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May 24, 2013

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Informational Filing  
Public Service Electric and Gas Company,  
Annual True-Up Adjustment  
Docket No. ER09-1257-000

Dear Secretary Bose:

Public Service Electric and Gas Company (“PSE&G”), hereby submits for informational purposes its annual true-up adjustment (“True-Up Adjustment”) for its transmission formula rate in accordance with its Formula Rate Implementation Protocols (“Protocols”) set forth in Attachment H-10B of the Open Access Transmission Tariff (“OATT”) of PJM Interconnection, L.L.C. (“PJM”).<sup>1</sup> Section 1.b of the Protocols requires PSE&G to annually calculate the true-up of its formula rate on or before June 15<sup>th</sup> and cause it to be posted on the PJM website ([www.PJM.com](http://www.PJM.com)), and filed with the Commission for informational purposes. In accordance with the Protocols section 1.b, this True-Up Adjustment does not require any Commission action.

This 2013 True-Up Adjustment pertains to PSE&G’s formula rates in effect for 2012. In accordance with the Protocols, adjustments from this True-Up Adjustment will be incorporated into the Annual Update to be filed by PSE&G on or before October 15, 2013 for its 2014 Rate Year. This 2013 True-Up also includes a True-Up Adjustment for prior rate years (January 1, 2009 to and including December 31, 2011).

As required by section 1.e(i) of the Protocols, this True-Up Adjustment is based upon PSE&G’s FERC Form 1 data for the most recent calendar year, and to the extent specified in the Formula Rate, is

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<sup>1</sup> PSE&G’s Formula Rate Implementation Protocols were approved by the Commission on September 30, 2008, *Public Service Electric and Gas Company*, 124 FERC ¶ 61,303 (2008), and by *Public Service Electric and Gas Company*, Docket No. ER08-1233-001 (January 13, 2009) (unpublished letter order).

based upon the books and records of PSE&G consistent with FERC accounting policies. To the extent that PSE&G has used data not otherwise available in the FERC Form 1 for the attached True-Up Adjustment, it has provided supporting documentation as required by section 1.e(ii) of the Protocols.

PSE&G's Annual True-Up Adjustment filing includes two attachments. Attachment A contains a recalculated Appendix A to Attachment H-10A that sets forth PSE&G's ATRR and NITS rate both at page 4. There were no material changes in PSE&G's accounting policies and practices since PSE&G's previous True-Up adjustment filing made on June 6, 2012. Attachment B is a report on each transmission project listed in PSE&G's formula rate for which the Commission has authorized PSE&G to include CWIP in transmission rate base, in accordance with section 2.b of the Protocols.

As part of the 2012 Annual Review Procedures, it was identified that the PSE&G Formula Rate was not reducing PSE&G's rate base for the Transmission portion of Accumulated Common Amortization. This resulted in a revenue requirement reduction of \$275,952 (including interest) for rate years 2009 thru 2011. The 2012 True-Up Revenue Requirement in cell G64 of Attachment 6 has been reduced by \$275,952 to account for this adjustment. Also, Attachment 5 (Cost Support) was adjusted to reflect the appropriate cell reference to properly account for the Transmission Accumulated Common Amortization on a prospective basis for future filings.

As specified in the Protocols, this True-Up Adjustment is subject to review and challenge by Interested Parties. PSE&G is providing this annual True-Up Adjustment to parties identified on the official service list in this docket as well as all Interested Parties who have informed PSE&G that they wish to receive such updates. Additionally, PSE&G has provided this true-up to PJM for posting on its website [www.PJM.com](http://www.PJM.com).

Thank you for your attention to this informational filing. Please advise if you have any questions.

Very truly yours,

*Matthew M. Weissman*

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# **ATTACHMENT A**

Public Service Electric and Gas Company  
ATTACHMENT H-10A

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

12 Months Ended  
12/31/2012

Shaded cells are input cells

## Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	(Note O)	Attachment 5	21,422,761
2	Total Wages Expense	(Note O)	Attachment 5	179,939,178
3	Less A&G Wages Expense	(Note O)	Attachment 5	5,335,468
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	174,603,710
5	<b>Wages &amp; Salary Allocator</b>		(Line 1 / Line 4)	<b>12.2694%</b>
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	Attachment 5	9,939,146,604
7	Common Plant in Service - Electric		(Line 22)	110,614,899
8	Total Plant in Service		(Line 6 + 7)	10,049,761,504
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	Attachment 5	2,769,839,971
10	Accumulated Intangible Amortization - Electric	(Note B)	Attachment 5	1,032,739
11	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	Attachment 5	21,058,184
12	Accumulated Common Amortization - Electric	(Note B)	Attachment 5	15,697,823
13	Total Accumulated Depreciation		(Line 9 + Line 10 + Line 11 + Line 12)	2,807,628,717
14	Net Plant		(Line 8 - Line 13)	7,242,132,787
15	Transmission Gross Plant		(Line 31)	2,726,803,848
16	<b>Gross Plant Allocator</b>		(Line 15 / Line 8)	<b>27.1330%</b>
17	Transmission Net Plant		(Line 43)	1,966,383,181
18	<b>Net Plant Allocator</b>		(Line 17 / Line 14)	<b>27.1520%</b>

## Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	Attachment 5	2,673,344,780
20	General	(Note B)	Attachment 5	214,198,981
21	Intangible - Electric	(Note B)	Attachment 5	1,521,328
22	Common Plant - Electric	(Note B)	Attachment 5	110,614,899
23	Total General, Intangible & Common Plant		(Line 20 + Line 21 + Line 22)	326,335,208
24	Less: General Plant Account 397 -- Communications	(Note B)	Attachment 5	30,618,809
25	Less: Common Plant Account 397 -- Communications	(Note B)	Attachment 5	5,864,847
26	General and Intangible Excluding Acct. 397		(Line 23 - Line 24 - Line 25)	289,851,552
27	Wage & Salary Allocator		(Line 5)	12.2694%
28	General and Intangible Plant Allocated to Transmission		(Line 26 * Line 27)	35,562,936
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Attachment 5	17,896,132
30	Total General and Intangible Functionalized to Transmission		(Line 28 + Line 29)	53,459,068
31	<b>Total Plant In Rate Base</b>		(Line 19 + Line 30)	<b>2,726,803,848</b>
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Note B & J)	Attachment 5	734,936,095
33	Accumulated General Depreciation	(Note B & J)	Attachment 5	109,486,835
34	Accumulated Common Plant Depreciation - Electric	(Note B & J)	Attachment 5	36,756,006
35	Less: Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Attachment 5	20,761,365
36	Balance of Accumulated General Depreciation		(Line 33 + Line 34 - Line 35)	125,481,477
37	Accumulated Intangible Amortization - Electric	(Note B)	(Line 10)	1,032,739
38	Accumulated General and Intangible Depreciation Ex. Acct. 397		(Line 36 + 37)	126,514,216
39	Wage & Salary Allocator		(Line 5)	12.2694%
40	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 38 * Line 39)	15,522,487
41	Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission	(Note B & J)	Attachment 5	9,962,084
42	<b>Total Accumulated Depreciation</b>		(Lines 32 + 40 + 41)	<b>760,420,666</b>
43	<b>Total Net Property, Plant &amp; Equipment</b>		(Line 31 - Line 42)	<b>1,966,383,181</b>

