, site plan solar array layout, and total installed watts (dc); (ii) the total installed cost of the pilot/demo solar system; (iii) an annual energy output estimate in kWh for the first year using a methodology as may be appropriate and acceptable to PSE&G; (iv) a project schedule; and (v) a clear and detailed description of how the proposed pilot/demo Solar System meets the objectives of the segment.

15. PSE&G will evaluate and select proposals for segments C and D based on the objectives and criteria established for each segment. PSE&G reserves the right to reject any or all proposals that, in its view, do not meet the segment's objectives and criteria.

Construction and Interconnection of Projects for Segments A and B

16. Developers will be hired through a competitive bid process to provide the engineering, permitting, procurement and construction services required to develop the projects, with preference for New Jersey providers and prevailing wages required.

17. Upon the final acceptance of a proposal, PSE&G will enter into a contract with the developer to build the Solar System. The contract will contain typical terms and conditions including schedule and performance guaranties, liquidated damages, warranties, indemnifications, insurance, retainage or other credit enhancements, and a milestone payment schedule. The contract will be contingent on reaching agreement with the Site Owner.

18. Alternatively, PSE&G may procure the equipment directly, with preference for New Jersey providers, and hire developers through a competitive bid process as described in paragraph 16 to provide the engineering, permitting and construction services.

19. PSE&G (a) will initiate the PJM Interconnection process, and (b) seek to identify the interconnection costs associated with viable sites as determined by PSE&G.

20. PSE&G will perform the interconnection work for projects in PSE&G's territory and may perform portions of the other work.

Construction and Interconnection of Projects for Segments C and D

21. For each segment, PSE&G will conduct a solicitation requesting proposals that meet the objectives of each pilot/demonstration segment, with preference for New Jersey providers and prevailing wages required. Notice for each solicitation will be posted on the PSE&G website and may also be promoted through other means as determined by PSE&G.

22. Upon the final acceptance of a proposal, PSE&G will enter into a contract to build the pilot/demo Solar System. The contract will contain typical terms and conditions including schedule and performance guaranties, liquidated damages, warranties, indemnifications, insurance, retainage or other credit enhancements, and a milestone payment schedule. The contract will be contingent on reaching agreement with the site owner.

23. PSE&G and site owner will enter into a suitable agreement containing typical terms and conditions including insurance, indemnifications, owner responsibility for pre-existing site conditions, and access. Because of the uniqueness of the pilot/demo projects, the exact nature of any financial transactions between PSE&G and the site owner will be determined on a case by case basis.

24. The site owner must accept responsibility for pre-existing site conditions including, but not limited to, environmental and subsurface conditions. PSE&G will not be responsible for pre-existing site conditions.

25. PSE&G (a) will initiate the PJM Interconnection process, and (b) seek to identify the interconnection costs associated with viable sites as determined by PSE&G.

26. PSE&G will perform the interconnection work for projects in PSE&G's territory and may perform portions of the other work.

Reporting

27. PSE&G will provide Project Milestone Reporting including but not limited to SREC Registration Program (SRP) Package submission date, SRP acceptance date, and construction initiation date. In addition, PSE&G will provide quarterly construction updates to the Board, including construction completion and authorization to energize dates.

Sale of SRECs

28. SRECs will be sold in the year generated or in the next available auction following the close of the Energy Year.

Cost Recovery and Bill Impacts

29. PSE&G will recover the net revenue requirements for the Solar4All Extension Program via a new Solar Generation Investment Extension Program (“SGIEP”) component of the Company’s electric RGGI Recovery Charge (“RRC”). The SGIEP will be applicable to all electric rate schedules on an equal cents per kilowatt-hour basis for recovery of the costs associated with the Solar 4 All Extension Program. The initial SGIEP will be based on revenue requirements from June 1, 2013, or the date of the written Board Order, through September 30, 2014. Thereafter, the SGIEP will be changed nominally on an annual basis in conjunction with the annual filing for all other existing RRC components, incorporating a true-up for actual results and a forecast of revenue requirements for the twelve months succeeding the anticipated Board approval date.

30. The Signatory Parties stipulate that the revenue requirements recovered through the SGIEP will be calculated to include a return on investment and a return of investment over the lives of the capital assets. The Program investments are proposed to be treated as separate utility assets, and depending on the type of investment, either depreciated or amortized as described in the corresponding section below. The revenue requirements associated with the direct costs of the Program would be expressed as:

$$\text{Revenue Requirements} = (\text{Pre-Tax Cost of Capital} * \text{Net Investment}) + \text{Amortization and/or Depreciation} + \text{Operation and Maintenance Costs} - \text{Revenues from Solar Output} - \text{ITC Amortization w/ Tax Gross Up} + \text{Tax Associated from ITC Basis Reduction}$$

31. The details of each of the above terms are described as follows:

Cost of Capital – This is PSE&G’s overall weighted average cost of capital (“WACC”). The overall cost of capital utilized to set rates for the initial rate period of the Program will be 7.6431% (11.1790% on a pre-tax basis) based on an equity percentage of 51.2%, a return on

equity of 10.0% and the Company's embedded long-term cost of debt as of March 31, 2013 of 5.1702%.

Net Investment – This is the Gross Plant-in-Service less associated accumulated depreciation and/or amortization less Accumulated Deferred Income Tax (“ADIT”).

Depreciation/Amortization – The depreciation or amortization of the Program assets will vary depending on its asset class. The table below summarizes the book recovery and associated base tax depreciation applied to the corresponding asset classes. The base tax depreciation is calculated on the total amount of the asset less any bonus depreciation and any applicable tax credits.

Asset Class	Book Recovery	Base Tax Depreciation
Solar Panels, acquisition and installation costs	20 year dep.	5 year MACRS
Inverters	5 year dep.	
Communications Equipment		
Meters	20 year dep.	20 year MACRS

The amortization/depreciation would be based on a monthly vintaging methodology instead of the mass property accounting typically used for utility property.

Operations and Maintenance Costs – Operations and Maintenance Costs will include:

- PSE&G labor and other related on-going costs required to manage the physical assets.
- Administrative costs related to the management of the Program.
- Rent/lease or other payments or bill credits made to non-PSE&G host sites/facilities and the fair values of rents for use of electric transmission sites/facilities.
- Insurance Expense

Revenues from Solar Output – PSE&G will pursue generating revenues from solar output from the following sources:

- Sales of energy in the applicable PJM wholesale markets
- Capacity payments from the PJM capacity market
- Sales of SRECs through an auction process

PSE&G will apply all net revenues it receives from the energy and capacity sales in the PJM markets and the sale of SRECs to customers to offset the Extension Program revenue requirements.

Investment Tax Credit (“ITC”) –The Company will return all of the ITC it utilizes to ratepayers in accordance with Federal income tax law. The return of the ITC to ratepayers must be amortized over the book life of the assets. The ITC benefit is partially offset by the tax impact associated with the tax basis reduction equal to fifty percent of the ITC. This tax basis reduction is prescribed by Federal income tax law governing the ITC. The impact on revenue requirements is generated by applying the book depreciation method to the difference between the book basis and the tax basis multiplied by the tax rate, and then multiplied by the revenue conversion factor.

32. The Signatory Parties further stipulate that the initial revenue requirement calculation will use a WACC of 7.6431% (11.1790% on a pre-tax basis) based on an equity percentage of 51.2%, a return on equity of 10.0%, and the Company’s embedded long-term cost of debt as of March 31, 2013 of 5.1702% (See Attachment A for WACC Calculation). The Signatory Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations, effective as of the date of the Board's base rate case order authorizing a change in the WACC. The 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. The Parties stipulate that after the initial revenue requirements period, the SGIEP will be calculated utilizing projected cost data subject to annual adjustments. The calculation of the revenue requirement for the purpose of setting the initial SGIEP for the period ending September 30, 2014 is set forth in Attachment A attached hereto and made a part of this Stipulation. The corresponding forecasted rates for all periods are set forth in Attachment L attached hereto and made part of this stipulation.

33. 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 last calculated rate will be used. The interest rate shall not exceed PSE&G's overall rate of return as authorized by the Board. The interest amount charged to the SGIEP balance will be computed using the methodology set forth in Attachment B attached hereto and made a part of this Stipulation, based on the net of tax average monthly balance. Simple interest shall accrue on any under and over recovered balance, and shall be included in the deferred SGIEP balance at the end of each reconciliation period. The true-up calculation of over-and under-recoveries shall be included in the Company's Annual Filing.

34. The Parties agree that PSE&G has the right to request Board approval to roll the net, unrecovered Program investment balance into base rates at the time of a future electric base rate case filing.

35. The Parties request that the Board set the effective date of the initial SGIEP as June 1, 2013.

36. The SGIEP 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 ratepayers 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. The Signatory Parties stipulate that the Company will file an annual petition (Annual Filing) to adjust its SGIEP in conjunction with the annual filing for the existing components of the electric RRC, with the first Annual Filing currently scheduled to be made by no later than July 1, 2014 for rates effective October 1, 2014 through September 30, 2015.

37. Each Annual Filing will contain a reconciliation of PSE&G's actual SGIEP recoveries (which were based on PSE&G's projected SGIEP costs) and actual revenue requirements for the prior period, and a forecast of revenue requirements for the remainder of the current period and for the upcoming 12-month period that shall be based upon the Company's authorized ROE and capital structure for this Program. The Annual Filing also will present actual costs incurred since the previous annual review and such costs will then be reviewed for reasonableness and prudence. The Annual Filing will also provide information consistent with the information in the Minimum Filing Requirements ("MFRs") provided in the existing S4A Program. The Annual Filing will be subject to review by the Parties with opportunity for discovery and filed comments prior to the issuance of a Board Order establishing the Company's revised SGIEP. The issuance of a written Board Order will be preceded by adequate Public Notice and Public Hearings, if required by law.

38. The Parties agree that the proposed SGIEP rate, as set forth in the tariff sheets in Attachment C, attached hereto are just and reasonable and PSE&G is authorized to implement the proposed rates on June 1, 2013 or on the date of the written BPU Order approving this Stipulation, whichever is later.

39. A typical residential electric customer using 780 kilowatt-hours per summer month and 7,360 kilowatt-hours on an annual basis and on BGS-FP service with PSE&G would

see an initial increase in the annual bill from \$1,349.08 to \$1,349.36 or \$0.28 or approximately 0.02%. See Attachment D for residential customer bill impacts. As currently projected, the maximum rate impacts for the same typical residential electric customers from the SGIEP would occur in the October 1, 2015 through September 30, 2016 cost recovery period. The expected maximum increase from the SGIEP for a typical residential customer in the October 1, 2015 through September 30, 2016 cost recovery period would be \$0.000601 per kWh (including sales and used tax (SUT)), for a typical annual residential bill impact of \$4.44 (0.329 %) or about \$0.37 per month.

Program Rules

40. The Signatory Parties agree that the Program Rules for S4AE (“S4AE Program Rules”) shall be as set forth in Attachment E. PSE&G shall have the right to amend the S4AE Program Rules as required for commercial reasons, after ten business days advance notice to Board Staff and Rate Counsel unless Board Staff notifies PSE&G in writing within that same ten business day period that it objects to the amendment. In such event, Board Staff shall have the right to seek Board review of the amendment on an expedited basis so as not to delay Program implementation.

B. SOLAR LOAN III PETITION

Program Size, Segments, Solicitation Process and Allocation of Capacity

41. The Signatory Parties agree that the Solar Loan Program shall be 97.5 MW in total size.

42. Loan applications will be grouped into the following market segments:

- a. Residential-Individual Customer – net-metered
 - b. Residential-Aggregated by a 3rd Party–net-metered (“Res-Aggregated”)-
Third parties that aggregate residential customers shall be allowed to participate and will be treated as non-residential applicants under the Solar Loan III Program through the Res-Aggregated Segment. For the solicitations, they will be required to bid individual residential projects including individual solar renewable energy certificate (‘SREC’) Floor Prices. After review by the Solicitation Manager described below, the final group of selected residential projects submitted by a third party aggregator will be combined, and the third party aggregator will be assigned the capacity of the combined residential projects selected and from then on will be treated as a non-residential application for credit review and loan management. In the event that individual residential projects have different SREC bid prices, a weighted average SREC bid price will be calculated. The weighted average SREC floor price will be rounded to the nearest \$5.00 increment. Once individual residential projects have been accepted and the third party aggregator has been assigned capacity, substitute projects will not be allowed.
 - c. Non-residential \leq 150kW – net-metered (“Small Non-Res”)
 - d. Non-residential $>$ 150kW (up to 2 MW per project) – net-metered (“Large Non-Res”)
 - e. Landfills/brownfields (up to 5 MW per project) – either net-metered or grid connected (“Landfills”) and as defined in P.L.1999, c.23 (C.48:3-49). PSE&G will manage the Landfills/brownfield solicitation process directly or through a third-party vendor. Prior to being qualified for the Program, PSE&G reserves the right to require applicants to demonstrate proof of project viability through geotechnical engineering reports, landfill closure certifications and other documents as required. PSE&G may also require applicants to show proof of site control and a minimum level of site development before being designated as a qualified applicant. Applicants that are required to be certified pursuant to the Board’s Order implementing the Solar Act of 2012, N.J.S.A. 48:3-51 subsection (t) must submit their application to the Board no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the Program.
43. There will be no Call Option for any segment.

44. PSE&G plans to conduct solicitations every other month or six times a year. However, PSE&G reserves the right to alter the schedule based on market conditions, administrative workload, and other factors.

45. Both residential and non-residential borrowers will participate in a competitive solicitation process (“Solicitation Process”) in which there will be no pre-set maximum floor price.

46. The cost of the Solicitation Process will be included in the borrower fees and PSE&G’s administrative costs as described below.

47. Upon commencement of the Solar Loan III Program, any remaining un-awarded capacity from PSE&G’s Solar Loan II program will be rolled into the first solicitation for the Large Non-Res segment.

48. Subsequent to the first Solar Loan III solicitation, if additional Solar Loan II capacity becomes available, it will be rolled into the next available solicitation for the Large Non-Res segment.

49. PSE&G will hire an independent Solicitation Manager (“SM”), selected through a competitive bid process who will independently review and rank the bids received and provide guidance to the Company regarding competitive SREC floor prices and the competitiveness of individual segments based on such factors as the number of bidders, a statistical analysis of bids to identify and reject outliers, kW bid size, and range of pricing. The SM will also provide its guidance to the Board Staff and Rate Counsel for review and comment.

50. Capacity will be made available at each solicitation as follows:

	Solicitation
--	---------------------

Class	% of Total	Total MW	#1	#2	#3	#4 - #12	#13 - #18
Residential	10.00%	9.75	0.300	0.500	0.850	0.900	TBD
Res-Aggregated	10.00%	9.75	0.300	0.500	0.850	0.900	TBD
Small Non-Res	13.48%	13.14	2.628	1.314	1.314	0.876	TBD
Large Non-Res	61.39%	59.86	11.972	5.986	5.986	3.991	TBD
Landfills	5.13%	5.00	5.000	0.000	0.000	0.000	TBD
Total		97.50	20.200	8.300	9.000	6.667	TBD

Loan Terms and Credit Criteria

51. All loans will have a ten-year term.
52. A potential borrower will submit a loan application with a proposed SREC floor price specific to their project.
53. The floor price will remain in effect for the duration of the loan term.
54. Estimated generation from the solar power system for the purposes of sizing the loans will be determined using PV Watts or an equivalent estimating model subject to PSE&G's approval.
55. All systems that are located in PSE&G's electric service territory and are eligible for SRECs will be eligible to participate.
56. Projects accepted under the SLIII Program will be ineligible for any benefits from other PSE&G or BPU renewable energy programs, with the exception of net-metering and receipt of SRECs generated by the solar system.

57. Projects under construction may not apply for loans in the Residential-Individual Customer, Small Non-Res, and Large Non-Res segments. “Under construction” means anything other than site clearance or site preparation. The receipt and storage of equipment at the facility site will not be considered “under construction”, provided no attempt is made to assemble or erect the equipment. In the Res-Aggregated and Landfill market segments, projects under construction but not in commercial operation are eligible to apply for the Solar Loan III Program. “Commercial Operation” means that the system is operating and has received its final inspection in preparation for the issuance of SRECs.

58. For non-residential projects, loan applicants must be registered to do business in New Jersey.

59. All applicants must meet minimum insurance requirements as specified in the appropriate solar loan agreement.

60. All applicants are responsible for solar system maintenance for the duration of the loan term.

61. PSE&G will enter into appropriate subordination agreements with the property owners and landlords to protect PSE&G’s security interest in the solar equipment.

Fees

62. Application Fee – an application fee of \$20 per kW, with a maximum of fee of \$7,500, will be required at the time of application. Once an applicant has been notified that the application has been conditionally accepted into the program, the application fee becomes non-refundable. If an applicant is not accepted, the application fee will be returned. Res-Aggregators may receive a partial refund if the full capacity bid is not accepted.

63. Administration Fee – there will be an administration fee of \$85 per kW. The administration fee will be deducted from the loan proceeds at the time the loan is issued to the borrower.

64. SREC Processing Fee – there will be a fee for the processing and management of the SRECs generated by the borrower’s solar generation facility, which will include the costs of the SREC auction. For the Residential Segment, the SREC Processing Fee will be \$120 per kW and will be deducted from the loan proceeds at the time the loan is issued to the borrower. For all other segments, the SREC Processing Fee will initially be set at \$10.18 per SREC and then will be reset on an annual basis as described below. The SREC Processing Fee will be billed annually as set forth in the borrower’s loan agreement and will be determined by multiplying the SREC Processing Fee in affect at the time times the number of SRECs generated by the borrower’s project for the previous year.

65. There are other potential fees encompassed within the SLIII Program Rules that may be assessed to a borrower, such as Milestone Fees and name change fees.

66. All PSE&G administrative costs will be paid by borrowers over the life of the Solar Loan III Program. A “true-up mechanism” will ensure all costs are recovered from the borrowers and that the borrowers only pay the actual cost incurred. The SLIII Program Rules attached hereto as Attachment F contain additional details on the true-up mechanism.

Meter Reading

67. All projects will have a PSE&G revenue grade meter installed at the customer's expense to measure solar system output. A second revenue grade meter may be installed as a backup at the customer's expense provided the meter meets the current accuracy standards as set forth by the Board at N.J.A.C. 14:8 et. seq.

68. If a meter reading is simply missed for the month, the generation for that month will be credited when the next actual meter reading is obtained and entered into the Pennsylvania, Jersey, Maryland ("PJM") Environmental Information Services ("EIS") Generation Attribute Tracking System ("GATS"). SRECs will be credited to the loan in the month in which they are created.

69. PSE&G may offer residential customers the option of registering for "MyAccount" on the PSEG website, which will enable them to enter meter readings in any month that their meter is not read by a PSE&G meter reader.

70. If the PSE&G meter is not functioning properly and actual accurate generation data cannot be obtained from this meter, and the Borrower has a backup revenue grade meter installed for the system, PSE&G will accept data from the back-up meter if it is accompanied by a specifications sheet for the meter indicating the meter satisfies the above referenced Board requirements. In the cases where a PSE&G owned meter is functioning properly, but there is an issue with remote telemetry, PSE&G reserves the right to conduct a site visit and obtain generation data directly from the meter.

71. If the PSE&G meter is not functioning properly and actual generation data cannot be obtained from this meter, and the Borrower does not have a backup revenue grade meter

installed for the system, PSE&G will not enter any generation data into PJM GATS for the period when the actual generation data cannot be obtained.

72. Each third-party aggregator is required to install and own a meter that meets the then current standards as approved by the Board for each residential project for which the aggregator receives funding under Solar Loan III. Each third-party aggregator must provide PSE&G with SREC generation data along with access to the data for validation. Third-party aggregators are responsible for ensuring the accuracy and availability of all data.

Cost Recovery and Bill Impacts

73. PSE&G will recover the net revenue requirements for the Solar Loan III Program via a new Solar Loan III Program component (“SLIIIc”) of the Company’s electric RGGI Recovery Charge (RRC). The SLIIIc will be applicable to all electric rate schedules on an equal cents per kilowatt-hour basis for recovery of the costs associated with the Solar Loan III Program. The initial SLIIIc will be based on revenue requirements from June 1, 2013, or the date of the written Board Order, through September 30, 2014. Thereafter, the SLIIIc will be changed nominally on an annual basis in conjunction with the annual filing for all other existing RRC components, incorporating a true-up for actual results and a forecast of revenue requirements for the twelve months succeeding the anticipated Board approval date.

74. The SLIII Signatory Parties stipulate that the revenue requirements recovered through the SLIIIc will be calculated to include a return on investment and a return of investment over the lives of the capital assets. The Program investments are proposed to be treated as separate utility assets, and depending on the type of investment, either depreciated or amortized

as described in the corresponding section below. The revenue requirements associated with the direct costs of the Program would be expressed as:

$$\text{Revenue Requirements} = (\text{Cost of Capital} * \text{Net Investment}) - \text{Net Loan Accrued Interest} + \text{Amortization and/or Depreciation} + \text{Net Operation and Maintenance Costs} - \text{Net Proceeds from the sale of SRECs} - \text{Cash Payments in lieu of SRECs}$$

The details of each of the above terms are described as follows:

Cost of Capital – This is PSE&G’s overall weighted average cost of capital (“WACC”). The overall cost of capital utilized to set rates for the initial rate period of the Program will be 7.6431% (11.1790% on a pre-tax basis) based on an equity percentage of 51.2%, a return on equity of 10.0% and the Company’s embedded long-term cost of debt as of March 31, 2013 of 5.1702%.

Net Investment – The net investment for the Program would be comprised of the following:

- Total Loan Outstanding Balances. The Total Loan Outstanding Balances are defined as: *Loan Accrued Interest Balances + Loan Principal Balances*
- SREC inventory

Total Loan Outstanding Balances – The detailed monthly return calculation on the total loan outstanding balances would be as follows:

$$\text{Loan Accrued Interest} + \text{Loan Interest Rate to WACC Differential Cost}$$

where

$$\text{Loan Accrued Interest} = \text{Average Daily Outstanding Loan Balance} * (\text{Annual Loan Interest Rate} / 365) * (\# \text{ of Days in Month})$$

And

$$\text{Loan Interest Rate to WACC Differential Cost} = \text{Loan Accrued Interest} * ((\text{Pre Tax WACC} / \text{Loan Interest Rate}) - 1)$$

SREC Inventory – The detailed monthly return calculation on the SREC Inventory would be as follows:

$$\text{Average Daily Outstanding SREC Inventory Balance} * (\text{Pre Tax WACC} / 365) * (\# \text{ of Days in Month})$$

Net Loan Accrued Interest – This amount is subtracted from revenue requirements. It is defined as (Loan Accrued Interest – Loan Interest Paid). It accounts for timing differences

from when loan interest is accrued and loan interest is paid. Over the life of loan, the Loan Accrued Interest is equal to the Loan Interest Paid.

Depreciation/Amortization – This is composed of Loan Principal Paid / Amortized.

Net Operations and Maintenance Costs – is calculated as Gross Operation and Maintenance Costs less any revenues received from the borrowers. Gross Operations and Maintenance Costs would include PSE&G labor and other related on-going costs required to manage and administer the Program including related information technology expenses, the cost of the SM, and SREC disposition expenses.

Revenues received from the borrowers would include any revenue received from the following sources as described in the Program Rules:

- Applications fees
- Administrative Fees
- SREC Processing Fees
- Any other applicable Fees

The SLIII Signatory Parties stipulate that the Net Operation and Maintenance Costs must equal zero over the life of the Solar Loan III Program as shown in Attachment G hereto.

The SLIII Signatory Parties further stipulate that common costs shared by all three of PSE&G's solar loan programs be allocated based on forecasted MW capacity installed for the upcoming year. Therefore, every December a forecast will be conducted of the cumulative total capacity installed by the end of the following year for the Solar Loan III Program. For Solar Loan I and Solar Loan II, the current methodology of allocating costs based on the total forecasted capacity installed for the program will be maintained. The ratio of the forecasted installed capacity for each program to total forecasted installed capacity for all of the solar loan programs will be applied to all common costs for the following year starting on January 1.

Net Proceeds from the sale of SRECs – The net SREC proceeds reduce revenue requirements and is defined as:

SREC Value Credited to Loans + Gain/(Loss) on Sale of SRECs - SREC Floor Price Costs

SREC Value Credited to Loans – The SREC Value Credited to Loans is defined as the number of SRECs generated and credited to the loans times the higher of the “market value” of SRECs as defined in the Loan Agreements or the Floor Price.

Gain/(Loss) on Sale of SRECs – The proceeds from the Sale of SRECs less their corresponding inventory cost. Inventory cost is the value the SREC received when they were credited to loans as defined above.

SREC Disposition Expenses – All costs related to the disposition of SRECs for the Program.

SREC Floor Price Costs – When the market value of the SRECs credited to loans, as defined in the Loan Agreements, is less than the value of the SRECs priced at the Floor Price, the differential value reduces the Net Proceeds from the sale of SRECs.

Cash Payments in lieu of SRECs – This includes when the borrower chooses to repay loan with cash and any required true up cash payments.

75. The SLIII Signatory Parties further stipulate that the initial revenue requirement calculation will use a WACC of 7.6431% (11.1790% on a pre-tax basis) based on an equity percentage of 51.2%, a return on equity of 10.0%, and the Company's long-term cost of debt as of March 31, 2013 of 5.1702% (See Attachment H for WACC calculations). The SLIII Signatory Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations, effective as of the date of the Board's base rate case order authorizing a change in the WACC. The 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. The Parties stipulate that after the initial revenue requirements period, the SLIIIc will be calculated utilizing projected cost data subject to annual adjustments. The calculation of the revenue requirement for the purpose of setting the initial SLIIIc for the period ending September 30, 2014 is set forth in Attachment H and Attachment I attached hereto and

made a part of this Stipulation. The corresponding forecasted rates for all periods are set forth in Attachment M attached hereto and made part of this stipulation

76. 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 last calculated rate will be used. The interest rate shall not exceed PSE&G's overall rate of return as authorized by the Board. The interest amount charged to the SLIII balance will be computed using the methodology set forth in Attachment J hereto, based on the net of tax average monthly balance. Simple interest shall accrue on any under and over recovered balance, and shall be included in the deferred SLIII balance at the end of each reconciliation period. The true-up calculation of over-and under-recoveries shall be included in the Company's Annual Filing.

77. The Parties request that the Board set the effective date of the initial SLIIIc as of June 1, 2013 or the date of the Board's written Order approving this Settlement, whichever is later.

78. The SLIIIc 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 ratepayers 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. The SLIII Signatory Parties stipulate that the Company will file an annual

petition (Annual Filing) to adjust its SLIIIc in conjunction with the annual filing for the existing components of the electric RRC, with the first Annual Filing currently scheduled to be made by no later than July 1, 2014 for rates effective October 1, 2014 through September 30, 2015.

79. Each Annual Filing will contain a reconciliation of PSE&G's actual SLIII recoveries (which were based on PSE&G's projected SLIII costs) and actual revenue requirements for the prior period, and a forecast of revenue requirements for the remainder of the current period and for the upcoming 12-month period that shall be based upon the Company's authorized ROE and capital structure for this Program. The Annual Filing also will present actual costs incurred since the previous annual review and such costs will then be reviewed for reasonableness and prudence. The Annual Filing will also provide information consistent with the information in the Minimum Filing Requirements ("MFRs") provided in the existing Solar Loan II Program. The Annual Filing will be subject to review by the Parties with opportunity for discovery and filed comments prior to the issuance of a Board Order establishing the Company's revised SLIIIc. The issuance of a written Board Order will be preceded by adequate Public Notice and Public Hearings, if required by law.

80. The Parties agree that the proposed SLIIIc rate, as set forth in the tariff sheets in Attachment C, attached hereto are just and reasonable and PSE&G is authorized to implement the proposed rates on June 1, 2013 or on the date of the written BPU Order approving this Stipulation, whichever is later.

81. A typical residential electric customer using 780 kilowatt-hours per summer month and 7,360 kilowatt-hours on an annual basis and on BGS-FP service with PSE&G would see an initial increase in the annual bill from \$1,349.08 to \$1,349.24 or \$0.16 or approximately

0.01%. See Attachment K for residential customer bill impacts. As currently projected, the maximum rate impacts for the same typical residential electric customers from the SLIII Program would occur in the October 1, 2018 through September 30, 2019 cost recovery period. The expected maximum increase from the SLIII Program for a typical residential customer in the October 1, 2018 through September 30, 2019 cost recovery period would be \$0.000292 per kWh (including sales and used tax (SUT)), for a typical annual residential bill impact of \$2.12 (0.157%) or about \$0.18 per month.

Program Rules

82. The SLIII Signatory Parties agree that the SLIII Program Rules shall be as set forth in Attachment F. PSE&G shall have the right to amend the SLIII Program Rules as required for commercial reasons, after ten business days advance notice to Board Staff and Rate Counsel unless Board Staff notifies PSE&G in writing within that same ten business day period that it objects to the amendment. In such event, Board Staff shall have the right to seek Board review of the amendment on an expedited basis so as not to delay the Program implementation.

C. General Provisions Applicable to S4AE and SLIII Programs

83. The Signatory Parties agree that PSE&G will attempt to resolve any disputes that arise under the Solar Loan III and Solar 4 All Extension Programs on an informal basis. Any disputes that cannot be resolved informally shall be resolved in the appropriate legal forum.

84. This Settlement Agreement represents a mutual balancing of interests, contains independent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event that any particular aspect of the Settlement Agreement is not accepted and approved in

its entirety by the Board, any Signatory Party aggrieved thereby shall have the right to litigate all issues addressed herein to conclusion.

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

86. It is specifically understood and agreed that this settlement represents a negotiated agreement made exclusively for the Solar Loan III and Solar 4 All Extension proceedings. Except as expressly provided herein the Signatory 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 Signatory Parties further agree that this Settlement Agreement is not binding upon them in any other proceeding, except to enforce the terms of this Settlement Agreement.

87. Following execution of this Settlement Agreement the Company's rates will remain subject to audit by the Board, and this Settlement Agreement shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

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

By: 
T. David Wand
Deputy Attorney General

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: 
Matthew M. Weissman
General Regulatory Counsel - Rates

Dated: April 26, 2013

Dated: April 26, 2013

DIVISION OF RATE COUNSEL

By: _____
Paul E. Flanagan, Esq.
Litigation Manager

Dated: April __, 2013

KDC SOLAR LLC (SLIII)

WATTLOTS, L.L.C. (S4AE Only)

By: _____
James E. McGuire, Esq.
Reed Smith LLP

By: _____
James E. McGuire, Esq.
Reed Smith LLP

Dated: April __, 2013

Dated: April __, 2013

PETRA SOLAR, INC. (S4AE Only)

MID-ATLANTIC SOLAR ENERGY
INDUSTRIES ASSOCIATION

By: _____
Basem Ramada, Esq.

By: _____
William Potter, Esq.
Potter and Dickson

Dated: April __, 2013

Dated: April __, 2013

PROLOGIS (S4AE Only)

NEW JERSEY SOLAR INDUSTRY
MANUFACTURERS ASSOCIATION
(S4AE Only)

By:  _____
Robert F. Shapiro, Esq.
Chadbourne & Parke, LLP

By: _____
Hani Khoury, Esq.
Awad & Khoury

Dated: April 26, 2013

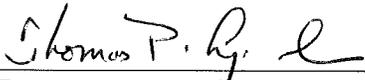
Dated: April __, 2013

DIVISION OF RATE COUNSEL

By: _____
Paul E. Flanagan, Esq.
Litigation Manager

Dated: April __, 2013

KDC SOLAR LLC (SLIII)

By:  _____
~~James E. McGuire, Esq.~~
~~Reed Smith LLP~~

Dated: April 26, 2013

PETRA SOLAR, INC. (S4AE Only)

By: _____
Basem Ramada, Esq

Dated: April __, 2013

PROLOGIS (S4AE Only)

By: _____
Robert F. Shapiro, Esq.
Chadbourne & Parke, LLP

Dated: April __, 2013

WATTLOTS, L.L.C. (S4AE Only)

By: _____
James E. McGuire, Esq.
Reed Smith LLP

Dated: April __, 2013

MID-ATLANTIC SOLAR ENERGY
INDUSTRIES ASSOCIATION

By: _____
William Potter, Esq.
Potter and Dickson

Dated: April __, 2013

NEW JERSEY SOLAR INDUSTRY
MANUFACTURERS ASSOCIATION
(S4AE Only)

By: _____
Hani Khoury, Esq.
Awad & Khoury

Dated: April __, 2013

SUNDURANCE ENERGY (S4AE Only)

By: _____
Allen Bucknam, CEO
SunDurance Energy

Dated: April __, 2013

NEW JERSEY LARGE ENERGY USERS
COALITION

By: _____
Stephen S. Goldenberg, Esq.
Fox Rothschild, LLP

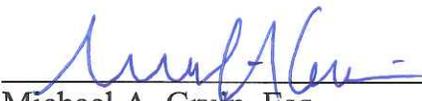
Dated: April __, 2013

KDC SOLAR LLC (S4AE)

By: _____
Michael R. Yellin, Esq.
Cole, Schotz, Meisel, Forman &
Leonard, P.A.,

Dated: April __, 2013

SOLAR ENERGY INDUSTRIES
ASSOCIATION

By:  _____
Michael A. Grum, Esq.
Stevens & Lee, P.C.

Dated: April 16, 2013

SUNDURANCE ENERGY (S4AE Only)

By: _____
Allen Bucknam, CEO
SunDurance Energy

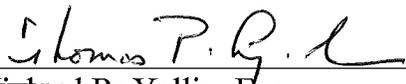
Dated: April __, 2013

NEW JERSEY LARGE ENERGY USERS
COALITION

By: _____
Stephen S. Goldenberg, Esq.
Fox Rothschild, LLP

Dated: April __, 2013

KDC SOLAR LLC (S4AE)

By:  _____
~~Michael R. Yellin, Esq.~~
~~Cole, Schotz, Meisel, Forman &~~
~~Leonard, P.A.,~~

Dated: April 26, 2013

SOLAR ENERGY INDUSTRIES
ASSOCIATION

By: _____
Michael A. Gruin, Esq.
Stevens & Lee, P.C.

Dated: April __, 2013

PETRA SOLAR, INC.

By: _____
Basem Ramada, Esq

Dated: April __, 2013

MID-ATLANTIC SOLAR ENERGY
INDUSTRIES ASSOCIATION

By:  _____
William Potter, Esq.
Potter and Dickson

Dated: April 26, 2013

PROLOGIS

By: _____
Robert F. Shapiro, Esq.
Chadbourne & Parke, LLP

Dated: April __, 2013

NEW JERSEY SOLAR INDUSTRY
MANUFACTURERS ASSOCIATION

By: _____
Hani Khoury, Esq.
Awad & Khoury

Dated: April __, 2013

SUNDURANCE ENERGY

By: _____
Robert T. Lawless Esq.
Hedinger & Lawless, LLC

Dated: April __, 2013

KDC SOLAR LLC (S4AE)

By: _____
Michael R. Yellin, Esq.
Cole, Schotz, Meisel, Forman
& Leonard, P.A.,

Dated: April __, 2013

NEW JERSEY LARGE ENERGY USERS
COALITION

By: _____
Stephen S. Goldenberg, Esq.
Fox Rothschild, LLP

Dated: April __, 2013

SOLAR ENERGY INDUSTRIES
ASSOCIATION

By: _____
Michael A. Guin, Esq.
Stevens & Lee, P.C.