Public Service Electric and Gas Company ATTACHMENT H-10A			12 Months Ended 12/31/2012
Formula Rate -- Appendix A	Notes	FERC Form 1 Page # or Instruction	
<b>Shaded cells are input cells</b>			
<b>Adjustment To Rate Base</b>			
44	Accumulated Deferred Income Taxes ADIT net of FASB 106 and 109	(Note Q) Attachment 1	-529,173,906
45	CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year	(Note B & H) Attachment 6	415,451,858
45a	Abandoned Transmission Projects Unamortized Abandoned Transmission Projects	(Note R) Attachment 5	0
46	Plant Held for Future Use	(Note C & Q) Attachment 5	3,674,646
47	Prepayments	(Note A & Q) Attachment 5	4,532,227
48	Materials and Supplies Undistributed Stores Expense	(Note Q) Attachment 5 (Line 5)	0
49	Wage & Salary Allocator		12.2694%
50	Total Undistributed Stores Expense Allocated to Transmission	(Line 48 * Line 49)	0
51	Transmission Materials & Supplies	(Note N & Q)) Attachment 5	6,702,728
52	Total Materials & Supplies Allocated to Transmission	(Line 50 + Line 51)	6,702,728
53	Cash Working Capital Operation & Maintenance Expense	(Line 80)	97,934,919
54	1/8th Rule	1/8	12.5%
55	Total Cash Working Capital Allocated to Transmission	(Line 53 * Line 54)	12,241,865
56	Network Credits Outstanding Network Credits	(Note N & Q)) Attachment 5	0
57	<b>Total Adjustment to Rate Base</b>	<b>(Lines 44 + 45 + 45a + 46 + 47 + 52 + 55 - 56)</b>	<b>(86,570,583)</b>
58	<b>Rate Base</b>	<b>(Line 43 + Line 57)</b>	<b>1,879,812,598</b>
<b>Operations &amp; Maintenance Expense</b>			
59	Transmission O&M	(Note O) Attachment 5	69,794,735
60	Plus Transmission Lease Payments	(Note O) Attachment 5	0
61	<b>Transmission O&amp;M</b>	<b>(Lines 59 + 60)</b>	<b>69,794,735</b>
62	Allocated Administrative & General Expenses Total A&G	(Note O) Attachment 5	215,154,304
63	Plus: Fixed PBOP expense	(Note J) Attachment 5	77,745,482
64	Less: Actual PBOP expense	(Note O) Attachment 5	54,276,002
65	Less Property Insurance Account 924	(Note O) Attachment 5	1,390,774
66	Less Regulatory Commission Exp Account 928	(Note E & O) Attachment 5	12,374,971
67	Less General Advertising Exp Account 930.1	(Note O) Attachment 5	2,413,845
68	Less EPRI Dues	(Note D & O) Attachment 5	0
69	<b>Administrative &amp; General Expenses</b>	<b>Sum (Lines 62 to 63) - Sum (Lines 64 to 68)</b>	<b>222,444,194</b>
70	Wage & Salary Allocator	(Line 5)	12.2694%
71	<b>Administrative &amp; General Expenses Allocated to Transmission</b>	<b>(Line 69 * Line 70)</b>	<b>27,292,483</b>
72	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G & O) Attachment 5	470,078
73	General Advertising Exp Account 930.1	(Note K & O) Attachment 5	0
74	Subtotal - Accounts 928 and 930.1 - Transmission Related	(Line 72 + Line 73)	470,078
75	Property Insurance Account 924	(Line 65)	1,390,774
76	General Advertising Exp Account 930.1	(Note F & O) Attachment 5	0
77	Total Accounts 928 and 930.1 - General	(Line 75 + Line 76)	1,390,774
78	Net Plant Allocator	(Line 18)	27.1520%
79	<b>A&amp;G Directly Assigned to Transmission</b>	<b>(Line 77 * Line 78)</b>	<b>377,623</b>
80	<b>Total Transmission O&amp;M</b>	<b>(Lines 61 + 71 + 74 + 79)</b>	<b>97,934,919</b>

Public Service Electric and Gas Company		
ATTACHMENT H-10A		
Formula Rate -- Appendix A	Notes	FERC Form 1 Page # or Instruction

12 Months Ended  
12/31/2012

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**Depreciation & Amortization Expense**

Depreciation Expense				
81	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	61,825,469
81a	Amortization of Abandoned Plant Projects	(Note R)	Attachment 5	0
82	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J & O)	Attachment 5	15,479,299
83	Less: Amount of General Depreciation Expense Associated with Acct. 397	(Note J & O)	Attachment 5	3,635,429
84	Balance of General Depreciation Expense		(Line 82 - Line 83)	11,843,870
85	Intangible Amortization	(Note A & O)	Attachment 5	5,244,491
86	Total		(Line 84 + Line 85)	17,088,361
87	Wage & Salary Allocator		(Line 5)	12.27%
88	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 86 * Line 87)	2,096,633
89	General Depreciation Expense for Acct. 397 Directly Assigned to Transmission	(Note J & O)	Attachment 5	1,769,924
90	General Depreciation and Intangible Amortization Functionalized to Transmission		(Line 88 + Line 89)	3,866,557
91	<b>Total Transmission Depreciation &amp; Amortization</b>		<b>(Lines 81 + 81a + 90)</b>	<b>65,692,026</b>

**Taxes Other than Income Taxes**

92	Taxes Other than Income Taxes	(Note O)	Attachment 2	9,064,901
93	<b>Total Taxes Other than Income Taxes</b>		(Line 92)	<b>9,064,901</b>

**Return \ Capitalization Calculations**

94	Long Term Interest		p117.62.c through 67.c	235,800,460
95	Preferred Dividends	enter positive	p118.29.d	0
<b>Common Stock</b>				
96	Proprietary Capital	(Note P)	Attachment 5	4,913,890,700
97	Less Accumulated Other Comprehensive Income Account 219	(Note P)	Attachment 5	1,734,564
98	Less Preferred Stock		(Line 106)	0
99	Less Account 216.1	(Note P)	Attachment 5	3,385,434
100	<b>Common Stock</b>		(Line 96 - 97 - 98 - 99)	4,908,770,703
<b>Capitalization</b>				
101	Long Term Debt	(Note P)	Attachment 5	4,532,423,435
102	Less Loss on Reacquired Debt	(Note P)	Attachment 5	92,504,407
103	Plus Gain on Reacquired Debt	(Note P)	Attachment 5	0
104	Less ADIT associated with Gain or Loss	(Note P)	Attachment 5	32,912,278
105	Total Long Term Debt		(Line 101 - 102 + 103 - 104)	4,407,006,751
106	Preferred Stock	(Note P)	Attachment 5	0
107	Common Stock		(Line 100)	4,908,770,703
108	<b>Total Capitalization</b>		(Sum Lines 105 to 107)	9,315,777,453
109	Debt %	Total Long Term Debt	(Line 105 / Line 108)	47.31%
110	Preferred %	Preferred Stock	(Line 106 / Line 108)	0.00%
111	Common %	Common Stock	(Line 107 / Line 108)	52.69%
112	Debt Cost	Total Long Term Debt	(Line 94 / Line 105)	0.0535
113	Preferred Cost	Preferred Stock	(Line 95 / Line 106)	0.0000
114	Common Cost	Common Stock	(Note J) Fixed	0.1168
115	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 109 * Line 112)	0.0253
116	Weighted Cost of Preferred	Preferred Stock	(Line 110 * Line 113)	0.0000
117	Weighted Cost of Common	Common Stock	(Line 111 * Line 114)	0.0615
118	<b>Rate of Return on Rate Base ( ROR )</b>		(Sum Lines 115 to 117)	<b>0.0869</b>
119	<b>Investment Return = Rate Base * Rate of Return</b>		<b>(Line 58 * Line 118)</b>	<b>163,275,770</b>