Dated: April __, 2013



April 25, 2013

Via Electronic Mail

Kristie Izzo
New Jersey Board of Public utilities
44 South Clinton Ave., 9th Floor
PO Box 350
Trenton, NJ 08625 – 0350

IN THE MATTER OF THE PETITION OF
PUBLIC SERVICE ELECTRIC AND GAS
COMPANY FOR APPROVAL OF AN EXTENSION
OF A SOLAR GENERATION INVESTMENT
PROGRAM AND ASSOCIATED COST
RECOVERY MECHANISM AND FOR CHANGES
IN THE TARIFF FOR ELECTRIC SERVICE,
B.P.U.N.J. NO. 15 ELECTRIC PURSUANT TO
N.J.S.A. 48:2-21, 48:2-21.1 AND N.J.S.A. 48:3-98.1
("SOLAR4ALL EXTENSION PETITION")

STIPULATION

BPU Docket No. EO12080721

IN THE MATTER OF THE PETITION OF
PUBLIC SERVICE ELECTRIC AND GAS
COMPANY FOR APPROVAL OF A SOLAR
LOAN III PROGRAM AND AN ASSOCIATED
COST RECOVERY MECHANISM AND FOR
CHANGES IN THE TARIFF FOR ELECTRIC
SERVICE, B.P.U.N.J. NO. 15 ELECTRIC
PURSUANT TO N.J.S.A. 48:2-21 AND
N.J.S.A. 48:2-21.1

STIPULATION

BPU Docket No. EO12080726

Dear Secretary Izzo:

As you know, the New Jersey Solar Energy Coalition was granted conditional intervener status on December 3, 2012 subject to our retaining counsel in order to participate in the evidentiary portion of the process. While we did not participate in the evidentiary hearings, we carefully followed the debate and reviewed all documents throughout the process. In addition, as appropriate, we participated in a number of conference calls regarding both of the docketed matters referenced above in settlement and other discussions with all parties.

The New Jersey Solar Energy Coalition is a broad coalition of residential; third party aggregated residential, small commercial, large commercial, brownfield, and landfill solar developers and EPC



contractors, engineering, law, and accounting firms specializing in the development of solar energy in New Jersey and as such these matters are very important to our members.

We have carefully reviewed the global settlement documents dated April 23, 2013 that were circulated to all parties earlier this week. We have discussed the features of that settlement with our membership and we fully support the proposed global settlement. We find that this settlement carefully balances many economic, energy, environmental and land use issues; supports the policies of the New Jersey State Energy Master Plan; and is consistent with the goals of the fabric of law that structures New Jersey's market based solar energy program.

We hope that this global settlement can be brought to the full Board at the earliest opportunity for their approval.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gary Weisman", is written over a light blue rectangular background.

Gary Weisman, President

New Jersey Solar Energy Coalition

PSE&G Economic Energy Efficiency Extension Program Weighted Average Cost of Capital (WACC)

	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Revenue Conversion Factor</u>	<u>Pre-Tax Weighted Cost</u>	<u>Discount Rate</u>
Other Capital	48.8000%	5.1702%	2.5231%	1.0000	2.5231%	
Customer Deposits	0.0000%	0.0000%	0.0000%	1.0000	0.0000%	
Sub-total	48.8000%		2.5231%		2.5231%	1.4924%
Preferred Stock	0.0000%	0.0000%	0.0000%	1.6906	0.0000%	0.0000%
Common Equity	51.2000%	10.0000%	5.1200%	1.6906	8.6560%	5.1200%
Total	100.0000%		7.6431%		11.1790000%	6.6124%
Monthly WACC			0.63692%		0.93158000%	

Reflects a tax rate of 40.850%

**PSE&G Solar 4 All Extension
Revenue Requirements Calculation**

Attachment A

(\$000's)

Page 2 of 7

Solar 4 All Extension: Total Program

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	<u>Program Investment</u>	<u>Gross Plant</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>	Plant			<u>Accumulated Deferred Tax</u>	<u>Net Investment</u>	<u>Return Requirement</u>
						<u>Tax Depreciation</u>	<u>Book Deprec Tax Basis</u>	<u>Deferred Tax Exp</u>			
Jan-13	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-
Jun-13	144	-	-	-	-	-	-	-	-	-	-
Jul-13	116	-	-	-	-	-	-	-	-	-	-
Aug-13	597	-	-	-	-	-	-	-	-	-	-
Sep-13	571	-	-	-	-	-	-	-	-	-	-
Oct-13	428	-	-	-	-	-	-	-	-	-	-
Nov-13	3,644	-	-	-	-	-	-	-	-	-	-
Dec-13	1,622	-	-	-	-	-	-	-	-	-	-
Jan-14	2,597	-	-	-	-	-	-	-	-	-	-
Feb-14	4,558	-	-	-	-	-	-	-	-	-	-
Mar-14	4,826	-	-	-	-	-	-	-	-	-	-
Apr-14	8,004	-	-	-	-	-	-	-	-	-	-
May-14	3,831	-	-	-	-	-	-	-	-	-	-
Jun-14	7,721	-	-	-	-	-	-	-	-	-	-
Jul-14	11,581	-	-	-	-	-	-	-	-	-	-
Aug-14	11,146	-	-	-	-	-	-	-	-	-	-
Sep-14	9,427	-	-	-	-	-	-	-	-	-	-
	<u>Program Assumption</u>	<u>Program Assumption</u>	Refer to each Segment "Bk Depr" Worksheets	Prior Month + Col 3	Col 2 - Col 4	Refer to each Segment "Tax Depr" Worksheets	Refer to each Segment "Tax Depr" Worksheets	(Col 6 - Col 7) * [Income Tax Rate]	Prior + Col 8	Col 5 - Col 9	(Prior Col 6 + Col 6) / 2 * Monthly Pre Tax WACC
2013	7,122	-	-	-	-	-	-	-	-	-	-
2014	102,656	-	-	-	-	-	-	-	-	-	-
2015	121,348	191,416	7,747	7,747	183,670	31,825	6,585	10,311	10,311	173,359	13,498
2016	16,097	254,060	13,878	21,625	232,436	61,364	11,796	20,248	30,559	201,876	22,788
2017	-	254,060	14,643	36,267	217,793	47,331	12,446	14,250	44,809	172,983	20,953
2018	-	254,060	14,643	50,910	203,150	28,500	12,446	6,558	51,367	151,783	18,153
2019	-	254,060	14,643	65,553	188,508	24,495	12,446	4,922	56,289	132,218	15,874
2020	-	254,060	13,349	78,902	175,159	15,445	11,347	1,674	57,963	117,195	13,941
2021	-	254,060	12,201	91,103	162,957	3,295	10,371	(2,890)	55,073	107,885	12,581
2022	-	254,060	12,056	103,160	150,901	277	10,248	(4,073)	51,000	99,901	11,614
2023	373	254,433	12,094	115,253	139,180	343	10,285	(4,061)	46,938	92,241	10,740
2024	6,595	261,028	12,790	128,044	132,984	1,706	10,982	(3,789)	43,149	89,835	10,177
2025	9,441	270,469	14,394	142,438	128,031	4,338	12,586	(3,369)	39,780	88,251	9,954
2026	1,375	271,845	15,476	157,913	113,931	4,873	13,667	(3,592)	36,188	77,743	9,278
2027	-	271,845	15,613	173,527	98,318	3,322	13,805	(4,282)	31,905	66,412	8,058
2028	-	271,845	15,576	189,103	82,742	2,398	13,768	(4,645)	27,261	55,481	6,813
2029	-	271,845	14,879	203,982	67,862	1,894	13,071	(4,566)	22,695	45,167	5,626
2030-2037	-	271,845	67,862	271,845	-	2,329	57,887	(22,695)	(0)	0	13,822
Total	265,007		271,845			233,735	233,735	0			203,869

**PSE&G Solar 4 All Extension
Revenue Requirements Calculation**

(\$000's)

Solar 4 All Extension: Total Program

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	Expenses					Revenue from Sale of				ITC			
	O&M	Administrative	Rent	Insurance	Other	Energy	Capacity	SRECs	Other	Amortization	Tax Gross-up	Tax Assoc. w/50% ITC Basis Reduction	Revenue Requirements
Jan-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-13	17	106	-	-	-	-	-	-	-	-	-	-	123
Jul-13	17	106	-	-	-	-	-	-	-	-	-	-	123
Aug-13	17	106	-	-	-	-	-	-	-	-	-	-	123
Sep-13	17	106	-	0	-	-	-	-	-	-	-	-	123
Oct-13	17	106	-	0	-	-	-	-	-	-	-	-	123
Nov-13	17	106	-	1	-	-	-	-	-	-	-	-	124
Dec-13	17	106	-	1	-	-	-	-	-	-	-	-	124
Jan-14	17	110	-	2	-	-	-	-	-	-	-	-	129
Feb-14	17	110	-	2	-	-	-	-	-	-	-	-	130
Mar-14	17	110	-	3	-	-	-	-	-	-	-	-	130
Apr-14	17	110	-	5	-	-	-	-	-	-	-	-	132
May-14	17	110	-	5	-	-	-	-	-	-	-	-	133
Jun-14	17	110	-	7	-	-	-	-	-	-	-	-	134
Jul-14	17	110	-	10	-	-	-	-	-	-	-	-	137
Aug-14	17	110	-	12	-	-	-	-	-	-	-	-	139
Sep-14	17	110	-	14	-	-	-	-	-	-	-	-	141
	Program Assumption	Program Assumption	Program Assumption	Program Assumption	Refer to each Segments "State Rebate and ITC" Worksheet Row 791	Col 21 * [Tax Rate] * [Rev. Conv. Fac.]	(Col 3 - Col 7) * [Tax Rate] * [Rev. Conv. Fac.]	Col 3 + Col 11 + Col 12 + Col 13 + Col 14 + Col 15 + Col 16 - Col 17 - Col 18 - Col 19 - Col 20 - Col 21 - Col 22 + Col 23 + Col 24					
2013	117	745	-	2	-	-	-	-	-	-	-	-	863
2014	206	1,321	-	115	-	-	-	-	-	-	-	-	1,642
2015	1,751	1,368	1,361	481	-	1,803	-	3,856	-	2,324	1,605	802	17,419
2016	2,696	614	2,624	675	-	3,515	-	9,180	-	4,163	2,875	1,438	24,979
2017	2,876	1,453	2,848	698	-	3,851	-	10,460	-	4,393	3,034	1,517	23,250
2018	2,952	1,504	2,919	719	-	4,056	556	10,407	-	4,393	3,034	1,517	19,960
2019	3,030	1,556	2,992	740	-	4,236	1,106	10,355	-	4,393	3,034	1,517	17,227
2020	3,109	1,611	3,067	762	-	4,368	1,129	10,303	-	4,005	2,766	1,383	14,652
2021	3,191	1,667	3,144	785	-	4,621	1,144	10,250	-	3,660	2,528	1,264	12,630
2022	3,275	1,725	3,222	809	-	4,962	1,163	10,198	-	3,617	2,498	1,249	11,513
2023	3,361	1,786	3,303	833	-	5,224	1,184	10,143	-	3,617	2,498	1,249	10,700
2024	3,450	1,848	3,386	858	-	5,454	1,210	10,093	-	3,617	2,498	1,249	10,887
2025	3,541	1,913	3,470	884	-	5,651	1,228	10,036	-	3,617	2,498	1,249	12,374
2026	3,634	1,980	3,557	910	-	5,965	1,250	9,979	-	3,617	2,498	1,249	12,775
2027	3,730	2,049	3,646	938	-	6,246	1,269	9,913	-	3,617	2,498	1,249	11,739
2028	3,828	2,121	3,737	966	-	5,711	1,295	9,839	-	3,617	2,498	1,249	11,330
2029	3,931	2,195	3,830	997	-	5,749	1,315	9,772	-	3,617	2,498	1,249	9,757
2030-2037	26,197	20,566	21,087	9,207	5,458	23,485	6,613	7,663	-	19,952	13,779	6,889	99,597
Total	74,874	48,022	68,194	21,379	5,458	94,897	20,463	152,448	0	76,218	52,638	26,319	323,297

**PSE&G Solar 4 All Extension
Revenue Requirements Calculation**

(\$000's)

Solar 4 All Extension: Segment A - Landfills / Brownfields

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	<u>Program Investment</u>	<u>Gross Plant</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>	<u>Plant</u>			<u>Accumulated Deferred Tax</u>	<u>Net Investment</u>	<u>Return Requirement</u>
						<u>Tax Depreciation</u>	<u>Book Deprec Tax Basis</u>	<u>Deferred Tax Exp</u>			
Jan-13	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-
Jun-13	144	-	-	-	-	-	-	-	-	-	-
Jul-13	116	-	-	-	-	-	-	-	-	-	-
Aug-13	584	-	-	-	-	-	-	-	-	-	-
Sep-13	558	-	-	-	-	-	-	-	-	-	-
Oct-13	414	-	-	-	-	-	-	-	-	-	-
Nov-13	3,349	-	-	-	-	-	-	-	-	-	-
Dec-13	1,327	-	-	-	-	-	-	-	-	-	-
Jan-14	2,583	-	-	-	-	-	-	-	-	-	-
Feb-14	974	-	-	-	-	-	-	-	-	-	-
Mar-14	1,242	-	-	-	-	-	-	-	-	-	-
Apr-14	7,990	-	-	-	-	-	-	-	-	-	-
May-14	3,817	-	-	-	-	-	-	-	-	-	-
Jun-14	7,332	-	-	-	-	-	-	-	-	-	-
Jul-14	11,567	-	-	-	-	-	-	-	-	-	-
Aug-14	10,757	-	-	-	-	-	-	-	-	-	-
Sep-14	4,465	-	-	-	-	-	-	-	-	-	-
	<u>Program Assumption</u>	<u>Program Assumption</u>	Refer to WP-SS-S4AE-2a (Land) "Bk Depr" Worksheets	<u>Prior Month + Col 3</u>	<u>Col 2 - Col 4</u>	Refer to WP-SS-S4AE-2a (Land).xls "Tax Depr" Worksheets	Refer to WP-SS-S4AE-2a (Land).xls "Tax Depr" Worksheets	(Col 6 - Col 7) * [Income Tax Rate]	<u>Prior + Col 8</u>	<u>Col 5 - Col 9</u>	(Prior Col 6 + Col 6) / 2 * Monthly Pre Tax WACC
2013	6,492	-	-	-	-	-	-	-	-	-	-
2014	82,137	-	-	-	-	-	-	-	-	-	-
2015	116,559	164,667	6,280	6,280	158,388	27,344	5,338	8,989	8,989	149,398	10,788
2016	16,097	227,311	12,411	18,691	208,621	54,188	10,549	17,826	26,816	181,805	20,326
2017	-	227,311	13,176	31,866	195,445	43,016	11,199	12,997	39,813	155,632	18,861
2018	-	227,311	13,176	45,042	182,270	25,907	11,199	6,008	45,821	136,449	16,326
2019	-	227,311	13,176	58,217	169,094	21,903	11,199	4,373	50,194	118,901	14,273
2020	-	227,311	12,055	70,272	157,040	14,128	10,246	1,586	51,779	105,260	12,530
2021	-	227,311	10,907	81,179	146,133	3,276	9,271	(2,449)	49,330	96,802	11,294
2022	-	227,311	10,762	91,941	135,370	259	9,148	(3,631)	45,699	89,671	10,423
2023	373	227,684	10,800	102,741	124,943	325	9,185	(3,619)	42,080	82,864	9,644
2024	5,665	233,349	11,403	114,144	119,205	1,502	9,789	(3,385)	38,695	80,510	9,132
2025	9,202	242,550	12,890	127,034	115,517	3,974	11,276	(2,983)	35,712	79,805	8,961
2026	1,375	243,926	13,948	140,981	102,945	4,600	12,333	(3,159)	32,553	70,392	8,395
2027	-	243,926	14,085	155,066	88,859	3,151	12,471	(3,807)	28,746	60,114	7,295
2028	-	243,926	14,048	169,114	74,812	2,245	12,434	(4,162)	24,584	50,228	6,168
2029	-	243,926	13,444	182,558	61,367	1,795	11,830	(4,099)	20,484	40,883	5,093
2030-2037	-	243,926	61,367	243,926	-	2,217	52,362	(20,484)	(0)	0	12,628
Total	237,899		243,926			209,829	209,829	0			182,135

**PSE&G Solar 4 All Extension
Revenue Requirements Calculation**

(\$000's)