Public Service Electric and Gas Company				12 Months Ended
ATTACHMENT H-10A				12/31/2012
Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	
<b>Shaded cells are input cells</b>				
<b>Composite Income Taxes</b>				
<b>Income Tax Rates</b>				
120	FIT=Federal Income Tax Rate	(Note I)		35.00%
121	SIT=State Income Tax Rate or Composite			9.00%
122	p (percent of federal income tax deductible for state purposes)		Per State Tax Code	0.00%
123	T			40.85%
124	T / (1-T)			69.06%
<b>ITC Adjustment</b>				
125	Amortized Investment Tax Credit	enter negative	(Note O)	
126	1/(1-T)		Attachment 5	-1,205,593
127	Net Plant Allocation Factor		1 / (1 - Line 123)	169.06%
128	ITC Adjustment Allocated to Transmission		(Line 18)	27,1520%
			(Line 125 * Line 126 * Line 127)	-553,411
129	Income Tax Component =	(T/1-T) * Investment Return * (1-(WCLTD/ROR)) =	[Line 124 * Line 119 * (1- (Line 115 / Line 118))]	79,900,289
130	Total Income Taxes		(Line 128 + Line 129)	79,346,878
<b>Revenue Requirement</b>				
<b>Summary</b>				
131	Net Property, Plant & Equipment		(Line 43)	1,966,383,181
132	Total Adjustment to Rate Base		(Line 57)	-86,570,583
133	Rate Base		(Line 58)	1,879,812,598
134	Total Transmission O&M		(Line 80)	97,934,919
135	Total Transmission Depreciation & Amortization		(Line 91)	65,692,026
136	Taxes Other than Income		(Line 93)	9,064,901
137	Investment Return		(Line 119)	163,275,770
138	Income Taxes		(Line 130)	79,346,878
139	Gross Revenue Requirement		(Sum Lines 134 to 138)	415,314,494
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>				
140	Transmission Plant In Service		(Line 19)	2,673,344,780
141	Excluded Transmission Facilities	(Note B & M)	Attachment 5	0
142	Included Transmission Facilities		(Line 140 - Line 141)	2,673,344,780
143	Inclusion Ratio		(Line 142 / Line 140)	100.00%
144	Gross Revenue Requirement		(Line 139)	415,314,494
145	Adjusted Gross Revenue Requirement		(Line 143 * Line 144)	415,314,494
<b>Revenue Credits &amp; Interest on Network Credits</b>				
146	Revenue Credits	(Note O)	Attachment 3	26,274,721
147	Interest on Network Credits	(Note N & O)	Attachment 5	0
148	Net Revenue Requirement		(Line 145 - Line 146 + Line 147)	389,039,774
<b>Net Plant Carrying Charge</b>				
149	Gross Revenue Requirement		(Line 144)	415,314,494
150	Net Transmission Plant, CWIP and Abandoned Plant		(Line 19 - Line 32 + Line 45 + Line 45a)	2,353,860,542
151	Net Plant Carrying Charge		(Line 149 / Line 150)	17.6440%
152	Net Plant Carrying Charge without Depreciation		(Line 149 - Line 81) / Line 150	15.0174%
153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 149 - Line 81 - Line 119 - Line 130) / Line 150	4.7100%
<b>Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE</b>				
154	Gross Revenue Requirement Less Return and Taxes		(Line 144 - Line 137 - Line 138)	172,691,846
155	Increased Return and Taxes		Attachment 4	259,368,739
156	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 154 + Line 155)	432,060,586
157	Net Transmission Plant, CWIP and Abandoned Plant		(Line 19 - Line 32 + Line 45 + Line 45a)	2,353,860,542
158	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 156 / Line 157)	18.3554%
159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 156 - Line 81) / Line 157	15.7288%
160	Net Revenue Requirement		(Line 148)	389,039,774
161	True-up amount		Attachment 6	-876,997
162	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones		Attachment 7	2,130,155
163	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	0
164	Net Zonal Revenue Requirement		(Line 160 + 161 + 162 + 163)	390,292,932
<b>Network Zonal Service Rate</b>				
165	1 CP Peak	(Note L)	Attachment 5	10,933.3
166	Rate (\$/MW-Year)		(Line 164 / 165)	35,698
167	Network Service Rate (\$/MW/Year)		(Line 166)	35,698

<b>Public Service Electric and Gas Company</b> <b>ATTACHMENT H-10A</b>		
<b>Formula Rate -- Appendix A</b>	<b>Notes</b>	<b>FERC Form 1 Page # or Instruction</b>

12 Months Ended  
12/31/2012

Shaded cells are input cells

**Notes**

- A Electric portion only
- B Calculated using 13-month average balances.
- C Includes Transmission portion only. At each annual informational filing, Company will identify for each parcel of land an intended use within a 15 year period.
- D Includes all EPRI Annual Membership Dues
- E Includes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H CWIP can only be included if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes.
- J ROE will be supported in the original filing and no change in ROE will be made absent a filing at FERC.  
PBOP expense is fixed until changed as the result of a filing at FERC.  
Depreciation rates shown in Attachment 8 are fixed until changed as the result of a filing at FERC.  
If book depreciation rates are different than the Attachment 8 rates, PSE&G will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to FERC Form 1 amounts.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A.  
Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmisison Owner whole on Line "&A248&".
- O Expenses reflect full year plan
- P The projected capital structure shall reflect the capital structure from the FERC Form 1 data. For all other formula rate calculations, the projected capital structure and actual capital structure shall reflect the capital structure from the most recent FERC Form 1 data available.  
Calculated using the average of the prior year and current year balances.
- Q Calculated using beginning and year end projected balances.
- END** R Unamortized Abandoned Plant and Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion.



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2012

	Only Transmission Related	Plant Related	Labor Related	Total ADIT	
ADIT-282	0	(1,969,282,109)	(1,253,592)		From Acct. 282 total, below
ADIT-283	(1,986,062)	(264,141,157)	(33,094,751)		From Acct. 283 total, below
ADIT-190	1,617,015	87,545,269	7,745,077		From Acct. 190 total, below
Subtotal	(369,047)	(2,135,877,997)	(26,603,266)		
Wages & Salary Allocator			12,269.4%		
Net Plant Allocator		27.1520%			
End of Year ADIT	(369,047)	(579,933,383)	(3,264,051)	(583,566,481)	
End of Previous Year ADIT (from Sheet 1A-ADIT (3))	(164,297)	(472,097,000)	(2,520,034)	(474,761,331)	
Average Beginning and End of Year ADIT	(266,672)	(526,015,192)	(2,892,042)	(529,173,906)	Appendix A, Line 44

Note: ADIT associated with Gain or Loss on Recquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 108