Solar 4 All Extension: Segment A - Landfills / Brownfields

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	Expenses					Revenue from Sale of				ITC		Tax Assoc. w/50% ITC Basis Reduction	Revenue Requirements
	O&M	Administrative	Rent	Insurance	Other	Energy	Capacity	SRECs	Other	Amortization	Tax Gross-up		
Jan-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-13	17	99	-	-	-	-	-	-	-	-	-	-	116
Jul-13	17	99	-	-	-	-	-	-	-	-	-	-	116
Aug-13	17	99	-	-	-	-	-	-	-	-	-	-	116
Sep-13	17	99	-	0	-	-	-	-	-	-	-	-	116
Oct-13	17	99	-	0	-	-	-	-	-	-	-	-	116
Nov-13	17	99	-	1	-	-	-	-	-	-	-	-	117
Dec-13	17	99	-	1	-	-	-	-	-	-	-	-	117
Jan-14	17	103	-	2	-	-	-	-	-	-	-	-	121
Feb-14	17	103	-	2	-	-	-	-	-	-	-	-	122
Mar-14	17	103	-	2	-	-	-	-	-	-	-	-	122
Apr-14	17	103	-	3	-	-	-	-	-	-	-	-	123
May-14	17	103	-	4	-	-	-	-	-	-	-	-	124
Jun-14	17	103	-	6	-	-	-	-	-	-	-	-	126
Jul-14	17	103	-	8	-	-	-	-	-	-	-	-	128
Aug-14	17	103	-	11	-	-	-	-	-	-	-	-	131
Sep-14	17	103	-	12	-	-	-	-	-	-	-	-	131
	Program Assumption	Program Assumption	Program Assumption	Program Assumption	Refer to WP-SS-S4AE-2a (Land).xls "State Rebate and ITC" Worksheet Row 791	Col 21 * [Tax Rate] * [Rev. Conv. Fac.]	(Col 3 - Col 7) * [Tax Rate] * [Rev. Conv. Fac.]	Col 3 + Col 11 + Col 12 + Col 13 + Col 14 + Col 15 + Col 16 - Col 17 - Col 18 - Col 19 - Col 20 - Col 21 - Col 22 + Col 23					
2013	117	695	-	2	-	-	-	-	-	-	-	-	814
2014	206	1,233	-	95	-	-	-	-	-	-	-	-	1,534
2015	1,619	1,277	1,180	427	-	1,562	-	3,298	-	1,884	1,301	651	14,175
2016	2,561	573	2,439	619	-	3,269	-	8,481	-	3,723	2,571	1,286	22,170
2017	2,738	1,356	2,658	640	-	3,595	-	9,765	-	3,953	2,730	1,365	20,752
2018	2,811	1,403	2,725	659	-	3,787	483	9,716	-	3,953	2,730	1,365	17,797
2019	2,885	1,453	2,793	679	-	3,955	1,033	9,667	-	3,953	2,730	1,365	15,285
2020	2,961	1,503	2,863	699	-	4,078	1,053	9,618	-	3,616	2,498	1,249	12,996
2021	3,039	1,556	2,934	720	-	4,314	1,068	9,569	-	3,272	2,260	1,130	11,098
2022	3,119	1,610	3,008	742	-	4,632	1,086	9,520	-	3,229	2,230	1,115	10,083
2023	3,201	1,667	3,083	764	-	4,877	1,105	9,469	-	3,229	2,230	1,115	9,364
2024	3,286	1,725	3,160	787	-	5,091	1,129	9,422	-	3,229	2,230	1,115	9,507
2025	3,373	1,785	3,239	811	-	5,275	1,147	9,369	-	3,229	2,230	1,115	10,924
2026	3,462	1,848	3,320	835	-	5,568	1,167	9,316	-	3,229	2,230	1,115	11,413
2027	3,553	1,913	3,403	860	-	5,830	1,185	9,254	-	3,229	2,230	1,115	10,495
2028	3,647	1,980	3,488	886	-	5,331	1,209	9,184	-	3,229	2,230	1,115	10,148
2029	3,743	2,049	3,575	912	-	5,366	1,228	9,122	-	3,229	2,230	1,115	8,757
2030-2037	25,056	19,195	19,818	8,358	4,984	21,096	6,218	7,490	-	18,010	12,438	6,219	92,373
Total	71,375	44,821	63,685	19,496	4,984	87,627	19,109	142,260	0	68,193	47,096	23,548	289,685

**PSE&G Solar 4 All Extension
Revenue Requirements Calculation**

(\$000's)

Solar 4 All Extension: Segments B, C, and D - Pilots

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	<u>Program Investment</u>	<u>Gross Plant</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>	<u>Plant</u>			<u>Accumulated Deferred Tax</u>	<u>Net Investment</u>	<u>Return Requirement</u>
						<u>Tax Depreciation</u>	<u>Book Deprec Tax Basis</u>	<u>Deferred Tax Exp</u>			
Jan-13	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-
Jun-13	-	-	-	-	-	-	-	-	-	-	-
Jul-13	-	-	-	-	-	-	-	-	-	-	-
Aug-13	14	-	-	-	-	-	-	-	-	-	-
Sep-13	14	-	-	-	-	-	-	-	-	-	-
Oct-13	14	-	-	-	-	-	-	-	-	-	-
Nov-13	295	-	-	-	-	-	-	-	-	-	-
Dec-13	295	-	-	-	-	-	-	-	-	-	-
Jan-14	14	-	-	-	-	-	-	-	-	-	-
Feb-14	3,584	-	-	-	-	-	-	-	-	-	-
Mar-14	3,584	-	-	-	-	-	-	-	-	-	-
Apr-14	14	-	-	-	-	-	-	-	-	-	-
May-14	14	-	-	-	-	-	-	-	-	-	-
Jun-14	389	-	-	-	-	-	-	-	-	-	-
Jul-14	14	-	-	-	-	-	-	-	-	-	-
Aug-14	389	-	-	-	-	-	-	-	-	-	-
Sep-14	4,961	-	-	-	-	-	-	-	-	-	-
	<u>Program Assumption</u>	<u>Program Assumption</u>	Refer to WP-SS-S4AE-2d (Pilot).xls "Bk Depr" Worksheets	<u>Prior Month + Col 3</u>	<u>Col 2 - Col 4</u>	Refer to WP-SS-S4AE-2d (Pilot).xls "Tax Depr" Worksheets	Refer to WP-SS-S4AE-2d (Pilot).xls "Tax Depr" Worksheets	(Col 6 - Col 7) * [Income Tax Rate]	<u>Prior + Col 8</u>	<u>Col 5 - Col 9</u>	(Prior Col 6 + Col 6) / 2 * Monthly Pre Tax WACC
2013	631	-	-	-	-	-	-	-	-	-	-
2014	20,520	-	-	-	-	-	-	-	-	-	-
2015	4,789	26,749	1,467	1,467	25,282	4,482	1,247	1,321	1,321	23,960	2,710
2016	-	26,749	1,467	2,934	23,815	7,176	1,247	2,422	3,743	20,071	2,461
2017	-	26,749	1,467	4,401	22,348	4,315	1,247	1,253	4,996	17,351	2,092
2018	-	26,749	1,467	5,869	20,880	2,593	1,247	550	5,546	15,334	1,827
2019	-	26,749	1,467	7,336	19,413	2,591	1,247	549	6,096	13,318	1,601
2020	-	26,749	1,294	8,630	18,119	1,317	1,100	88	6,184	11,935	1,411
2021	-	26,749	1,294	9,924	16,825	20	1,100	(441)	5,743	11,082	1,287
2022	-	26,749	1,294	11,218	15,531	18	1,100	(442)	5,301	10,230	1,191
2023	-	26,749	1,294	12,513	14,236	18	1,100	(442)	4,859	9,378	1,096
2024	930	27,679	1,387	13,900	13,779	204	1,193	(404)	4,455	9,325	1,045
2025	240	27,919	1,504	15,404	12,515	364	1,310	(387)	4,068	8,447	993
2026	-	27,919	1,528	16,932	10,987	273	1,334	(433)	3,635	7,352	883
2027	-	27,919	1,528	18,460	9,458	171	1,334	(475)	3,160	6,299	763
2028	-	27,919	1,528	19,989	7,930	153	1,334	(483)	2,677	5,253	646
2029	-	27,919	1,435	21,424	6,495	99	1,241	(466)	2,211	4,284	533
2030-2037	-	27,919	6,495	27,919	-	113	5,524	(2,211)	(0)	0	1,194
Total	27,109		27,919			23,906	23,906	0			21,734

**PSE&G Solar 4 All Extension
Revenue Requirements Calculation**

(\$000's)

Solar 4 All Extension: Segments B, C, and D - Pilots

	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	Expenses					Revenue from Sale of				ITC			
	O&M	Administrative	Rent	Insurance	Other	Energy	Capacity	SRECs	Other	Amortization	Tax Gross-up	Tax Assoc. w/50% ITC Basis Reduction	Revenue Requirements
Jan-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Jul-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Aug-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Sep-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Oct-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Nov-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Dec-13	-	7	-	-	-	-	-	-	-	-	-	-	7
Jan-14	-	7	-	-	-	-	-	-	-	-	-	-	7
Feb-14	-	7	-	1	-	-	-	-	-	-	-	-	8
Mar-14	-	7	-	1	-	-	-	-	-	-	-	-	9
Apr-14	-	7	-	1	-	-	-	-	-	-	-	-	9
May-14	-	7	-	1	-	-	-	-	-	-	-	-	9
Jun-14	-	7	-	1	-	-	-	-	-	-	-	-	9
Jul-14	-	7	-	1	-	-	-	-	-	-	-	-	9
Aug-14	-	7	-	1	-	-	-	-	-	-	-	-	9
Sep-14	-	7	-	2	-	-	-	-	-	-	-	-	10
	Program Assumption	Program Assumption	Program Assumption	Program Assumption	Refer to WP-SS-S4AE-2c (Pilot).xls "State Rebate and ITC" Worksheet Row 791	Col 21 * [Tax Rate] * [Rev. Conv. Fac.]	(Col 3 - Col 7) * [Tax Rate] * [Rev. Conv. Fac.]	Col 3 + Col 11 + Col 12 + Col 13 + Col 14 + Col 15 + Col 16 - Col 17 - Col 18 - Col 19 - Col 20 - Col 21 - Col 22 + Col 23					
2013	-	50	-	-	-	-	-	-	-	-	-	-	50
2014	-	88	-	20	-	-	-	-	-	-	-	-	108
2015	131	91	181	54	-	241	-	558	-	440	304	152	3,244
2016	135	41	185	56	-	245	-	699	-	440	304	152	2,809
2017	138	97	190	58	-	256	-	695	-	440	304	152	2,498
2018	142	100	195	59	-	270	72	692	-	440	304	152	2,164
2019	145	104	199	61	-	282	74	689	-	440	304	152	1,942
2020	149	107	204	63	-	290	75	685	-	388	268	134	1,656
2021	152	111	210	65	-	307	76	681	-	388	268	134	1,532
2022	156	115	215	67	-	330	78	678	-	388	268	134	1,431
2023	160	119	220	69	-	347	79	674	-	388	268	134	1,336
2024	164	123	226	71	-	363	81	671	-	388	268	134	1,380
2025	168	128	231	73	-	376	82	667	-	388	268	134	1,451
2026	172	132	237	75	-	397	83	663	-	388	268	134	1,362
2027	177	137	243	78	-	415	85	659	-	388	268	134	1,244
2028	181	141	249	80	-	380	86	654	-	388	268	134	1,183
2029	188	146	255	84	-	382	88	650	-	388	268	134	1,000
2030-2037	1,141	1,371	1,269	849	474	2,390	395	173	-	1,941	1,341	670	7,223
Total	3,499	3,201	4,510	1,883	474	7,270	1,354	10,188	0	8,025	5,542	2,771	33,612

PSE&G Solar 4 All Extension
Under/(Over) Calculation

0.000035 Proposed SGIEP Rate \$/kWh
 40.850% Tax Rate

Attachment B
 Page 1 of 3

	1	2	3	4	5	6	7	8
	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>
<u>RGGI S4AE Under/(Over) Calculation</u>								
(1) SGIEP RGGI Revenue	-	-	-	-	-	132,109	150,989	153,609
Revenue Requirements (excluding (2) Incremental WACC)	-	-	-	-	-	123,062	123,062	123,062
(3) Monthly Under/(Over) Recovery	-	-	-	-	-	(9,046.1)	(27,926.5)	(30,546.7)
(4) Deferred Balance	-	-	-	-	-	(9,046)	(36,973)	(67,519)
(5) Monthly Interest Rate	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%
(6) After Tax Monthly Interest Expense/(Credit)	-	-	-	-	-	(0.72)	(3.65)	(8.29)
(7) Cumulative Interest Balance Added to Subsequent Year's (8) Revenue Requirements	-	-	-	-	-	(0.72)	(4.37)	(12.66)
(9) Net Sales - kWh (000)						3,774,531	4,313,972	4,388,835
(10) Incremental Interest From WACC Change								
(11) Cumulative Incremental Interest								
(12) Average Net of Tax Deferred Balance	-	-	-	-	-	(2,675)	(13,610)	(30,904)

PSE&G Solar 4 All Extension
Under/(Over) Calculation

0.000035 Proposed SGIEP Rate \$/kWh
 40.850% Tax Rate

Attachment B
 Page 2 of 3

	9	10	11	12	13	14	15	16
<u>RGGI S4AE Under/(Over) Calculation</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>
(1) SGIEP RGGI Revenue	128,945	114,924	113,326	122,168	132,185	117,237	121,902	112,623
Revenue Requirements (excluding								
(2) Incremental WACC)	<u>123,115</u>	<u>123,119</u>	<u>123,897</u>	<u>124,179</u>	<u>128,827</u>	<u>129,604</u>	<u>130,293</u>	<u>131,926</u>
(3) Monthly Under/(Over) Recovery	(5,829.3)	8,194.4	10,571.3	2,011.3	(3,357.4)	12,366.8	8,390.5	19,302.5
(4) Deferred Balance	(73,349)	(65,154)	(54,583)	(52,572)	(55,929)	(43,562)	(35,172)	(15,869)
(5) Monthly Interest Rate	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%
(6) After Tax Monthly Interest Expense/(Credit)	(11.18)	(10.99)	(9.50)	(8.50)	(8.61)	(7.89)	(6.25)	(4.05)
(7) Cumulative Interest	(23.83)	(34.82)	(44.32)	(52.82)	(61.43)	(69.32)	(75.57)	(79.62)
(8) Balance Added to Subsequent Year's Revenue Requirements								
(9) Net Sales - kWh (000)	3,684,138	3,283,557	3,237,889	3,490,519	3,776,705	3,349,640	3,482,928	3,217,804
(10) Incremental Interest From WACC Change								
(11) Cumulative Incremental Interest								
(12) Average Net of Tax Deferred Balance	(41,662)	(40,962)	(59,869)	(53,577)	(54,250)	(49,746)	(39,367)	(25,521)

PSE&G Solar 4 All Extension
Under/(Over) Calculation

0.000035 Proposed SGIEP Rate \$/kWh
 40.850% Tax Rate

Attachment B
 Page 3 of 3

	17	18	19	20	21		
<u>RGGI S4AE Under/(Over) Calculation</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Total</u>	
(1) SGIEP RGGI Revenue	114,374	133,859	153,598	155,534	129,515	2,086,898	SGIEP Rate * Row 9
Revenue Requirements (excluding (2) Incremental WACC)	132,536	134,279	137,045	139,394	141,025	2,068,427	From SS-S4AE-3, Col 26
(3) Monthly Under/(Over) Recovery	18,161.3	420.1	(16,553.8)	(16,139.1)	11,510.4	(18,470.5)	Row 2 - Row 1
(4) Deferred Balance	2,292	2,712	(13,842)	(29,981)	(18,470)		Prev Row 4 + Row 3
(5) Monthly Interest Rate	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%		Monthly Interest Rate
(6) After Tax Monthly Interest Expense/(Credit)	(1.08)	0.40	(0.88)	(3.48)	(3.84)		(Prev Row 4 + Row 4) / 2 * (1 - Tax Rate) * Row 5
(7) Cumulative Interest Balance Added to Subsequent Year's	(80.70)	(80.30)	(81.18)	(84.66)	(88.50)		Prev Row 7 + Row 6
(8) Revenue Requirements					(18,558.99)		Row 4 + Row 7 + Row 11
(9) Net Sales - kWh (000)	3,267,842	3,824,536	4,388,527	4,443,815	3,700,417		
(10) Incremental Interest From WACC Change							
(11) Cumulative Incremental Interest							Prev Row 11 + Row 10
(12) Average Net of Tax Deferred Balance	(6,789)	2,502	(5,565)	(21,911)	(24,226)		(Prev Row 4 + Row 4) / 2 * (1 - Tax Rate)

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 65

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

Superseding

XXX Revised Sheet No. 65

RGGI RECOVERY CHARGE

**Charge
(per kilowatthour)**

Component:

Carbon Abatement Program	\$ 0.000045
Demand Response Working Group Modified Program	\$ 0.000000
Energy Efficiency Economic Stimulus Program.....	\$ 0.000434
Demand Response Program	\$ 0.000122
Solar Generation Investment Program	\$ 0.000432
Solar Loan II Program	\$ 0.000067
Energy Efficiency Economic Extension Program.....	\$ 0.000099
<u>Solar Generation Investment Extension Program</u>	<u>\$ 0.000035</u>
<u>Solar Loan III Program</u>	<u>\$ 0.000020</u>
Sub-total per kilowatthour	\$ 0.001199 <u>0.001254</u>
Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.001283 <u>0.001342</u>

RGGI RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. For the Demand Response Working Group Modified Program. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. For all other programs, 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:

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

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 65

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

Superseding

XXX Revised Sheet No. 65

RGGI RECOVERY CHARGE

**Charge
(per kilowatthour)**

Component:

Carbon Abatement Program	\$ 0.000045
Demand Response Working Group Modified Program	\$ 0.000000
Energy Efficiency Economic Stimulus Program.....	\$ 0.000434
Demand Response Program	\$ 0.000122
Solar Generation Investment Program	\$ 0.000432
Solar Loan II Program	\$ 0.000067
Energy Efficiency Economic Extension Program.....	\$ 0.000099
Solar Generation Investment Extension Program	\$ 0.000035
Solar Loan III Program	\$ <u>0.000020</u>
Sub-total per kilowatthour	\$ 0.001254

Charge including New Jersey Sales and Use Tax (SUT)..... \$ 0.001342

RGGI RECOVERY CHARGE

This charge is designed to recover the revenue requirements associated with the PSE&G Regional Greenhouse Gas Initiative (RGGI) programs. The charge will be reset nominally on an annual basis. For the Demand Response Working Group Modified Program. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances. For all other programs, 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:

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

Effective:

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes due to the new proposed Solar Generation Investment Extension Program component of the RGGI Recovery Charge (RRC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
170	1,600	\$314.24	\$314.24	\$0.00	0.00%
415	3,900	723.56	723.72	0.16	0.02
780	7,360	1,349.08	1,349.36	0.28	0.02
803	7,800	1,428.80	1,429.08	0.28	0.02
1,320	12,400	2,275.04	2,275.48	0.44	0.02

- (1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2013 and assumes that the customer receives BGS-FP service from Public Service.
- (2) Same as (1) except includes changes from the new proposed Solar Generation Investment Extension Program component of the RRC.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,600	170	\$32.50	\$32.50	\$0.00	0.00%
3,900	415	75.81	75.83	0.02	0.03
7,360	780	142.73	142.76	0.03	0.02
7,800	803	147.12	147.15	0.03	0.02
12,400	1,320	245.40	245.45	0.05	0.02

- (3) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2013 and assumes that the customer receives BGS-FP service from Public Service.
- (4) Same as (3) except includes changes from the new proposed Solar Generation Investment Extension Program component of the RRC.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
Solar 4 All™ Extension Program Rules for:

<u>Segment</u>	<u>Name</u>	<u>Segment Size</u>	<u>Minimum Project Size</u>
Segment A	Landfills and Brownfields	42 MW	1 MW
Segment B	Underutilized Government Facilities	1 MW	100 kW
Segment C	Pilot: Grid Security / Storm Preparedness	1MW	100 kW
Segment D	Pilot: Innovative Parking Lot Applications	1 MW	100 kW

GENERAL REQUIREMENTS APPLICABLE TO ALL SEGMENTS

1. Upon completion, Solar Systems must be interconnected to the PSE&G electric distribution system. Net metered projects will not be considered.
2. The Solar Systems in Segments B, C and D may be ground-mounted systems, parking lot canopy systems, or rooftop systems.
3. The Solar System must be capable of generating solar renewable energy certificates ("SRECs") as defined under NJ BPU regulations.
4. For landfill and brownfield projects, PSE&G will seek Board certification pursuant to the Board's Order implementing the Solar Act of 2012, N.J.S.A. 48:3-51 subsection (t) by submitting an application to the Board for NJDEP review and approval by the Board.
5. PSE&G, the Site Owner, or Solar Contractor will initiate the PJM Interconnection process, and identify the interconnection costs associated with viable sites as determined by PSE&G.
6. PSE&G will perform the work and procure the materials necessary to interconnect the Solar Systems to the electric grid and may perform additional portions of the work.