(32,458,668) < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADIT-190						
Public Utility Realty Tax (PURTA)	1,617,015		1,617,015			Property Taxes for Transmission Switching Stations owned in Pennsylvania
Additional Maintenance Expense	1,348,125	1,348,125				Book estimate accrued expenses, generation related taxes
Newark Center Renovations	10,804				10,804	Amort of Renovations of Newark Plaza - General Property
New Jersey Corporate Business Tax(NJCBT)	75,433,320			75,433,320		New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis						New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
ADIT - Real Estate Taxes	(762,590)			(762,590)		Book estimate accrued and expensed, tax deduction when paid related to plant
Gross Receipts & Franchise Tax(GRAFT)	756,443	756,443				Retail related
Market Transition Charge Revenue	18,166,380	18,166,380				Stranded cost recovery - generation related
Mine Closing Costs	1,357,594	1,357,594				Book estimate accrued and expensed, tax deduction when paid - Generation related
FIN 47	94,034	94,034				Asset Retirement Obligation - Legal liability for environmental removal costs
Vacation Pay	3,454,291				3,454,291	Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
OPEB	166,393,372				166,393,372	FASB 106 - Post Retirement Obligation, labor related.
Deferred Dividend Equivalents	4,078,141				4,078,141	Book accrual of dividends on employee stock options affecting all functions
Deferred Compensation	552,891				552,891	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Interest/AFDC Debt	12,874,540			12,874,540		Capitalized Interest - Book vs Tax relates to all plant in all functions
ADIT - Unallowable PIP Accrual	(1,738,430)				(1,738,430)	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Legal Fees	637,144	637,144				Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Rev of 1985-1993 Settle Int Exp	(3,347,601)	(3,347,601)				Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation related
ADIT - Interest on Dismantling & Decommissioning	(1,940,681)	(1,940,681)				Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation related
ADIT - SETI Dissolution	60,619	60,619				Book estimate accrued and expensed, tax deduction when paid / audit settlement - Retail related
Minimum Pension Liability	137,435	137,435				Associated with Pension Liability not in rates
FIN 48 Services Allocation	826,372	826,372				Uncertain Tax Positions - Assets/(Liabilities) not in rates
Bankruptcies \$ Adc	5,872	5,872				Book estimate accrued and expensed, tax deduction when paid - Generation Related
Repair Allowance Deferred	300,000	300,000				Deferred recovery of lost repair allowance deductions-Retail Related
Fin Def. Energy competition Act CT						Restructuring Costs - Generation related
Def Tax Meter Equipment	201,675	201,675				Book estimate accrued and expensed, tax deduction when paid - Retail - Distribution Meters
Unrealized LIG Rabbi Trust	248,287				248,287	Book estimate accrued and expensed, tax deduction when paid for Executive Compensation
Reserve for SECA	(1,422,255)	(1,422,255)				Related to LSE SECA obligations - retail
Estimated Severance Pay Accruals	1,139,094				1,139,094	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
Federal Taxes Deferred	36,491,626			36,491,626		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Federal Taxes Current	31,649,457			31,649,457		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Fed Taxes Reg Requirement	36,313,066			36,313,066		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
<b>Subtotal - p234</b>	<b>384,938,037</b>	<b>17,181,155</b>	<b>1,617,015</b>	<b>191,999,418</b>	<b>174,138,448</b>	
Less FASB 109 Above if not separately removed	104,454,149			104,454,149		
Less FASB 106 Above if not separately removed	166,393,372				166,393,372	
<b>Total</b>	<b>114,088,516</b>	<b>17,181,155</b>	<b>1,617,015</b>	<b>87,545,269</b>	<b>7,745,077</b>	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2012

A	B	C	D	E	F	G
ADIT-283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	
Fin 48 Assessment	(24,223,260)	(24,223,260)				Basis difference resulting from accelerated deductions for repairs and indirect costs
Securitization Regulatory Asset	1,022,247,426	1,022,247,426				Generation Related (Securitization of Stranded Costs)
Securitization - Federal	(1,046,054,881)	(1,046,054,881)				Generation Related (Securitization of Stranded Costs)
Securitization - State	(346,857,565)	(346,857,565)				Generation Related (Securitization of Stranded Costs)
Amortization of Hope Creek License Costs	(649,571)	(649,571)				Book vs Tax Difference - Generation Related
Environmental Cleanup Costs	28,786,546	28,786,546				Book estimate accrued and expensed, tax deduction when paid - Manufactured Gas Plants
Company-Owned Life Insurance (COLI)	(3,746,320)	(3,746,320)				Related to Uncertain Tax Position (FIN 48) which will be reclassified and not in rates
New Jersey Corporation Business Tax	(266,010,801)	(34,123,561)	(204,750)	(231,682,489)		New Jersey Corporate Income Tax - Plant Related- Contra Account of 190 NJC/BT
NJC/BT - Step Up Basis	133,059,757	133,059,757				New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
Obsolete Material Write Off	5,751,926	5,751,926				Book accrued write-off, tax deduction when actually disposed of - Generation Related
Fuel Cost Adjustment	(29,801,712)	(29,801,712)				Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(86,391,901)					Demand Side management and Associated Programs - Retail Related
Take-or-Pay Costs	913,793	913,793				Gas Supply Contracts
Other Contract Cancellations	(7,904,692)	(7,904,692)				Generation Related (Non-Utility Asset/Liability)
Other Computer Software	(20,344,455)				(20,344,455)	Accelerated Amortization of Computer Software - General Plant
Loss on Reacquired Debt	(32,458,668)			(32,458,668)		Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(111,898,643)	(111,898,643)				Associated with Pension Liability not in rates
Amortization of Peach Bottom HWC	(689,785)	(689,785)				Generation Related (Non-Utility Asset/Liability)
Radioactive Waste Storage Costs	(1,092,677)	(1,092,677)				Generation Related (Non-Utility Asset/Liability)
Severance Pay Costs	(12,609,499)				(12,609,499)	Book estimate accrued and expensed, tax deduction when paid related to all employees
Repair Allowance-Reverse Amortization	(2,974,016)	(2,974,016)				Retail Related - Electric Distribution
Public Utility Realty Tax Assessment (PURPA)	(1,781,312)		(1,781,312)			Property Taxes for Transmission Switching Stations owned in Pennsylvania
Federal Excise Tax Fuel Refunds	(137,133)				(137,133)	Vehicle Fuel Tax - General
Decommissioning and Decontamination Costs	12,603,383	12,603,383				Payments to DOE - Generation Related
Emission Allowance Sales	2,868,153	2,868,153				Sales of Emission Allowances - Generation Related
Interest Expense Adjustment						Generation Related (Non-Utility Asset/Liability)
Capitalization of Study Costs	(2,009,586)	(2,009,586)				Generation Related (Non-Utility Asset/Liability)
Mescalero Radioactive Wast Storage Costs	158,378	158,378				Generation Related (Non-Utility Asset/Liability)
Sale of Call Option	(70)	(70)				Book amortization expensed, tax deduction when occurred - Retail Related - distribution property
Vacation Pay Adjustment	(3,663)				(3,663)	Book estimate accrued and expensed, tax deduction when paid relating to all employees
Purchase Power - Audit Settlement	848,006	848,006				Purchased Power Settlements - Generation Related
Crude Oil Refunds	1,570,058	1,570,058				Generation Related (Non-Utility Asset/Liability)
Peach Bottom Interim Fuel Storage	(852,372)	(852,372)				Interim Nuclear Fuel Storage Costs - Generation Related
Amort UCUA Property Loss	15	15				Generation Related (Non-Utility Asset/Liability)
New Network Metering Equipment	(201,674)	(201,674)				New Upgraded Meter Equipments - Retail Related - Distribution Meters
Accounting for Income Taxes (FAS109) - Federal	(37,429,764)			(37,429,764)		FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - State	(16,672,959)			(16,672,959)		FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - Regulatory Requirement	(210,828,249)			(210,828,249)		FASB 109 - gross-up
iPower (Deferred Project Costs)	(1,507,394)	(1,507,394)				
Adj. Holding Account	(1,922,994)	(1,922,994)				
<b>Subtotal - p277</b>	<b>(1,058,248,154)</b>	<b>(494,095,213)</b>	<b>(1,986,062)</b>	<b>(529,072,129)</b>	<b>(33,094,751)</b>	
<b>Less FASB 109 Above if not separately removed</b>	<b>(264,930,972)</b>			<b>(264,930,972)</b>		
<b>Less FASB 106 Above if not separately removed</b>						
<b>Total</b>	<b>(793,317,182)</b>	<b>(494,095,213)</b>	<b>(1,986,062)</b>	<b>(264,141,157)</b>	<b>(33,094,751)</b>	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
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Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2011