SEGMENTS A & B

7. Site Selection. Potential sites will be evaluated by a number of factors which may include ease of permitting, ease of interconnection, site conditions, and other factors as determined by PSE&G.
 - a. PSE&G may retain the services of an engineering firm for site assessment, development of the scope of work, permitting, proposal review, and other services.
 - b. Alternatively, PSE&G may also request landfill or brownfield property owners to submit proposals for consideration.¹
8. Selection of Contractors. PSE&G will invite reputable solar companies (“Contractors”) to participate in a competitive bidding process to provide the engineering, permitting, procurement and construction services required to develop the projects. Alternatively, PSE&G may procure the equipment directly and hire Contractors through a competitive bid process to provide the engineering, permitting, and construction services. More information regarding the competitive bidding process is set forth below.
9. Prior to Board Approval, PSE&G may begin site selection, site evaluation, and bid processes, and contract and lease negotiations. All contracts and leases will be effective only after (a) Board Approval of the Solar 4 All Extension Program and (b) PSE&G’s determination that the contract is in compliance with conditions of Board Approval.

Competitive Bidding Process for Contractors

10. For each site PSE&G has identified and selected for development, PSE&G will invite Contractors to submit proposals for the engineering, permitting and construction (and procurement if applicable) of the project (“Proposals”). At a minimum, each Proposal shall contain:
 - A project description, site plan solar array layout, and total installed watts (dc).

¹ PSE&G will also give favorable consideration for those projects in which the site owner and solar contractor have coordinated and prepared a fully engineered, ready to build project.

- The total installed cost of the Solar System as specified by the competitive bid process.
- An annual energy output estimate in kWh for the first year using a methodology as may be appropriate and acceptable to PSE&G.
- A project schedule.
- Financial status of the Contractor including audited financial statements or other means to determine the suitability of the Contractor.
- Priority will be given to NJ firms to the extent permitted by applicable law.

Contract between PSE&G and the Solar Contractor

11. Upon the final acceptance of a Proposal, PSE&G will enter into a construction contract with the Contractor to build the Solar System. The contract will contain typical terms and conditions including schedule and performance guaranties, liquidated damages, warranties, indemnifications, insurance, retainage or other credit enhancements, and a milestone payment schedule. The contract will be contingent on the successful negotiation of a lease with the Site Owner.

Agreement with the Site Owner

12. PSE&G and the Site Owner will enter into a suitable lease agreement (“Lease”) containing typical terms and conditions including rent payments, insurance, indemnifications, owner responsibility for pre-existing site conditions, and access, all to be negotiated with the Site Owner. Lease payments will commence upon the commercial operation of the Solar System. The lease payment will be determined using the methodology established in the current Solar 4 All program and will be escalated by a percentage annually for a term of 20 years unless applicable law requires a shorter term and may contain options to extend the term as negotiated by the parties.. The lease payment will be set at a price per kWh of projected output in the first year.
13. Additional payments may be made to site owners, which may also include pre and post commercial operation payments, and other option payments necessary to secure property rights for the site. The Site Owner must accept responsibility for pre-existing site conditions including, but not limited to, environmental and subsurface conditions. PSE&G will not be responsible for pre-existing site conditions.

SEGMENTS C & D

Solicitations

14. For each segment, PSE&G will conduct a solicitation requesting proposals that meet the objectives of each pilot/demo segment.
15. Notices for each solicitation will be posted on the PSE&G website and may also be promoted through other means as determined by PSE&G.
16. PSE&G will evaluate and select proposals based on the objectives and criteria established for each segment. PSE&G reserves the right to reject any or all proposed that, in its view, do not meet the segment's objectives and criteria.

Proposal Requirements

17. At a minimum, each Proposal shall contain:
 - A project description, site plan solar array layout, and total installed watts (dc).
 - The total installed cost of the pilot/demo Solar System.
 - An annual energy output estimate in kWh for the first year using a methodology as may be appropriate and acceptable to PSE&G.
 - A project schedule.
 - A clear and detailed description of how the proposed pilot/demo Solar System meets the objectives of the segment and how it will foster the adoption of new, creative and cost effective technical solutions and business models that will further contribute to the develop of solar in NJ.
 - Priority will be given to NJ firms to the extent permitted by applicable law.

Contract between PSE&G and the Solar Contractor

18. Upon the final acceptance of a Proposal, PSE&G will enter into a contract with the Contractor to build the pilot/demo Solar System. The contract will contain typical

terms and conditions including schedule and performance guaranties, liquidated damages, warranties, indemnifications, insurance, retainage or other credit enhancements, and a milestone payment schedule. The contract will be contingent on reaching agreement with the Site Owner.

Agreement with the Site Owner

19. PSE&G and Site Owner will enter into a suitable agreement containing typical terms and conditions including insurance, indemnifications, owner responsibility for pre-existing site conditions, and access. Because of the uniqueness of the pilot/demo projects, the exact nature of any financial transactions between PSE&G and the Site Owner will be determined on a case by case basis.
20. The Site Owner must accept responsibility for pre-existing site conditions including, but not limited to, environmental and subsurface conditions. PSE&G will not be responsible for pre-existing site conditions.

ALLOCATION OF CAPACITY

21. The program size shall be capped at 45 MW, with no more than 20 MW going in-service in EY 2015 and the balance going into service in EY 2016.
22. PSE&G will have the flexibility to move capacity only between Segment B, C and D but cannot decrease the capacity of Segment A.

PSE&G may move capacity from Segments B, C and D to Segment A.

SOLAR LOAN III PROGRAM RULES

Eligibility Requirements

- Definition of a Solar Project – A photovoltaic solar electric generating system that converts sunlight into measurable and verifiable alternating current (“AC”) electric power.
- All solar projects must be installed within PSE&G’s service territory.
 - Net-metered projects must be installed at a customer location that receives (or that will receive in the case of new construction) retail electricity service from PSE&G.
- The solar photovoltaic panels must have a minimum 20-year output warranty.
- Projects accepted under this program will be ineligible for any benefits from other PSE&G or BPU renewable energy programs, except for net metering and the SRECs generated by the solar system.
- Projects under construction may not apply for loans in the Residential-Individual Customer, Small Non-Res, and Large Non-Res segments. “Under construction” means anything other than site clearance or site preparation. The receipt and storage of equipment at the facility site will not be considered “under construction”, provided no attempt is made to assemble or erect the equipment. In the Res-Aggregated and Landfill market segments, projects under construction but not in commercial operation are eligible to apply for the Solar Loan III Program. “Commercial Operation” means that the system is operating and has received its final inspection in preparation for the issuance of SRECs.
- For non-residential projects, loan applicants must be registered to do business in New Jersey.
- The applicant must meet minimum insurance requirements as specified in the Solar Loan Agreement.
- The applicant must make provision for solar system maintenance for the duration of the loan term.
- All systems that are located in PSE&G’s electric service territory and are eligible for SRECs will be eligible to participate.

Competitive Solicitation Process for All Segments

- Loan applications will be grouped into market segments as defined below for review:
 - Residential-Individual Customer – net-metered
 - Residential-Aggregated by a 3rd Party – net-metered (“Res-Aggregated”)
 - Non-residential ≤ 150kW – net-metered (“Small Non-Res”)

- Non-residential >150kW (up to 2 MW per project) – net-metered (“Large Non-Res”)
- Landfills/brownfields (up to 5 MW per project) – either net-metered or grid connected (“Landfills”) and as defined in P.L.1999, c.23 (C.48:3-49) et al. PSE&G will manage the solicitation process directly or through a third-party vendor.
- Applicants must submit a complete application package including the credit application and appropriate loan application fee to participate in the solicitation process.
- PSE&G plans to conduct solicitations every other month or six times a year. However, PSE&G reserves the right to alter the schedule based on market conditions, administrative workload, and other factors.
- Upon commencement of the Solar Loan III Program, any remaining unawarded capacity from the Solar Loan II program will be rolled into the first solicitation for the Large Non-Res segment. Subsequent to the first Solar Loan III solicitation, if additional Solar Loan II capacity becomes available, it will be rolled into the next available solicitation for the Large Non-Res segment.
- PSE&G may require applicants to submit documentation via a web portal to participate in the Solar Loan Program
- PSE&G will hire an independent Solicitation Manager ("SM") selected through a competitive bid process who will review and rank the bids received and provide guidance to the Company regarding competitive SREC Floor prices and the competitiveness of individual segments based on such factors as the number of bidders, a statistical analysis of bids to identify and reject outliers, kW bid and range of pricing. The following is a typical solicitation schedule; however, PSE&G may modify the schedule based on market conditions, administrative workload, and other factors:

EVENT	DATE
Solicitation "X" Opens	Day 1
SA Provides SREC Floor Price Benchmark	By Day 5
Deadline for Participants to Submit Offers	Day 5
PSE&G Preliminary Offer Review, Receive App. Fee, & Remedy Minor Deficiencies	Day 6-15
PSE&G Ranks Qualified Offers first by Bid Price & then by Date/Time Received	Day 16
SA Reviews Bids & Provides Recommendations to PSE&G	Day 17-19
PSE&G Notifies Applicants of Status (via email)	Day 20
PSE&G Commences Secondary Project Credit & Interconnection Review and Landfill Technical Review as appropriate	Day 21
Solicitation "X" Closes - Pending Applicants are Notified (via email)	Day 40
PSE&G Posts Solicitation Results on website	Day 41
Solicitation "X+1" Opens	Abt. Day 45

Note: All dates are business days, e.g. Day 5 is the fifth business day after the solicitation began.

- The actual solicitation schedule will be published on the PSE&G website.
- Any applicant whose project and credit application is not complete and whose application fee has not been received by Day 15 will not be considered for the pending solicitation.
- Capacity will be made available at each solicitation as follows:

Class	% of Total	Total MW	Solicitation				
			#1	#2	#3	#4 - #12	#13 - #18
Residential	10.00%	9.75	0.300	0.500	0.850	0.900	TBD
Res-Aggregated	10.00%	9.75	0.300	0.500	0.850	0.900	TBD
Small Non-Res	13.48%	13.14	2.628	1.314	1.314	0.876	TBD
Large Non-Res	61.39%	59.86	11.972	5.986	5.986	3.991	TBD
Landfills	5.13%	5.00	5.000	0.000	0.000	0.000	TBD
Total		97.50	21.850	8.775	9.125	6.417	TBD

- PSE&G will conduct a periodic, competitive solicitation process through which a potential borrower will submit a loan application with a proposed SREC floor price specific to their project.
- Proposed SREC floor prices must be in multiples of \$5.00
- Within each segment, qualified projects will be ranked from the lowest to the highest SREC floor price.
- Applicants that bid the same SREC floor price within a segment will be further ranked according to the date-stamp with the earliest date and time listed first.
- Each capacity block will be filled by the ranked list of qualified projects until the capacity is fully allocated.
- If the capacity of the bids received is equal to or less than the segment capacity block size:
 - All projects will be conditionally accepted, and will be considered for further screening, such as credit and interconnection review.
 - During each solicitation, underutilized capacity from any segment may be reallocated to other oversubscribed segments for that same solicitation, except that for the first solicitation, any unused capacity (kW) in the Residential or Res-Aggregated Segments will be added to their respective segments' capacity in the second solicitation.
 - After any reallocation of unused capacity to other oversubscribed segments, as applicable, any remaining unused capacity in a segment will be added to the capacity block for that segment in the next solicitation.

If an individual project by virtue of its size would cause the capacity in a particular segment to be over-subscribed, PSE&G will accept the project and lower the capacity of the next available

capacity block for that segment by the amount the particular segment was over-subscribed. For example, if by accepting a 1 MW project, the Large Non-Res segment capacity of 11.972 MW (Solicitation #1) is exceeded by 0.2 MW, the Large Non-Res segment for Solicitation #2 will be reduced from 5.986 MW to 5.786 MW.

- Where appropriate, applicants will be notified after the close of the solicitation that their projects have been conditionally accepted subject to further review and acceptance on other loan criteria such as credit and interconnection considerations.
- Applications that met the acceptance criteria but were not accepted because of capacity limitations will be placed on a pending list. If conditionally accepted projects screen out, or opt out, before the current solicitation close date, applications on the pending list will be substituted according to their original rank order.
- Applicants remaining on the pending list after the solicitation close date will be notified and may then participate in the next solicitation; however, they will keep their original timestamp. During the open period for the next solicitation, these applicants will have the option to modify their bid floor price. Applicants who choose not to enter the next solicitation will have their application fee returned.

For the last solicitation only, if an individual project by virtue of its size would cause the capacity of the total Program to exceed 97.5 MW, PSE&G will offer to accept the applicant based on the remaining capacity in the Program. For example, if there were only 900 kW remaining in the Program and the next project on the pending list is a 1 MW project, PSE&G would offer the applicant a loan based on the remaining 900 kW. If the applicant declines, the next applicant in the pending list will be offered space in the capacity block. Continuing with the above example, if this second applicant's project size is less than 900 kW, the second applicant will be accepted and any remaining capacity will be offered to the third applicant on the pending list. If the second applicant's project is greater than 900 kW, PSE&G will offer to accept the second applicant based on the remaining 900 kW. This process will continue until the last capacity block is filled.

Res-Aggregated Segment

Third parties that aggregate residential customers shall be allowed to participate and will be treated as non-residential applicants under the Solar Loan III Program through the Res-Aggregated Segment. For the solicitations, they will be required to bid individual residential projects including individual SREC Floor Prices. After review by the SA, the final group of selected residential projects will be combined and the third party aggregator will be assigned the capacity of the combined residential projects and from then on will be treated as a non-residential application for credit review and loan management. In the event that individual residential projects have different SREC bid prices, a weighted average SREC bid price will be calculated. The weighted average SREC floor price will be rounded to the nearest \$5.00 increment. Once individual residential projects have been accepted and the third party aggregator has been assigned capacity, substitute projects will not be allowed.

Landfill Segment Projects

Prior to being qualified for the Program, PSE&G reserves the right to require applicants to demonstrate proof of project viability through geotechnical engineering reports, landfill closure certifications and other documents as required. PSE&G may also require applicants to show proof of site control and a minimum level of site development before being designated as a qualified applicant. Applicants that are required to be certified pursuant to the Board’s Order implementing the Solar Act of 2012, N.J.S.A. 48:3-51 subsection (t) must submit their application to the Board no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the Program.

General Program Rules

- All loans will have a ten-year term.
- The floor price will remain in effect for the duration of the loan term.
- There will be no Call Option for any segment.
- Approved Residential and Res-Aggregated solar projects must be completed within six months after PSE&G issues a loan commitment. PSE&G may withdraw the loan commitment if a Residential Segment project fails to meet this deadline. At PSE&G’s discretion, PSE&G may request additional project documentation (e.g. detailed project schedule, EPC agreement, PPA agreement) from the borrower. Upon request from PSE&G, borrowers are required to provide such documentation as requested by PSE&G in a timely manner.
- Projects that are required to be certified under section t. of the Solar Act of 2012 must submit their application to the BPU, along with a copy to PSE&G, no more than 10 calendar days after PSE&G provides notification that they have been conditionally accepted into the program.
- Unless waived by PSE&G, Non-Residential projects must to meet certain milestones during the project lifecycle. These milestones are shown below:

Milestone	Due Date (Days)	Grace Period (Days)	Missed Milestone Fee (\$/kW)	Remedy Period (Days)
Commitment Letter signed by Borrower	5	10	25	15
File Permits	60	75	25	90
Commence Construction	90	105	25	120

- All due dates are calendar days relative to the date of the commitment letter signed by PSE&G. For example, the Commitment Letter Grace Period ends ten calendar days after PSE&G issues the Commitment Letter.