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	0	(1,528,849,884)	(1,142,245)	From Acct. 282 total, below
ADIT-283	(1,781,312)	(216,342,830)	(27,435,149)	From Acct. 283 total, below
ADIT-190	1,617,015	5,673,120	8,038,154	From Acct. 190 total, below
Subtotal	(164,297)	(1,738,719,694)	(20,539,240)	
Wages & Salary Allocator			12.2694%	
Net Plant Allocator		27.1520%		
End of Year ADIT	(164,297)	(472,097,000)	(2,520,034)	(474,781,331)

Note: ADIT associated with Gain or Loss on Recaptured Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 108  
(33,365,887) < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADIT-190						
Public Utility Realty Tax (PURTA)		1,617,015		1,617,015		Property Taxes for Transmission Switching Stations owned in Pennsylvania
Additional Maintenance Expense		1,348,125				Book estimate accrued expenses, generation related taxes
Newark Center Renovations		10,804			10,804	Amort of Renovations of Newark Plaza - General Property
New Jersey Corporate Business Tax(NJCBT)						New Jersey Corporate Income Tax Plant Related- Contra Account of 283 NJCBT
NJCBT - Step Up Basis						New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
ADIT - Real Estate Taxes		2,509,478			2,509,478	Book estimate accrued and expensed, tax deduction when paid - related to plant
Gross Receipts & Franchise Tax(GRAFT)		756,443	756,443			Retail related
Market Transition Charge Revenue		25,708,163	25,708,163			Stranded cost recovery - generation related
Mine Closing Costs		1,357,594	1,357,594			Book estimate accrued and expensed, tax deduction when paid - Generation related
FIN 47		19,094	19,094			Asset Retirement Obligation - Legal liability for environmental removal costs
Vacation Pay		3,423,114			3,423,114	Vacation pay earned and expensed for books, tax deduction when paid - employees in all functions
OPEB		160,982,925			160,982,925	FASB 106 - Post Retirement Obligation, labor related
Deferred Dividend Equivalents		3,255,188			3,255,188	Book accrual of dividends on employee stock options affecting all functions
Deferred Compensation		509,166			509,166	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Interest/AFDC Debt		3,163,642		3,163,642		Capitalized Interest - Book vs Tax relates to all plant in all functions
ADIT - Unallowable PIP Accrual		(450,789)			(450,789)	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Legal Fees		637,144	637,144			Book estimate accrued and expensed, tax deduction when paid - employees in all functions
ADIT - Rev of 1985-1993 Settle Int Exp		(3,308,624)	(3,308,624)			Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation related
ADIT - Interest on Dismantling & Decommissioning		(1,940,681)	(1,940,681)			Book estimate accrued and expensed, tax deduction when paid / audit settlement - Generation related
ADIT - SETI Dissolution		60,619	60,619			Book estimate accrued and expensed, tax deduction when paid / audit settlement - Retail related
Minimum Pension Liability		137,435	137,435			Associated with Pension Liability not in rates
FIN 48 Services Allocation		(981,910)	(981,910)			Uncertain Tax Positions - Assets/(Liabilities) not in rates
Bankruptcies \$ Acfc		50,777	50,777			Book estimate accrued and expensed, tax deduction when paid - Generation Related
Repair Allowance Deferred		(6,001,403)	(6,001,403)			Deferred recovery of lost repair allowance deductions-Retail Related
Fin Def. Energy competition Act CT		(2,261,098)	(2,261,098)			Restructuring Costs - Generation related
Def Tax Meter Equipment		201,647	201,647			Book estimate accrued and expensed, tax deduction when paid - Retail - Distribution Meters
Unrealized L/G Rabbi Trust		373,519			373,519	Book estimate accrued and expensed, tax deduction when paid for Executive Compensation
Reserve for SECA		(1,111,579)	(1,111,579)			Related to LSE SECA obligations - retail
Estimated Severance Pay Accruals		917,153			917,153	Book estimate accrued and expensed, tax deduction when paid - employees in all functions
Federal Taxes Deferred		34,665,721		34,665,721		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Federal Taxes Current		33,159,590		33,159,590		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Fed Taxes Reg Requirement		36,094,989		36,094,989		FASB 109 - deferred tax asset primarily associated with items previously flowed through due to regulation
Subtotal - p234		294,903,259	14,671,745	1,617,015	109,593,420	169,021,079
Less FASB 109 Above if not separately removed		103,920,300			103,920,300	
Less FASB 106 Above if not separately removed		160,982,925			160,982,925	
Total		30,000,034	14,671,745	1,617,015	5,673,120	8,038,154