- If an applicant misses a due date and fails to cure within the applicable Grace Period, and has not been granted an extension by PSE&G, the applicant will be charged the appropriate Missed Milestone Fee, which will be deducted from the proceeds of the loan at closing.
- If, by the end of the Remedy Period, the applicant has not complied with the Milestone, the loan commitment may be revoked, at PSE&G's sole discretion, and the associated capacity will become available for a subsequent competitive solicitation. PSE&G will obtain a security interest in the solar equipment.
- PSE&G will enter into appropriate subordination agreements with the property owners and landlords to protect PSE&G's security interest in the solar equipment.
- If, after credit review, an applicant requests either a name change that requires an additional credit review or to change the location of the solar system, PSE&G reserves the right to reject the request. If the request is accepted, there will be a \$3/kW fee to cover the additional administrative cost of accommodating such change.
- Estimated generation from the solar power system for the purposes of sizing the loans will be determined using PV Watts or an equivalent estimating model subject to PSE&G's approval.
- PSE&G may require applicants to provide a New Jersey certification number in advance of closing a loan as proof that a project is eligible to receive SRECs.

Fees

- Application Fee – an application fee of \$20 per kW-dc (maximum of \$7,500) will be required at the time of application. Once an applicant has been notified that the application has been conditionally accepted into the program, the application fee is non-refundable. If an applicant is not accepted, the application fee will be returned in full or partially, in the case of Res-Aggregators, if the full bid capacity is not accepted.
- Administration Fee – there will be an administration fee of \$85/kW. The administration fee will be deducted from the loan proceeds at the time the loan is issued to the borrower.
- SREC Processing Fee – there will be a fee for the processing and management of the SRECs generated by the borrower's solar generation facility. For the Residential Segment, the SREC Processing Fee will be \$120/kW and will be deducted from the loan proceeds at the time the loan is issued to the borrower. For all other segments, the SREC Processing Fee will initially be set at \$10.18/SREC and then will be reset on an annual basis as described below. The SREC Processing Fee will be billed annually at the time of the borrower's annual true-up as defined in the borrower's loan agreement and will be determined by multiplying the SREC Processing Fee in affect at the time by the number of SRECs generated by the borrower's project for the previous year.
- Over the term of the Solar Loan III program all PSE&G administrative costs are to be paid by borrowers. The true-up mechanism will ensure all costs are recovered from the borrowers and that the borrowers only pay the actual cost incurred.

- The initial non-residential SREC Processing Fee will be set based on PSE&G forecast of common costs divided by the expected number of non-residential SRECs to be generated by the Program. The SREC Processing Fee for future years will be determined by taking the net balance of fees and administrative costs for the current year and adding it to, or subtracting it from, the forecast of common costs and then dividing by the remaining number of non-residential SRECs expected to be generated for the remaining years. This approach will ensure that there will not be significant year to year volatility in the SREC Processing Fee.
- The Application and Administration Fees and the volume costs will be tracked together and after the last loan has closed the balance will be added to the SREC Processing Fee balance.

Basis For Rejection

PSE&G will have final authority on whether any particular application is complete and eligible for a solar loan. An application will be rejected for reasons including:

- If the application fails to meet eligibility and/or threshold requirements.
- If the applicant fails to submit required supporting documentation within the required time frame or is unable to verify or document any material representation within the application.
- If there are material misrepresentations in the project application.
- If the applicant engages in illegal or improper conduct or attempts to improperly influence PSE&G's decision-making process.
- Changes in laws or regulations affecting this program.
- If the applicant fails to permit disclosure of information contained in an application to the BPU, PSE&G or PSE&G agents or contractors charged with evaluating the solar project application.
- If PSE&G determines that the solar application does not represent a bona fide project or that the applicant will be unable to fulfill the requirements of this solar program.

Loan Defaults

- For the protection of the ratepayers, PSE&G will use reasonably prudent means to recover the outstanding loan balance on defaulted loans.
- If PSE&G ultimately determines that it is prudent to remove the solar system, PSE&G will sell the solar system and credit the net proceeds against the regulatory asset (i.e., the regulatory asset that PSE&G is recovering through the RGGI clause).
- Contemporaneously with the removal of a rooftop solar system, PSE&G will take appropriate steps to stabilize the affected areas of the roof to prevent leakage.
- PSE&G will repair the affected areas of the roof so that it reflects the general condition of the portions of the roof not affected by the removal of the solar system.

Late Payments

- For any loans that have annual or biennial true-up payments that are 30 days past due, PSE&G reserves the right to charge a late payment charge equal to 1% of the outstanding loan balance.

Meter Reading

- All projects will have a PSE&G revenue grade meter installed at the customer's expense to measure solar system output. Estimated generation will not be accepted. A second revenue grade meter may be installed as a backup at the customer's expense provided the meter meets the current ANSI accuracy standards as approved by the BPU.
- If a meter reading is simply missed for the month, the generation for that month will be credited when the next actual meter reading is obtained and entered into PJM GATS. SREC's will be credited to the loan in the month in which they are created.
- PSE&G may offer Residential customers the option of registering for "MyAccount" on the PSEG website, which will enable them to enter meter readings in any month that their meter is not read by a PSE&G meter reader
- If the PSE&G meter is not functioning properly and actual accurate generation data cannot be obtained from this meter, and the Borrower has a backup revenue grade meter installed for the system PSE&G will accept data from the back-up meter if it is accompanied by a spec sheet for the meter indicating the meter satisfies the above referenced ANSI code. In the case where the PSE&G owned meter is functioning properly, but there is an issue with remote telemetry, PSE&G reserves the right to conduct a site visit and obtain generation data directly from the meter.
- If the PSE&G meter is not functioning properly and actual generation data cannot be obtained from this meter, and the Borrower does not have a backup revenue grade meter installed for the system PSE&G will not enter any generation data into PJM GATS for the period when the actual generation data cannot be obtained.
- Each third party aggregator is required to install and own a meter that meets the then current accuracy standards as approved by the BPU for each residential project for which the aggregator receives funding under Solar Loan III, and must provide PSE&G SREC generation data along with read-only access to the data for validation. Third party aggregators are responsible for the accuracy and availability of all data.

**PSE&G Solar Loan III Program
Administrative Cost Schedule**

Year	Admin Fees										Admin Costs					Cash Flows						
	Residential				Non-Residential (Including Res-Aggregator Segment)						(10)=(1)+(2)+(5)+(6)	(11)=(3)+(8)	(12)=(10)+(11)	(13) from JAF-SLIII-3 col (3)	(14) from JAF-SLIII-3 col (1)	(15)=(13)+(14)	(16)=(10)-(13)	(17)=(11)-(14)	(18)=(12)-(15)	(19)=cumsum of (16)	(20)=cumsum of (17)	(21)=cumsum of (18)
	(1)=(22)*(31)	(2)=(32)*(27)	(3)=(33)*(27)	(4)=(1)+(2)+(3)	(5) see Note 1	(6)=(28)*(32)	(7) see Notes 2 & 3	(8)=(7)*(30)	(9)=(5)+(6)+(8)	Total Volume Fees (\$)												
2013	87,000	-	-	87,000	551,558	-	10.08	-	551,568	638,558	-	638,558	1,452,500	-	1,452,500	(813,943)	-	(813,943)	(813,943)	-	(813,943)	
2014	54,000	147,689	208,502	410,191	196,346	1,253,436	11.25	71,652	1,521,446	1,651,472	280,154	1,931,626	1,925,000	242,347	2,167,347	(273,528)	37,807	(235,721)	(1,087,471)	37,807	(1,049,664)	
2015	54,000	247,564	349,502	651,065	196,346	2,271,072	11.04	319,716	2,787,145	2,768,982	669,217	3,438,199	1,973,125	481,169	2,454,294	795,867	188,049	983,905	(291,614)	225,856	(65,758)	
2016	-	257,125	363,000	620,124	-	2,352,218	10.68	649,714	3,001,943	2,609,343	1,012,714	3,622,057	1,913,931	740,081	2,654,012	695,412	312,025	968,045	403,798	498,489	902,286	
2017	-	176,373	248,997	425,369	-	1,581,875	10.28	918,464	2,500,349	1,758,247	1,167,460	2,925,708	1,856,513	855,436	2,711,949	(98,266)	312,025	213,759	305,532	810,514	1,116,045	
2018	-	-	-	-	-	-	9.97	1,026,209	1,026,219	-	1,026,209	1,026,209	-	881,099	881,099	-	450,642	145,111	-	1,261,156	1,261,156	
2019	-	-	-	-	-	-	9.54	977,234	977,244	-	977,234	977,234	-	907,532	907,532	-	69,702	69,702	-	1,330,858	1,330,858	
2020	-	-	-	-	-	-	9.54	972,320	972,329	-	972,320	972,320	-	934,758	934,758	-	37,562	37,562	-	1,368,421	1,368,421	
2021	-	-	-	-	-	-	9.54	967,482	967,492	-	967,482	967,482	-	962,800	962,800	-	4,682	4,682	-	1,373,102	1,373,102	
2022	-	-	-	-	-	-	9.54	962,644	962,654	-	962,644	962,644	-	991,684	991,684	(29,040)	(29,040)	(29,040)	-	1,344,062	1,344,062	
2023	-	-	-	-	-	-	9.54	957,816	957,826	-	957,816	957,816	-	1,021,435	1,021,435	(63,619)	(63,619)	(63,619)	-	1,280,444	1,280,444	
2024	-	-	-	-	-	-	9.54	895,155	895,164	-	895,155	895,155	-	1,052,078	1,052,078	(156,923)	(156,923)	(156,923)	-	1,123,520	1,123,520	
2025	-	-	-	-	-	-	9.54	685,204	685,214	-	685,204	685,204	-	1,083,640	1,083,640	(398,436)	(398,436)	(398,436)	-	725,084	725,084	
2026	-	-	-	-	-	-	9.54	391,065	391,075	-	391,065	391,065	-	1,116,150	1,116,150	(725,084)	(725,084)	(725,084)	-	-	-	
Total	195,000	828,750	1,170,000	2,193,750	944,250	7,458,601		9,794,676	18,197,667	9,426,601	10,964,676	20,391,278	9,121,070	11,270,208	20,391,278	305,532	-	-	-	-	-	-

Notes:
 1 (5)=(31)*(23)+(24)+ 7500/1000*(25)+(26) For the Large Non-Res and Landfill Segment it is assumed that the average project size is 1000 kW and that these projects will be subject to the \$7,500 cap on the Application Fee
 2 For the initial year, the SREC Processing Fee rate is set annually by subtracting the projected Residential SREC Processing Fees (30) from the projected Total Common Admin Costs (14) and then dividing by the projected number of SRECs generated by the Non-Residential Segments (30).
 3 For subsequent years, the SREC Processing Fee rate is set by subtracting that year's Cumulative New Common Costs (17) from the projected Common Admin Costs (14) and then dividing by the projected number of SREC generated by the Non-Residential segments (30).
 4 After the last loan is closed, the net balance of Volume Related Costs (19) will be transferred to the net balance of Common Costs (17).

Year	(22)					(23)					(24)					(25)					(26)					(27)					(28)					(29)					(30)				
	Application Forecast (kW)										Closing Forecast (kW)										SREC Forecast																								
	Res	Res-Agg	NRS	NRL	LF	Res	Non-Res	Res	Non-Res	Res	Non-Res																																		
2013	4,350	4,350	7,884	35,917	5000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
2014	2,700	2,700	2,628	11,972		1,738	14,746	750	6,371																																				
2015	2,700	2,700	2,628	11,972		2,913	26,718	3,311	28,967																																				
2016						3,025	27,673	6,791	60,859																																				
2017						2,075	18,610	9,926	89,388																																				
2018								11,435	102,929																																				
2019								11,380	102,415																																				
2020								11,321	101,900																																				
2021								11,266	101,393																																				
2022								11,208	100,886																																				
2023								11,153	100,380																																				
2024								10,383	93,813																																				
2025								7,890	71,810																																				
2026								4,526	40,984																																				
2027								1,489	13,356																																				
Total	9,750	9,750	13,140	59,860	5,000			9,750	87,748	112,829	1,015,451																																		

	(31)	(32)	(33)
	Application Fee (\$/kW)	Admin Fee (\$/kW)	SREC Processing Fee (\$/kW)
Residential	20	85	120
Non-Residential	20	85	n/a

PSE&G Solar Loan III Program
Weighted Average Cost of Capital (WACC)



	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Revenue Conversion Factor</u>	<u>Pre-Tax Weighted Cost</u>	<u>Discount Rate</u>
Other Capital	48.8000%	5.1702%	2.5231%	1.0000	2.5231%	
Customer Deposits	<u>0.0000%</u>	0.0000%	<u>0.0000%</u>	1.0000	<u>0.0000%</u>	
Sub-total	48.8000%		2.5231%		2.5231%	1.4924%
Preferred Stock	0.0000%	0.0000%	0.0000%	1.6906	0.0000%	0.0000%
Common Equity	<u>51.2000%</u>	10.0000%	<u>5.1200%</u>	1.6906	<u>8.6560%</u>	<u>5.1200%</u>
Total	100.0000%		7.6431%		11.1791000%	6.6124%
Monthly WACC			0.63693%		0.93159000%	

Reflects a tax rate of 40.850%

**PSE&G Solar Loan III Program
Electric Revenue Requirements Calculation - Summary**

Annual Pre-Tax WACC 11.1791%
Monthly Pre-Tax WACC 0.93159%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<u>Total Loan Outstanding Balance</u>	<u>SREC Inventory</u>	<u>Total Net Loan Investment</u>	<u>Return Requirement On Net Loan Investments</u>	<u>Incremental Return Requirement On Net Loan Investments</u>	<u>Net Plant Investment</u>	<u>Return Requirement on Plant Investment</u>	<u>Incremental Return Requirement on Plant Investment</u>	<u>Loan Accrued Interest</u>	<u>Loan Interest Paid</u>	<u>Net Loan Accrued Interest</u>	<u>Loan Principal Paid / Amortized</u>
Monthly Calculations												
Jan-13	-	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-	-
Jun-13	-	-	-	-	-	-	-	-	-	-	-	-
Jul-13	-	-	-	-	-	-	-	-	-	-	-	-
Aug-13	-	-	-	-	-	-	-	-	-	-	-	-
Sep-13	-	-	-	-	-	-	-	-	-	-	-	-
Oct-13	-	-	-	-	-	-	-	-	-	-	-	-
Nov-13	-	-	-	-	-	-	-	-	-	-	-	-
Dec-13	-	-	-	-	-	-	-	-	-	-	-	-
Jan-14	-	-	-	-	-	-	-	-	-	-	-	-
Feb-14	-	-	-	-	-	-	-	-	-	-	-	-
Mar-14	-	-	-	-	-	-	-	-	-	-	-	-
Apr-14	-	-	-	-	-	-	-	-	-	-	-	-
May-14	-	-	-	-	-	-	-	-	-	-	-	-
Jun-14	-	-	-	-	-	-	-	-	-	-	-	-
Jul-14	33,877,248	-	33,877,248	308,440	-	-	-	-	308,440	-	308,440	-
Aug-14	34,192,846	-	34,192,846	315,598	-	-	-	-	315,598	-	315,598	-
Sep-14	33,942,283	379,400	34,321,683	318,654	-	-	-	-	318,538	569,100	(250,562)	-
	From Sched SS-SLIII- 3a Col 11	From Sched SS- SLIII-3a Col 15	Col 1 + Col 2	From Sched SS-SLIII- 3a Col 3 + Col 16	N/A	From Sched SS- SLIII-3a Col 27	(Prior Col 6 + Col 6) / 2 * [Monthly Pre Tax WACC]	N/A	From Sched SS-SLIII- 3a Col 4	From Sched SS-SLIII- 3a Col 7	Col 9 - Col 10	From Sched SS-SLIII 3a Col 8
Annual Summary												
2012	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	33,317,032	1,424,200	34,741,232	1,906,052	-	-	-	-	1,884,524	1,884,524	-	251,776
2015	91,005,945	7,879,800	98,885,745	7,410,758	-	-	-	-	7,029,685	7,029,685	0	2,653,715
2016	146,666,220	4,850,800	151,517,020	13,715,024	-	-	-	-	13,439,438	13,439,438	-	6,855,562
2017	177,328,347	6,137,800	183,466,147	18,686,965	-	-	-	-	18,331,426	18,331,426	(0)	11,462,774
2018	162,250,584	6,106,400	168,356,984	19,658,587	-	-	-	-	19,231,437	19,231,437	-	15,077,763
2019	145,577,071	6,076,200	151,653,271	17,890,003	-	-	-	-	17,464,988	17,464,988	-	16,673,512
2020	127,121,504	6,045,600	133,167,104	15,934,020	-	-	-	-	15,510,733	15,510,733	-	18,455,567
2021	106,670,346	6,015,800	112,686,146	13,767,327	-	-	-	-	13,346,542	13,346,542	-	20,451,158
2022	83,989,670	5,984,400	89,974,070	11,366,172	-	-	-	-	10,947,524	10,947,524	-	22,680,676
2023	58,815,789	5,955,800	64,771,589	8,702,598	-	-	-	-	8,286,019	8,286,019	-	25,173,881
2024	33,829,163	4,932,400	38,761,563	5,785,474	-	-	-	-	5,396,880	5,396,880	-	24,986,626
2025	14,275,489	3,120,400	17,395,889	3,078,230	-	-	-	-	2,782,261	2,782,261	-	19,553,674
2026	3,227,568	1,253,800	4,481,368	1,137,414	-	-	-	-	969,295	969,295	-	11,047,921
2027	-	-	-	181,836	-	-	-	-	127,566	127,566	-	3,227,568
Total				139,220,461			-		134,748,316	134,748,316	(0)	198,552,174