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2011

A	B	C	D	E	F	G
ADIT-283	Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	
Fin 48 Assessment	(7,906,876)	(7,906,876)				Basis difference resulting from accelerated deductions for repairs and Indirect Costs
Securitization Regulatory Asset	1,092,557,518	1,092,557,518				Generation Related (Securitization of Stranded Costs)
Securitization - Federal	(1,221,997,600)	(1,221,997,600)				Generation Related (Securitization of Stranded Costs)
Securitization - State	(365,173,288)	(365,173,288)				Generation Related (Securitization of Stranded Costs)
Amortization of Hope Creek License Costs	(649,571)	(649,571)				Book vs Tax Difference - Generation Related
Environmental Cleanup Costs	27,161,047	27,161,047				Book estimate accrued and expensed, tax deduction when paid - Manufactured Gas Plants
Company-Owned Life Insurance (COLI)	(3,746,320)	(3,746,320)				Related to Uncertain Tax Position (FIN 48) which will be reclassified and not in rates.
New Jersey Corporation Business Tax	(191,686,454)	(8,709,512)		(182,976,942)		New Jersey Corporate Income Tax - Plant Related- Contra Account of 190 NJCBT
NJCBT - Step Up Basis	141,930,838	141,930,838				New Jersey Corporate Income Tax for Utility - Gets return on but no return of prior book vs tax timing differences
Obsolete Material Write Off	5,751,926	5,751,926				Book accrued write-off, tax deduction when actually disposed of - Generation Related
Fuel Cost Adjustment	(35,285,945)	(35,285,945)				Book deferral of Underrecovered Fuel Costs - Retail Related
Accelerated Activity Plan	(90,326,601)	(90,326,601)				Demand Side management and Associated Programs - Retail Related
Take-or-Pay Costs	913,793	913,793				Gas Supply Contracts
Other Contract Cancellations	(7,904,692)	(7,904,692)				Generation Related (Non-Utility Asset/Liability)
Other Computer Software	(18,771,593)				(18,771,593)	Accelerated Amortization of Computer Software - General Plant
Loss on Reacquired Debt	(33,365,887)			(33,365,887)		Tax deduction when reacquired, booked amortizes to expense
Additional Pension Deduction	(94,354,591)	(94,354,591)				Associated with Pension Liability not in rates
Amortization of Peach Bottom HWC	(689,765)	(689,765)				Generation Related (Non-Utility Asset/Liability)
Radioactive Waste Storage Costs	(1,092,677)	(1,092,677)				Generation Related (Non-Utility Asset/Liability)
Severance Pay Costs	(8,522,760)				(8,522,760)	Book estimate accrued and expensed, tax deduction when paid related to all employees
Repair Allowance-Reverse Amortization	(1,100,021)	(1,100,021)				Retail Related - Electric Distribution
Public Utility Realty Tax Assessment (PURPA)	(1,781,312)		(1,781,312)			Property Taxes for Transmission Switching Stations owned in Pennsylvania
Federal Excise Tax Fuel Refunds	(137,133)				(137,133)	Vehicle Fuel Tax - General
Decommissioning and Decontamination Costs	12,603,383	12,603,383				Payments to DOE - Generation Related
Emission Allowance Sales	2,868,153	2,868,153				Sales of Emission Allowances - Generation Related
Interest Expense Adjustment						Generation Related (Non-Utility Asset/Liability)
Capitalization of Study Costs	(2,009,586)	(2,009,586)				Generation Related (Non-Utility Asset/Liability)
Mescalero Radioactive Waste Storage Costs	158,378	158,378				Generation Related (Non-Utility Asset/Liability)
Sale of Call Option	(70)	(70)				Book amortization expensed, tax deduction when occurred - Retail Related - distribution property
Vacation Pay Adjustment	(3,663)	0			(3,663)	Book estimate accrued and expensed, tax deduction when paid relating to all employees
Purchase Power - Audit Settlement	848,006	848,006				Purchased Power Settlements - Generation Related
Crude Oil Refunds	1,570,058	1,570,058				Generation Related (Non-Utility Asset/Liability)
Peach Bottom Interim Fuel Storage	(852,372)	(852,372)				Interim Nuclear Fuel Storage Costs - Generation Related
Amort UCUA Property Loss	15	15				Generation Related (Non-Utility Asset/Liability)
New Network Metering Equipment	(201,674)	(201,674)				New Upgraded Meter Equipments - Retail Related - Distribution Meters
Accounting for Income Taxes (FAS109) - Federal	(43,428,135)			(43,428,135)		FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - State	(16,672,959)			(16,672,959)		FASB 109 - deferred tax liability primarily non-plant related items previously flowed through due to regulation
Accounting for Income Taxes (FAS109) - Regulatory Requirement	(198,172,681)			(198,172,681)		FASB 109 - gross-up
iPower (Deferred Project Costs)	(2,639,475)	(2,639,475)				
Adj. Holding Account	(1,922,994)	(1,922,994)				
<b>Subtotal - p277</b>	<b>(1,064,033,580)</b>	<b>(560,200,515)</b>	<b>(1,781,312)</b>	<b>(474,616,605)</b>	<b>(27,435,149)</b>	
<b>Less FASB 109 Above if not separately removed</b>	<b>(258,273,775)</b>			<b>(258,273,775)</b>		
<b>Less FASB 106 Above if not separately removed</b>						
<b>Total</b>	<b>(805,759,805)</b>	<b>(560,200,515)</b>	<b>(1,781,312)</b>	<b>(216,342,830)</b>	<b>(27,435,149)</b>	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

**Public Service Electric and Gas Company**  
**ATTACHMENT H-10A**  
**Attachment 2 - Taxes Other Than Income Worksheet - December 31, 2012**

<b>Other Taxes</b>	<b>Page 263 Col (i)</b>	<b>Allocator</b>	<b>Allocated Amount</b>
<b>Plant Related</b>			
1 Real Estate	19,404,377		
2 <b>Total Plant Related</b>	19,404,377	N/A	7,533,079
<b>Labor Related</b>			
<b>Wages &amp; Salary Allocator</b>			
3 FICA	12,950,915		
4 Federal Unemployment Tax	159,789		
5 New Jersey Unemployment Tax	517,483		
6 New Jersey Workforce Development	(1,143,247)		
7			
8 <b>Total Labor Related</b>	12,484,940	12.2694%	1,531,822
<b>Other Included</b>			
<b>Net Plant Allocator</b>			
9			
10			
11			
12			
13 <b>Total Other Included</b>	0	27.1520%	0
14 <b>Total Included (Lines 8 + 14 + 19)</b>	31,889,317		9,064,901
<b>Currently Excluded</b>			
15 Corporate Business Tax			
16 TEFA	67,954,395		
17 Use & Sales Tax			
18 Local Franchise Tax			
19 PA Corporate Income Tax			
20 Municipal Utility			
21 Public Utility Fund			
22 <b>Subtotal, Excluded</b>	67,954,395		
23 <b>Total, Included and Excluded (Line 20 + Line 28)</b>	99,843,712		
24 <b>Total Other Taxes from p114.14.g - Actual</b>	99,843,712		
25 Difference (Line 29 - Line 30)	-		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Net Plant Allocator. If the taxes are 100% recovered at retail they shall not be included. Real Estate taxes are directly assigned to Transmission.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Net Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

**Public Service Electric and Gas Company**  
**ATTACHMENT H-10A**  
**Attachment 3 - Revenue Credit Workpaper - December 31, 2012**

<b>Accounts 450 &amp; 451</b>		
1 Late Payment Penalties Allocated to Transmission		0
<b>Account 454 - Rent from Electric Property</b>		
2 Rent from Electric Property - Transmission Related (Note 2)		645,965
<b>Account 456 - Other Electric Revenues</b>		
3 Transmission for Others		0
4 Schedule 1A		4,651,024
5 Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner)		0
6 Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner		6,617,150
7 Professional Services (Note 2)		74,074
8 Revenues from Directly Assigned Transmission Facility Charges (Note 1)		12,958,684
9 Rent or Attachment Fees associated with Transmission Facilities (Note 2)		6,204,265
10 Gross Revenue Credits	(Sum Lines 1-9)	<u>31,151,162</u>
11 Less line 18	- line 18	(4,876,441)
12 Total Revenue Credits	line 10 + line 11	<u>26,274,721</u>
13 Revenues associated with lines 2, 7, and 9 (Note 2)		6,924,304
14 Income Taxes associated with revenues in line 13		2,828,578
15 One half margin (line 13 - line 14)/2		2,047,863
16 All expenses (other than income taxes) associated with revenues in line 13 that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.		-
17 Line 15 plus line 16		2,047,863
18 Line 13 less line 17		4,876,441

Note 1 If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

Note 2 Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). PSE&G will retain 50% of net revenues consistent with *Pacific Gas and Electric Company*, 90 FERC ¶ 61,314. Note: in order to use lines 13-18, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE 100 Basis Point increase in ROE and Income Taxes	Line 27 + Line 42 from below	259,368,739
B	100 Basis Point increase in ROE		1.00%

**Return Calculation**

		Appendix A Line or Source Reference	
1	<b>Rate Base</b>	(Line 43 + Line 57)	1,879,812,598
2	<b>Long Term Interest</b>	p117.62.c through 67.c	235,800,460
3	<b>Preferred Dividends</b>	enter positive p118.29.d	0
	<b>Common Stock</b>		
4	Proprietary Capital	Attachment 5	4,913,890,700
5	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	1,734,564
6	Less Preferred Stock	(Line 106)	0
7	Less Account 216.1	Attachment 5	3,385,434
8	<b>Common Stock</b>	(Line 96 - 97 - 98 - 99)	4,908,770,703
	<b>Capitalization</b>		
9	Long Term Debt	Attachment 5	4,532,423,435
10	Less Loss on Reacquired Debt	Attachment 5	92,504,407
11	Plus Gain on Reacquired Debt	Attachment 5	0
12	Less ADIT associated with Gain or Loss	Attachment 5	32,912,278
13	<b>Total Long Term Debt</b>	(Line 101 - 102 + 103 - 104 )	4,407,006,751
14	Preferred Stock	Attachment 5	0
15	<b>Common Stock</b>	(Line 100)	4,908,770,703
16	<b>Total Capitalization</b>	(Sum Lines 105 to 107)	9,315,777,453
17	Debt %	Total Long Term Debt (Line 105 / Line 108)	47.3%
18	Preferred %	Preferred Stock (Line 106 / Line 108)	0.0%
19	Common %	Common Stock (Line 107 / Line 108)	52.7%
20	Debt Cost	Total Long Term Debt (Line 94 / Line 105)	0.0535
21	Preferred Cost	Preferred Stock (Line 95 / Line 106)	0.0000
22	Common Cost	Common Stock (Line 114 + 100 basis points)	0.1268
23	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 109 * Line 112)	0.0253
24	Weighted Cost of Preferred	Preferred Stock (Line 110 * Line 113)	0.0000
25	Weighted Cost of Common	Common Stock (Line 111 * Line 114)	0.0668
26	<b>Rate of Return on Rate Base ( ROR )</b>	<b>(Sum Lines 115 to 117)</b>	<b>0.0921</b>
27	<b>Investment Return = Rate Base * Rate of Return</b>	<b>(Line 58 * Line 118)</b>	<b>173,181,083</b>

**Composite Income Taxes**

	<b>Income Tax Rates</b>		
28	FIT=Federal Income Tax Rate		35.00%
29	SIT=State Income Tax Rate or Composite		9.00%
30	p = percent of federal income tax deductible for state purposes	Per State Tax Code	0.00%
31	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	40.85%
35	CIT = T / (1-T)		69.06%
36	1 / (1-T)		169.06%
	<b>ITC Adjustment</b>		
37	Amortized Investment Tax Credit	enter negative Attachment 5	-1,205,593
38	1/(1-T)	1 / (1 - Line 123)	169%
39	Net Plant Allocation Factor	(Line 18)	27.1520%
40	<b>ITC Adjustment Allocated to Transmission</b>	(Line 125 * Line 126 * Line 127)	<b>-553,411</b>
41	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	86,741,067
42	<b>Total Income Taxes</b>		<b>86,187,657</b>

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 5 - Cost Support - December 31, 2012

Electric / Non-electric Cost Support				Previous Year	Current Year - 2012												Average	Non-electric Portion	
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec			
<b>Plant Allocation Factors</b>																			
6	Electric Plant in Service	(Note B)	p207.104g	9,525,196,644	9,586,135,152	9,644,636,821	9,691,180,418	9,778,164,138	9,894,445,623	9,945,211,881	10,043,310,003	10,058,884,958	10,135,147,257	10,178,177,784	10,211,848,646	10,516,566,533	9,939,146,604		
7	Common Plant in Service - Electric	(Note B)	p356	107,420,403	107,493,132	107,513,384	109,255,110	111,034,907	111,479,615	108,983,522	108,968,632	109,018,439	112,454,487	112,450,175	112,469,135	119,452,749	110,614,899		
9	Accumulated Depreciation (Total Electric Plant)	(Note B & J)	p219.29c	2,735,581,715	2,749,398,243	2,751,394,602	2,744,902,602	2,747,944,704	2,760,688,727	2,768,430,761	2,777,452,623	2,784,868,214	2,793,845,079	2,800,123,255	2,796,932,632	2,796,356,465	2,769,939,971		
10	Accumulated Intangible Amortization	(Note B)	p200.21c	772,135	814,009	856,652	899,290	943,661	987,764	1,031,370	1,075,775	1,120,181	1,164,586	1,208,992	1,253,397	1,297,802	1,332,739		
11	Accumulated Common Plant Depreciation - Electric	(Note B & J)	p356	21,844,809	20,891,448	21,140,869	21,402,020	21,645,100	21,903,199	22,172,878	20,112,082	20,360,176	20,167,539	20,379,298	20,598,687	21,138,610	21,058,184		
12	Accumulated Common Amortization - Electric	(Note B)	p356	13,370,701	13,771,839	14,168,110	14,576,129	14,990,117	15,402,768	15,816,867	15,945,825	16,359,173	16,778,540	17,204,073	17,627,738	18,059,817	15,697,823		
<b>Plant In Service</b>																			
19	Transmission Plant in Service	(Note B)	p207.58 g	2,441,396,590	2,486,501,953	2,514,408,193	2,518,976,068	2,578,563,456	2,661,774,323	2,678,042,719	2,697,279,813	2,714,077,733	2,787,106,977	2,806,571,204	2,816,393,056	3,052,990,053	2,673,344,780		
20	General	(Note B)	p207.99 g	214,460,233	214,615,686	214,696,584	214,891,491	215,190,768	216,937,150	213,524,728	213,752,997	213,977,731	212,917,810	212,934,321	212,977,880	213,709,371	214,198,981		
21	Intangible - Electric	(Note B)	p205.5.g	1,447,510	1,449,512	1,449,512	1,449,512	1,553,468	1,553,468	1,553,468	1,553,468	1,553,468	1,553,468	1,553,468	1,553,468	1,553,467	1,521,328		
22	Common Plant in Service - Electric	(Note B)	p356	107,420,403	107,493,132	107,513,384	109,255,110	111,034,907	111,479,615	108,983,522	108,968,632	109,018,439	112,454,487	112,450,175	112,469,135	119,452,749	110,614,899		
24	General Plant Account 397 - Communications	(Note B)	p207.94g	30,708,761	30,723,672	30,741,461	30,757,196	30,763,920	30,772,721	30,452,772	30,452,772	30,479,704	30,543,070	30,543,070	30,543,070	30,562,334	30,618,809		
25	Common Plant Account 397 - Communications	(Note B)	p356	5,987,589	5,972,033	5,968,770	5,958,770	5,959,303	5,960,035	5,959,523	5,959,523	5,994,700	5,640,690	5,640,690	5,640,690	5,640,690	5,854,947		
29	Account No. 397 Directly Assigned to Transmission	(Note B)	Company Records	18,070,968	18,074,899	18,077,176	18,077,176	18,077,176	18,077,176	18,079,105	17,680,657	17,687,077	17,687,077	17,687,077	17,687,077	17,687,077	17,896,132		
<b>Accumulated Depreciation</b>																			
32	Transmission Accumulated Depreciation	(Note B & J)	p219.25.c	748,093,928	750,872,746	753,218,207	741,920,075	735,462,318	734,589,561	731,557,638	730,957,695	727,719,097	728,314,426	724,139,609	725,590,414	721,733,519	734,936,095		
33	Accumulated General Depreciation	(Note B & J)	p219.28.b	102,394,066	104,891,867	106,535,446	107,181,541	108,776,169	110,469,374	112,091,248	108,877,615	110,521,843	110,641,791	112,273,750	113,719,819	114,974,310	109,466,335		
34	Accumulated Common Plant Depreciation & Amortization - Electric	(Note B & J)	p356	35,215,509	34,663,287	35,308,979	35,978,149	36,635,217	37,305,967	37,989,545	36,057,877	36,719,350	36,946,079	37,583,371	38,226,326	39,198,427	36,756,006		
35	Amount of General Depreciation Associated with Acct. 397	(Note B & J)	Company Records	23,238,003	19,198,773	19,515,921	19,821,154	20,128,377	20,434,296	20,738,853	20,607,404	20,906,451	20,877,809	21,177,343	21,476,874	21,776,482	20,761,365		
41	Acc. Deprec. Acct. 397 Directly Assigned to Transmission	(Note B & J)	Company Records	9,265,608	9,408,007	9,555,954	9,703,772	9,851,094	9,998,414	10,145,752	9,894,624	10,041,989	10,189,382	10,336,774	10,484,166	10,631,550	9,962,084		