**PSE&G Solar Loan III Program
Electric Revenue Requirements Calculation - Summary**

Annual Pre-Tax WACC 11.1791%
Monthly Pre-Tax WACC 0.93159%

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(19a)	(20)	(21)	(22)
	<u>Plant Depreciation</u>	<u>Depreciation / Amortization</u>	<u>O&M Expenses</u>	<u>SREC Value Credited to Loans</u>	<u>Gain / (Loss) on SREC Sales</u>	<u>SREC Disposition Expenses</u>	<u>SREC Call Option Net Benefit</u>	<u>SREC Floor Price Cost</u>	<u>Net Proceeds from the Sale of SRECs</u>	<u>Cash Payments to Loans</u>	<u>Revenue Requirements</u>
Monthly Calculations											
Jan-13	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-
Jun-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Jul-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Aug-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Sep-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Oct-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Nov-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Dec-13	-	-	116,278	-	-	-	-	-	-	-	116,278
Jan-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Feb-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Mar-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Apr-14	-	-	19,643	-	-	-	-	-	-	-	19,643
May-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Jun-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Jul-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Aug-14	-	-	19,643	-	-	-	-	-	-	-	19,643
Sep-14	-	-	19,643	569,100	-	-	-	189,700	379,400	-	209,460
	From Sched SS-SLIII-3a Col 21	Col 12 + Col 13	From Sched SS-SLIII-3a Col 29	From Sched SS-SLIII-3a Col 5	From Sched SS-SLIII-3a Col 14	From Sched SS-SLIII-3a Col 17	From Sched SS-SLIII-3a Col 18	From Sched SS-SLIII-3a Col 19	Col 16 + Col 17 - Col 18 + Col 19 - Col 19a	From Sched SS-SLIII-3a Col 6	Col 4 + Col 7 - Col 11 + Col 14 + Col 15 - Col 20 - Col 21
Annual Summary											
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	813,943	-	-	-	-	-	-	-	813,943
2014	-	251,776	235,721	2,136,300	-	-	-	712,100	1,424,200	-	969,350
2015	-	2,653,715	(983,905)	9,683,400	-	-	-	3,227,800	6,455,600	-	2,624,967
2016	-	6,855,562	(968,045)	20,295,000	-	-	-	6,765,000	13,530,000	-	6,072,542
2017	-	11,462,774	(213,759)	29,794,200	-	-	-	9,931,400	19,862,800	-	10,073,181
2018	-	15,077,763	(145,111)	34,309,200	-	-	-	11,436,400	22,872,800	-	11,718,440
2019	-	16,673,512	(69,702)	34,138,500	-	-	-	11,379,500	22,759,000	-	11,734,813
2020	-	18,455,567	(37,562)	33,966,300	-	-	-	11,322,100	22,644,200	-	11,707,825
2021	-	20,451,158	(4,682)	33,797,700	-	-	-	11,265,900	22,531,800	-	11,682,003
2022	-	22,680,676	29,040	33,628,200	-	-	-	11,209,400	22,418,800	-	11,657,088
2023	-	25,173,881	63,619	33,459,900	-	-	-	11,153,300	22,306,600	-	11,633,498
2024	-	24,986,626	156,923	30,383,506	-	-	-	10,127,306	20,256,200	-	10,672,823
2025	-	19,553,674	398,436	22,335,934	-	-	-	7,444,734	14,891,200	-	8,139,140
2026	-	11,047,921	725,084	12,017,216	-	-	-	4,005,216	8,012,000	-	4,898,419
2027	-	3,227,568	-	3,355,134	-	-	-	1,117,934	2,237,200	-	1,172,204
Total	-	198,552,174	0	333,300,490	-	-	-	111,098,090	222,202,400	-	115,570,236

**PSE&G Solar Loan III Program
Electric Revenue Requirements Calculation - Detail**

Annual Pre-Tax WACC 11.1791%
Monthly Pre-Tax WACC 0.93159%

(1)	(2)	(3)	(3a)	(3b)	(4)	4a	4b	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Loan Amount Issued	Capitalized Plant	Return On Outstanding Loan Balance	Loan Interest Rate to WACC		Loan Accrued Interest	Loan Accrued Interest - Commercial	Loan Accrued Interest - Residential	SREC Value Credited to Loans	Cash Payments to Loans	Loan Interest Paid	Loan Principal Paid / Amortized	Loan Accrued Interest Balance	Loan Principal Balance	Total Loan Outstanding Balance	Value of SREC Transferred to PSE&G	SREC Auction Sales	Gain / (Loss) on SREC Sales
			Differential Cost - Commercial	Differential Cost - Residential													
Monthly Calculations																	
Jan-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nov-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dec-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jan-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul-14	33,568,808	-	308,440	-	-	308,440	275,928	32,512	-	-	-	308,440	33,568,808	33,877,248	-	-	-
Aug-14	-	-	315,598	-	-	315,598	282,331	33,266	-	-	-	624,038	33,568,808	34,192,846	-	-	-
Sep-14	-	-	318,538	-	-	318,538	284,961	33,576	569,100	-	569,100	373,476	33,568,808	33,942,283	379,400	-	-

Program Assumption	Program Assumption	Col 3a + Col 3b + Col 4	WP-SS-SLIII-2.xls 'LoansC' Col 32	WP-SS-SLIII-2.xls 'LoansR' Col 32	WP-SS-SLIII-2.xls 'Loans' Col 11	WP-SS-SLIII-2.xls 'LoansC' Col 11	WP-SS-SLIII-2.xls 'LoansR' Col 11	WP-SS-SLIII-2.xls 'Loans' Col 13	WP-SS-SLIII-2.xls 'Loans' Col 14	WP-SS-SLIII-2.xls 'Loans' Col 16	WP-SS-SLIII-2.xls 'Loans' Col 17	WP-SS-SLIII-2.xls 'Loans' Col 18	WP-SS-SLIII-2.xls 'Loans' Col 19	Col 9 + Col 10	WP-SS-SLIII-2.xls 'SREC Inv.' Col 23	WP-SS-SLIII-2.xls 'SREC Inv.' Col 25	WP-SS-SLIII-2.xls 'SREC Inv.' Col 26
--------------------	--------------------	-------------------------	-----------------------------------	-----------------------------------	----------------------------------	-----------------------------------	-----------------------------------	----------------------------------	----------------------------------	----------------------------------	----------------------------------	----------------------------------	----------------------------------	----------------	--------------------------------------	--------------------------------------	--------------------------------------

Annual Summary																	
2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	33,568,808	-	1,884,524	-	-	1,884,524	-	2,136,300	-	1,884,524	251,776	-	33,317,032	33,317,032	1,424,200	-	-
2015	60,342,629	-	7,029,685	-	-	7,029,685	-	9,683,400	-	7,029,685	2,653,715	-	91,005,945	91,005,945	6,455,600	-	-
2016	62,515,837	-	13,439,438	-	-	13,439,438	-	20,295,000	-	13,439,438	6,855,562	-	146,666,220	146,666,220	13,530,000	16,559,000	-
2017	42,124,901	-	18,331,426	-	-	18,331,426	-	29,794,200	-	18,331,426	11,462,774	-	177,328,347	177,328,347	19,862,800	18,575,800	-
2018	-	-	19,231,437	-	-	19,231,437	-	34,309,200	-	19,231,437	15,077,763	-	162,250,584	162,250,584	22,872,800	22,904,200	-
2019	-	-	17,464,988	-	-	17,464,988	-	34,138,500	-	17,464,988	16,673,512	-	145,577,071	145,577,071	22,759,000	22,789,200	-
2020	-	-	15,510,733	-	-	15,510,733	-	33,966,300	-	15,510,733	18,455,567	-	127,121,504	127,121,504	22,644,200	22,674,800	-
2021	-	-	13,346,542	-	-	13,346,542	-	33,797,700	-	13,346,542	20,451,158	-	106,670,346	106,670,346	22,531,800	22,561,600	-
2022	-	-	10,947,524	-	-	10,947,524	-	33,628,200	-	10,947,524	22,680,676	-	83,989,670	83,989,670	22,418,800	22,450,200	-
2023	-	-	8,286,019	-	-	8,286,019	-	33,459,900	-	8,286,019	25,173,881	-	58,815,789	58,815,789	22,306,600	22,335,200	-
2024	-	-	5,396,880	-	-	5,396,880	-	30,383,506	-	5,396,880	24,986,626	-	33,829,163	33,829,163	20,256,200	21,279,600	-
2025	-	-	2,782,261	-	-	2,782,261	-	22,335,934	-	2,782,261	19,553,674	-	14,275,489	14,275,489	14,891,200	16,703,200	-
2026	-	-	969,295	-	-	969,295	-	12,017,216	-	969,295	11,047,921	-	3,227,568	3,227,568	8,012,000	9,878,600	-
2027	-	-	127,566	-	-	127,566	-	3,355,134	-	127,566	3,227,568	-	-	-	2,237,200	3,491,000	-
Total	198,552,174	-	134,748,316	-	-	134,748,316	-	333,300,490	-	134,748,316	198,552,174	-	-	-	222,202,400	222,202,400	-

**PSE&G Solar Loan III Program
Electric Revenue Requirements Calculation - Detail**

Annual Pre-Tax WACC 11.1791%
Monthly Pre-Tax WACC 0.93159%

	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
	<u>SREC Inventory</u>	<u>Return on SREC Inventory</u>	<u>SREC Disposition Expenses</u>	<u>SREC Call Option Net Benefit</u>	<u>SREC Floor Price Cost</u>	<u>Gross Plant</u>	<u>Plant Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>	<u>Tax Depreciation</u>	<u>Deferred Income Tax</u>	<u>Accumulated Deferred Income Tax</u>	<u>Net Plant Investment</u>	<u>Return Requirement on Plant Investment</u>	<u>O&M Expenses</u>	<u>Revenue Requirements</u>
Monthly Calculations																
Jan-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Feb-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mar-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apr-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Jul-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Aug-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Sep-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Oct-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Nov-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Dec-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,278	116,278
Jan-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Feb-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Mar-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Apr-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
May-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Jun-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Jul-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Aug-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,643	19,643
Sep-14	379,400	116	-	-	189,700	-	-	-	-	-	-	-	-	-	19,643	209,460
	Prior Col 15 + Col 12 - Col 13 - Col 14	WP-SS-SLIII-2.xls 'SREC Inv.' wksht Col 28	WP-SS-SLIII-2.xls 'SREC Inv.' wksht Col 29	Included in Col 14	WP-SS-SLIII-2.xls 'Loans' wksht Col 36	Prior Month Col 19 + Col 2	1/120 of Each Prior 120 Months of Col 2 (10 year amortization)	Prior Col 21 + Col 20	Col 19 - Col 21	See WP-SS-SLIII-1.xls 'AmortE' wksht	(Col 23 - Col 20) * Income Tax Rate	Prior Col 25 + Col 24	Col 22 - Col 25	(Prior Col 26 + Col 26) / 2 * Monthly Pre Tax WACC	Program Assumption	Col 3 - Col 4 - Col 5 - Col 6 + Col 7 + Col 8 - Col 14 + Col 16 + Col 17 - Col 18 + Col 19 + Col 21 + Col 28 + Col 29
Annual Summary																
2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	813,943	813,943
2014	1,424,200	21,528	-	-	712,100	-	-	-	-	-	-	-	-	-	235,721	969,350
2015	7,879,800	381,073	-	-	3,227,800	-	-	-	-	-	-	-	-	-	(983,905)	2,624,967
2016	4,850,800	275,586	-	-	6,765,000	-	-	-	-	-	-	-	-	-	(968,045)	6,072,542
2017	6,137,800	355,540	-	-	9,931,400	-	-	-	-	-	-	-	-	-	(213,759)	10,073,181
2018	6,106,400	427,150	-	-	11,436,400	-	-	-	-	-	-	-	-	-	(145,111)	11,718,440
2019	6,076,200	425,016	-	-	11,379,500	-	-	-	-	-	-	-	-	-	(69,702)	11,734,813
2020	6,045,600	423,287	-	-	11,322,100	-	-	-	-	-	-	-	-	-	(37,562)	11,707,825
2021	6,015,800	420,785	-	-	11,265,900	-	-	-	-	-	-	-	-	-	(4,682)	11,682,003
2022	5,984,400	418,648	-	-	11,209,400	-	-	-	-	-	-	-	-	-	29,040	11,657,088
2023	5,955,800	416,579	-	-	11,153,300	-	-	-	-	-	-	-	-	-	63,619	11,633,498
2024	4,932,400	388,594	-	-	10,127,306	-	-	-	-	-	-	-	-	-	156,923	10,672,823
2025	3,120,400	295,969	-	-	7,444,734	-	-	-	-	-	-	-	-	-	398,436	8,139,140
2026	1,253,800	168,119	-	-	4,005,216	-	-	-	-	-	-	-	-	-	725,084	4,898,419
2027	-	54,270	-	-	1,117,934	-	-	-	-	-	-	-	-	-	-	1,172,204
Total		4,472,145	-	-	111,098,090	-	-	-	-	-	-	-	-	-	0	115,570,236

PSE&G Solar Loan III Program
Under/(Over) Calculation

0.000020 Proposed SLIII Rate \$/kWh
 40.850% Tax Rate

Attachment J
 Page 1 of 3

	1	2	3	4	5	6	7	8
<u>RGGI SLIII Under/(Over) Calculation (\$000)</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>
(1) Solar Loan III RGGI Revenue	-	-	-	-	-	75,491	86,279	87,777
Revenue Requirements (excluding								
(2) Incremental WACC)	-	-	-	-	-	116,278	116,278	116,278
(3) Monthly Under/(Over) Recovery	-	-	-	-	-	40,786.9	29,998.1	28,500.8
(4) Deferred Balance	-	-	-	-	-	40,786.9	70,785.0	99,285.8
(5) Monthly Interest Rate	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%
(6) After Tax Monthly Interest Expense/(Credit)	-	-	-	-	-	3.24	8.85	13.49
(7) Cumulative Interest	-	-	-	-	-	3.24	12.09	25.58
Balance Added to Subsequent Year's								
(8) Revenue Requirements								
(9) Net Sales - kWh (000)						3,774,531	4,313,972	4,388,835
(10) Incremental Interest From WACC Change								
(11) Cumulative Incremental Interest								
(12) Average Net of Tax Deferred Balance	-	-	-	-	-	12,062.7	32,997.4	50,298.4

PSE&G Solar Loan III Program
Under/(Over) Calculation

0.000020 Proposed SLIII Rate \$/kWh
 40.850% Tax Rate

Attachment J
 Page 2 of 3

	9	10	11	12	13	14	15	16
<u>RGGI SLIII Under/(Over) Calculation (\$000)</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>
(1) Solar Loan III RGGI Revenue Revenue Requirements (excluding	73,683	65,671	64,758	69,810	75,534	66,993	69,659	64,356
(2) Incremental WACC)	<u>116,278</u>	<u>116,278</u>	<u>116,278</u>	<u>116,278</u>	<u>19,643</u>	<u>19,643</u>	<u>19,643</u>	<u>19,643</u>
(3) Monthly Under/(Over) Recovery	42,594.7	50,606.4	51,519.7	46,467.1	(55,890.7)	(47,349.4)	(50,015.1)	(44,712.6)
(4) Deferred Balance	141,880.5	192,486.9	244,006.6	290,473.7	234,583.1	187,233.7	137,218.6	92,505.9
(5) Monthly Interest Rate	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%
(6) After Tax Monthly Interest Expense/(Credit)	19.13	26.53	34.63	42.40	41.66	33.46	25.74	18.23
(7) Cumulative Interest Balance Added to Subsequent Year's	44.71	71.24	105.87	148.27	189.93	223.39	249.13	267.36
(8) Revenue Requirements								
(9) Net Sales - kWh (000)	3,684,138	3,283,557	3,237,889	3,490,519	3,776,705	3,349,640	3,482,928	3,217,804
(10) Incremental Interest From WACC Change								
(11) Cumulative Incremental Interest								
(12) Average Net of Tax Deferred Balance	71,324.9	98,889.1	218,246.7	267,240.2	262,528.4	210,908.4	162,226.1	114,862.2

PSE&G Solar Loan III Program
Under/(Over) Calculation

0.000020 Proposed SLIII Rate \$/kWh
 40.850% Tax Rate

Attachment J
 Page 3 of 3

	17	18	19	20	21		
<u>RGGI SLIII Under/(Over) Calculation (\$000)</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Total</u>	
(1) Solar Loan III RGGI Revenue Revenue Requirements (excluding	65,357	76,491	87,771	88,876	74,008	1,192,513	SL III Rate * Row 9
(2) Incremental WACC)	19,643	19,643	19,643	19,643	209,460	1,180,550	From SS-SLIII-3, Col 23
(3) Monthly Under/(Over) Recovery	(45,713.4)	(56,847.3)	(68,127.1)	(69,232.9)	135,451.3	(11,963.5)	Row 2 - Row 1
(4) Deferred Balance	46,792.5	(10,054.8)	(78,181.9)	(147,414.8)	(11,963.5)		Prev Row 4 + Row 3
(5) Monthly Interest Rate	0.02683%	0.02683%	0.02683%	0.02683%	0.02683%		Monthly Interest Rate
(6) After Tax Monthly Interest Expense/(Credit)	11.05	2.91	(7.00)	(17.90)	(12.64)		(Prev Row 4 + Row 4) / 2 * (1 - Tax Rate) * Row 5
(7) Cumulative Interest	278.41	281.32	274.32	256.43	243.78		Prev Row 7 + Row 6
(8) Balance Added to Subsequent Year's Revenue Requirements					(11,719.68)		Row 4 + Row 7 + Row 11
(9) Net Sales - kWh (000)	3,267,842	3,824,536	4,388,527	4,443,815	3,700,417		
(10) Incremental Interest From WACC Change							
(11) Cumulative Incremental Interest							Prev Row 11 + Row 10
(12) Average Net of Tax Deferred Balance	69,649.2	18,368.9	(44,118.3)	(112,798.3)	(79,689.1)		(Prev Row 4 + Row 4) / 2 * (1 - Tax Rate)

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes due to the new proposed Solar Loan III Program component of the RGGI Recovery Charge (RRC) on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
170	1,600	\$314.24	\$314.24	\$0.00	0.00%
415	3,900	723.56	723.68	0.12	0.02
780	7,360	1,349.08	1,349.24	0.16	0.01
803	7,800	1,428.80	1,428.94	0.14	0.01
1,320	12,400	2,275.04	2,275.32	0.28	0.01

- (1) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2013 and assumes that the customer receives BGS-FP service from Public Service.
- (2) Same as (1) except includes changes from the new proposed Solar Loan III Program component of the RRC.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,600	170	\$32.50	\$32.50	\$0.00	0.00%
3,900	415	75.81	75.82	0.01	0.01
7,360	780	142.73	142.75	0.02	0.01
7,800	803	147.12	147.14	0.02	0.01
12,400	1,320	245.40	245.43	0.03	0.01

- (3) Based upon current Delivery Rates and Basic Generation Service Fixed Pricing (BGS-FP) charges in effect April 1, 2013 and assumes that the customer receives BGS-FP service from Public Service.
- (4) Same as (3) except includes changes from the new proposed Solar Loan III Program component of the RRC.

PSE&G Solar 4 All Extension
Solar 4 All Extension - Rate Impact Analysis

Attachment L

7,360 Avg RS kWh / yr.
 780 Avg RS kWh / Summer Month
 530 Avg RS kWh / Winter Month
 0.001283 Current electric RRC (\$/kWh)

7% SUT Rate
 59,625,654 kWh Sales (000) - Jun 13/Sep 14
 43,004,050 kWh Sales (000) - Annual (Oct/Sep)
 10,011,964 kWh Sales (000) - Oct18 /Dec18
 43,064,908 kWh Sales (000) - Annual (Calendar)

	(1) SGIEP Revenue Requirements	(2) SGIEP w/o SUT (\$/kWh)	(3) SGIEP w/ SUT (\$/kWh)	(4)-(10) Class Average Rate w/SUT - \$/kWh ¹							(11)-(13) Typical RS RRC (\$)			(14) Change in RS Typical Annual Bill (\$'s)	(15) RS Typical Annual Bill (\$'s)	(16) % Change in RS Typical Annual Bill																		
				RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S	Summer Monthly Bill	Winter Monthly Bill	Annual Bill																					
																	1.00	0.68	9.44															
Current				0.183299	0.154915	0.174540	0.176938	0.148707	0.104131	0.095172				1,349.08																				
2013	863,499	0.000035	0.000037	0.183336	0.154952	0.174577	0.176975	0.148744	0.104168	0.095209	1.03	0.70	9.72	0.28	1,349.36	0.021%																		
Jan14 - Sep14	1,204,929	0.000035	0.000037	0.183336	0.154952	0.174577	0.176975	0.148744	0.104168	0.095209	1.03	0.70	9.72	0.28	1,349.36	0.021%																		
Oct14-Sep15	12,681,668	0.000295	0.000316	0.183615	0.155231	0.174856	0.177254	0.149023	0.104447	0.095488	1.25	0.85	11.80	2.36	1,351.44	0.175%																		
Oct15-Sep16	24,172,442	0.000562	0.000601	0.183900	0.155516	0.175141	0.177539	0.149308	0.104732	0.095773	1.47	1.00	13.88	4.44	1,353.52	0.329%																		
Oct16-Sep17	23,847,667	0.000555	0.000594	0.183893	0.155509	0.175134	0.177532	0.149301	0.104725	0.095766	1.46	0.99	13.76	4.32	1,353.40	0.320%																		
Oct17-Sep18	20,691,459	0.000481	0.000515	0.183814	0.155430	0.175055	0.177453	0.149222	0.104646	0.095687	1.40	0.95	13.20	3.76	1,352.84	0.279%																		
Oct18-Dec19	21,880,484	0.000412	0.000441	0.183740	0.155356	0.174981	0.177379	0.149148	0.104572	0.095613	1.34	0.91	12.64	3.20	1,352.28	0.237%																		
2020	14,652,238	0.000340	0.000364	0.183663	0.155279	0.174904	0.177302	0.149071	0.104495	0.095536	1.28	0.87	12.08	2.64	1,351.72	0.196%																		
2021	12,629,570	0.000293	0.000314	0.183613	0.155229	0.174854	0.177252	0.149021	0.104445	0.095486	1.25	0.85	11.80	2.36	1,351.44	0.175%																		
2022	11,513,186	0.000267	0.000286	0.183585	0.155201	0.174826	0.177224	0.148993	0.104417	0.095458	1.22	0.83	11.52	2.08	1,351.06	0.154%																		
2023	10,699,738	0.000248	0.000265	0.183564	0.155180	0.174805	0.177203	0.148972	0.104396	0.095437	1.21	0.82	11.40	1.96	1,351.14	0.145%																		
2024	10,887,445	0.000253	0.000271	0.183570	0.155186	0.174811	0.177209	0.148978	0.104402	0.095443	1.21	0.82	11.40	1.96	1,351.04	0.145%																		
2025	12,374,292	0.000287	0.000307	0.183606	0.155222	0.174847	0.177245	0.149014	0.104438	0.095479	1.24	0.84	11.68	2.24	1,351.32	0.166%																		
2026	12,775,404	0.000297	0.000318	0.183617	0.155233	0.174858	0.177256	0.149025	0.104449	0.095490	1.25	0.85	11.80	2.36	1,351.44	0.175%																		
2027	11,739,028	0.000273	0.000292	0.183591	0.155207	0.174832	0.177230	0.148999	0.104423	0.095464	1.23	0.83	11.56	2.12	1,351.20	0.157%																		
2028	11,330,397	0.000263	0.000281	0.183580	0.155196	0.174821	0.177219	0.148988	0.104412	0.095453	1.22	0.83	11.52	2.08	1,351.16	0.154%																		
2029	9,756,938	0.000227	0.000243	0.183542	0.155158	0.174783	0.177181	0.148950	0.104374	0.095415	1.19	0.81	11.24	1.80	1,350.88	0.133%																		
2030	10,026,471	0.000233	0.000249	0.183548	0.155164	0.174789	0.177187	0.148956	0.104380	0.095421	1.19	0.81	11.24	1.80	1,350.88	0.133%																		
2031	12,994,166	0.000302	0.000323	0.183622	0.155238	0.174863	0.177261	0.149030	0.104454	0.095495	1.25	0.85	11.80	2.36	1,351.44	0.175%																		
2032	13,307,796	0.000309	0.000331	0.183630	0.155246	0.174871	0.177269	0.149038	0.104462	0.095503	1.26	0.86	11.92	2.48	1,351.56	0.184%																		
2033	17,409,499	0.000404	0.000432	0.183731	0.155347	0.174972	0.177370	0.149139	0.104563	0.095604	1.34	0.91	12.64	3.20	1,352.28	0.237%																		
2034	20,607,985	0.000479	0.000513	0.183812	0.155428	0.175053	0.177451	0.149220	0.104644	0.095685	1.40	0.95	13.20	3.76	1,352.84	0.279%																		
2035	14,585,163	0.000339	0.000363	0.183662	0.155278	0.174903	0.177301	0.149070	0.104494	0.095535	1.28	0.87	12.08	2.64	1,351.72	0.196%																		
2036	6,501,641	0.000151	0.000162	0.183461	0.155077	0.174702	0.177100	0.148869	0.104293	0.095334	1.13	0.77	10.68	1.24	1,350.32	0.092%																		
2037	4,164,062	0.000097	0.000104	0.183403	0.155019	0.174644	0.177042	0.148811	0.104235	0.095276	1.08	0.74	10.24	0.80	1,349.88	0.059%																		
Total	323,297,166																																	
From Schedule SS-S4AE-3 Col 24				Col 1 / [kWh Sales] (Rnd to 6 dec.)							Col 2 * (1 + SUT Rate) Rnd 6			Current Class Avg Rate + Col 2 for Each Rate Class (Col 4 thru Col 13)			(Cur. eRRC + Col 3) * Avg RS kWh Sum Mo Rnd 2			(Cur. eRRC + Col 3) * Avg RS kWh Win Mo			(4 * Col 14) + (8 * Col 15)			Col 16 - Current Col 16			Current Col 17			Col 17 / Current Col 18		

	% Change from Current Class Average Rate w/SUT						
	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S
2013	0.020%	0.024%	0.021%	0.021%	0.025%	0.036%	0.039%
Jan14 - Sep14	0.020%	0.024%	0.021%	0.021%	0.025%	0.036%	0.039%
Oct14-Sep15	0.172%	0.204%	0.181%	0.179%	0.212%	0.303%	0.332%
Oct15-Sep16	0.328%	0.388%	0.344%	0.340%	0.404%	0.577%	0.631%
Oct16-Sep17	0.324%	0.383%	0.340%	0.336%	0.399%	0.570%	0.624%
Oct17-Sep18	0.281%	0.332%	0.295%	0.291%	0.346%	0.495%	0.541%
Oct18-Dec19	0.241%	0.285%	0.253%	0.249%	0.297%	0.424%	0.463%
2020	0.199%	0.235%	0.209%	0.206%	0.245%	0.350%	0.382%
2021	0.171%	0.203%	0.180%	0.177%	0.211%	0.302%	0.330%
2022	0.156%	0.185%	0.164%	0.162%	0.192%	0.275%	0.301%
2023	0.145%	0.171%	0.152%	0.150%	0.178%	0.254%	0.278%
2024	0.148%	0.175%	0.155%	0.153%	0.182%	0.260%	0.285%
2025	0.167%	0.198%	0.176%	0.174%	0.206%	0.295%	0.323%
2026	0.173%	0.205%	0.182%	0.180%	0.214%	0.305%	0.334%
2027	0.159%	0.188%	0.167%	0.165%	0.196%	0.280%	0.307%
2028	0.153%	0.181%	0.161%	0.159%	0.189%	0.270%	0.295%
2029	0.133%	0.157%	0.139%	0.137%	0.163%	0.233%	0.255%
2030	0.136%	0.161%	0.143%	0.141%	0.167%	0.239%	0.262%
2031	0.176%	0.209%	0.185%	0.183%	0.217%	0.310%	0.339%
2032	0.181%	0.214%	0.190%	0.187%	0.223%	0.318%	0.348%
2033	0.236%	0.279%	0.248%	0.244%	0.291%	0.415%	0.454%
2034	0.280%	0.331%	0.294%	0.290%	0.345%	0.493%	0.539%
2035	0.198%	0.234%	0.208%	0.205%	0.244%	0.349%	0.381%
2036	0.088%	0.105%	0.093%	0.092%	0.109%	0.156%	0.170%
2037	0.057%	0.067%	0.060%	0.059%	0.070%	0.100%	0.109%

¹All customers assumed to have BGS Supply
²Initial rate period is from Jun-13 to Sep-14

PSE&G Solar Loan III Program
Solar Loan III - Rate Impact Analysis

7% SUT Rate
 43,004,050 kWh Sales (000) - Annual (Oct/Sep)
 59,625,654 kWh Sales (000) - Jun 13/Sep 14

7,360 Avg RS kWh / yr.
 780 Avg RS kWh / Summer Month
 530 Avg RS kWh / Winter Month
 0.001283 Current electric RRC (\$/kWh)

(1)	(2)	(3)	(4) - (10) Class Average Rate w/SUT - \$/kWh ¹							(11) - (13) Typical RS RRC (\$)			(14)	(15)	(16)	
			RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S	Summer Monthly Bill	Winter Monthly Bill	Annual Bill	Change in RS Typical Annual Bill (\$'s)	RS Typical Annual Bill (\$'s)	% Change in RS Typical Annual Bill	
<u>Solar Loan III Revenue Requirements</u>	<u>Solar Loan III w/o SUT (\$/kWh)</u>	<u>Solar Loan III w/ SUT (\$/kWh)</u>														
Current			0.183299	0.154915	0.174540	0.176938	0.148707	0.104131	0.095172	1.00	0.68	9.44		1,349.08		
2013	813,943	0.000020	0.000021	0.183320	0.154936	0.174561	0.176959	0.148728	0.104152	0.095193	1.02	0.69	9.60	0.16	1,349.24	0.012%
Jan14 - Sep14	366,607	0.000020	0.000021	0.183320	0.154936	0.174561	0.176959	0.148728	0.104152	0.095193	1.02	0.69	9.60	0.16	1,349.24	0.012%
Oct14-Sep15	1,844,734	0.000043	0.000046	0.183345	0.154961	0.174586	0.176984	0.148753	0.104177	0.095218	1.04	0.70	9.76	0.32	1,349.40	0.024%
Oct15-Sep16	5,185,251	0.000121	0.000129	0.183428	0.155044	0.174669	0.177067	0.148836	0.104260	0.095301	1.10	0.75	10.40	0.96	1,350.04	0.071%
Oct16-Sep17	9,209,747	0.000214	0.000229	0.183528	0.155144	0.174769	0.177167	0.148936	0.104360	0.095401	1.18	0.80	11.12	1.68	1,350.76	0.125%
Oct17-Sep18	11,708,167	0.000272	0.000291	0.183590	0.155206	0.174831	0.177229	0.148998	0.104422	0.095463	1.23	0.83	11.56	2.12	1,351.20	0.157%
Oct18-Sep19	11,731,693	0.000273	0.000292	0.183591	0.155207	0.174832	0.177230	0.148999	0.104423	0.095464	1.23	0.83	11.56	2.12	1,351.20	0.157%
Oct19-Sep20	11,715,723	0.000272	0.000291	0.183590	0.155206	0.174831	0.177229	0.148998	0.104422	0.095463	1.23	0.83	11.56	2.12	1,351.20	0.157%
Oct20-Sep21	11,689,305	0.000272	0.000291	0.183590	0.155206	0.174831	0.177229	0.148998	0.104422	0.095463	1.23	0.83	11.56	2.12	1,351.20	0.157%
Oct21-Sep22	11,665,009	0.000271	0.000290	0.183589	0.155205	0.174830	0.177228	0.148997	0.104421	0.095462	1.23	0.83	11.56	2.12	1,351.20	0.157%
Oct22-Sep23	11,639,754	0.000271	0.000290	0.183589	0.155205	0.174830	0.177228	0.148997	0.104421	0.095462	1.23	0.83	11.56	2.12	1,351.20	0.157%
Oct23-Sep24	11,180,704	0.000260	0.000278	0.183577	0.155193	0.174818	0.177216	0.148985	0.104409	0.095450	1.22	0.83	11.52	2.08	1,351.16	0.154%
Oct24-Sep25	9,021,041	0.000210	0.000225	0.183524	0.155140	0.174765	0.177163	0.148932	0.104356	0.095397	1.18	0.80	11.12	1.68	1,350.76	0.125%
Oct25-Sep26	5,788,803	0.000135	0.000144	0.183443	0.155059	0.174684	0.177082	0.148851	0.104275	0.095316	1.11	0.76	10.52	1.08	1,350.16	0.080%
Oct26-Dec27	2,009,755	0.000047	0.000050	0.183349	0.154965	0.174590	0.176988	0.148757	0.104181	0.095222	1.04	0.71	9.84	0.40	1,349.48	0.030%
Total	115,570,236			Current Class Avg Rate + Col 2 for Each Rate Class (Col 4 thru Col 13)							(Cur. eRRC + Col 3) * Avg RS kWh Sum Mo Rnd 2	(Cur. eRRC + Col 3) * Avg RS kWh Win Mo	(4 * Col 14) + (8 * Col 15)	Col 16 - Current Col 16	Current Col 17 + Col 17	Col 17 / Current Col 18

	% Change from Current Class Average Rate w/SUT						
	RS	RHS	RLM	GLP	LPL-S	LPL-P	HTS-S
2013	0.011%	0.014%	0.012%	0.012%	0.014%	0.020%	0.022%
Jan14 - Sep14	0.011%	0.014%	0.012%	0.012%	0.014%	0.020%	0.022%
Oct14-Sep15	0.025%	0.030%	0.026%	0.026%	0.031%	0.044%	0.048%
Oct15-Sep16	0.070%	0.083%	0.074%	0.073%	0.087%	0.124%	0.136%
Oct16-Sep17	0.125%	0.148%	0.131%	0.129%	0.154%	0.220%	0.241%
Oct17-Sep18	0.159%	0.188%	0.167%	0.164%	0.196%	0.279%	0.306%
Oct18-Sep19	0.159%	0.188%	0.167%	0.165%	0.196%	0.280%	0.307%
Oct19-Sep20	0.159%	0.188%	0.167%	0.164%	0.196%	0.279%	0.306%
Oct20-Sep21	0.159%	0.188%	0.167%	0.164%	0.196%	0.279%	0.306%
Oct21-Sep22	0.158%	0.187%	0.166%	0.164%	0.195%	0.278%	0.305%
Oct22-Sep23	0.158%	0.187%	0.166%	0.164%	0.195%	0.278%	0.305%
Oct23-Sep24	0.152%	0.179%	0.159%	0.157%	0.187%	0.267%	0.292%
Oct24-Sep25	0.123%	0.145%	0.129%	0.127%	0.151%	0.216%	0.236%

¹All customers assumed to have BGS Supply

²Initial rate period is from Jun-13 to Sep-14