Wages & Salary																			End of Year
Line #s	Descriptions	Notes	Page #'s & Instructions																
2	Total Wage Expense	(Note A)	p354.28b																179,939,178
3	Total A&C Wages Expense	(Note A)	p354.27b																5,335,468
1	Transmission Wages		p354.21b																21,422,761

Transmission / Non-transmission Cost Support																Beginning Year Balance	End of Year	Average
Line #s	Descriptions	Notes	Page #'s & Instructions															
<b>Plant Held for Future Use (Including Land)</b>																		
46	Transmission Only	(Note C & Q)	p214.47.d													8,579,791	6,297,320	7,438,556
																4,815,881	2,533,411	3,674,646

Prepayments																Electric Beginning Year Balance	Electric End of Year Balance	Wage & Salary Allocator	To Line 47		
Line #s	Descriptions	Notes	Page #'s & Instructions													Previous Year					
47	Prepayments	(Note A & Q)	p111.57c													116,844,733	78,707,504	-4,828,733	36,939,386	12.269%	4,532,227

Materials and Supplies																Beginning Year Balance	End of Year	Average
Line #s	Descriptions	Notes	Page #'s & Instructions															
<b>Materials and Supplies</b>																		
48	Undistributed Stores Exp	(Note Q)	p227.16.b,c													0	0	-
51	Transmission Materials & Supplies	(Note N & Q)	p227.8.b,c													4,622,019	8,783,436	6,702,728

Outstanding Network Credits Cost Support																Beginning Year Balance	End of Year	Average
Line #s	Descriptions	Notes	Page #'s & Instructions															
<b>Network Credits</b>																		
56	Outstanding Network Credits	(Note N & Q)	From PJM													0	0	0

O&M Expenses																			End of Year
Line #s	Descriptions	Notes	Page #'s & Instructions																
59	Transmission O&M	(Note O)	p.321.112.b																69,794,735
60	Transmission Lease Payments		p321.96.b																0

Property Insurance Expenses																			End of Year
Line #s	Descriptions	Notes	Page #'s & Instructions																
65	Property Insurance Account 924	(Note O)	p323.185b																1,390,774

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 5 - Cost Support - December 31, 2012

Adjustments to A & G Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
62	Total A&G Expenses		p323.197b	215,154,304
63	Fixed PBOP expense	(Note J)	Company Records	77,745,482
64	Actual PBOP expense	(Note O)	Company Records	54,276,002

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related
<b>Allocated General &amp; Common Expenses</b>					
66	Regulatory Commission Exp Account 928	(Note E & O)	p323.189b	12,374,971	0
<b>Directly Assigned A&amp;G</b>					
72	Regulatory Commission Exp Account 928	(Note G & O)	p351.11-13h	470,078	470,078

General & Common Expenses

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	EPRI Dues
68	Less EPRI Dues	(Note D & O)	p352-353	0	0

Safety Related Advertising Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Safety Related	Non-safety Related
<b>Directly Assigned A&amp;G</b>						
73	General Advertising Exp Account 930.1	(Note K & O)	p323.191b	2,413,845	0	2,413,845

Education and Out Reach Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Education & Outreach	Other
<b>Directly Assigned A&amp;G</b>						
76	General Advertising Exp Account 930.1	(Note K & O)	p323.191b	2,413,845	0	2,413,845

Depreciation Expense

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
<b>Depreciation Expense</b>				
81	Depreciation-Transmission	(Note J & O)	p336.7.f	61,825,469
82	Depreciation-General & Common	(Note J & O)	p336.10&11.f	15,479,299
83	Depreciation-General Expense Associated with Acct. 397	(Note J & O)	Company Records	3,635,429
85	Depreciation-Intangible	(Note A & O)	p336.1.f	5,244,491
89	Transmission Depreciation Expense for Acct. 397	(Note J & O)	Company Records	1,769,924

Direct Assignment of Transmission Real Estate Taxes

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year	Transmission Related	Non-Transmission
92	Real Estate Taxes - Directly Assigned to Transmission		p263.33i	19,404,377	7,533,079	11,871,298

PSE&G's real estate taxes detail is in an access database which contains a list of the towns PSE&G pays taxes to, which are billed on a quarterly basis for various parcels of property by major classification. Every parcel is associated with a Lot & Block number. These Lot & Blocks are identified to a particular type of property and are labeled. This is the breakout of transmission real estate taxes from total electric.

Return \ Capitalization

Line #s	Descriptions	Notes	Page #'s & Instructions	2011 End of Year	2012 End of Year	Average
96	Proprietary Capital	(Note P)	p112.16.c.d	4,646,621,227	5,181,160,173	4,913,890,700
97	Accumulated Other Comprehensive Income Account 219	(Note P)	p112.15.c.d	1,853,949	1,815,178	1,734,564
99	Account 216.1	(Note P)	p119.53.c&d	3,316,443	3,454,425	3,385,434
101	Long Term Debt	(Note P)	p112.18.c.d thru 23.c.d	4,270,460,139	4,794,386,731	4,532,423,435
102	Loss on Reacquired Debt	(Note P)	p111.81.c.d	95,914,963	89,093,851	92,504,407
103	Gain on Reacquired Debt	(Note P)	p113.81.c.d	0	0	0
104	ADIT associated with Gain or Loss on Reacquired Debt	(Note P)	p277.3.k (footnote)	33,365,887	32,458,668	32,912,278
106	Preferred Stock	(Note P)	p112.3.c.d	0	0	0

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 5 - Cost Support - December 31, 2012

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	State 3
<b>Income Tax Rates</b>						
121	SIT=State Income Tax Rate or Composite	(Note I)		NJ	9.00%	

Amortized Investment Tax Credit

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
125	Amortized Investment Tax Credit	(Note O)	p266.8.f	1,205,593

Excluded Transmission Facilities

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average
141	Excluded Transmission Facilities	(Note B & M)		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Interest on Outstanding Network Credits Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
147	Interest on Network Credits	(Note N & O)		0

Facility Credits under Section 30.9 of the PJM OATT

Line #s	Descriptions	Notes	Page #'s & Instructions	End of Year
163	Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT			0

PJM Load Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	1 CP Peak
165	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	10,933.3

Abandoned Transmission Projects

Line #s	Descriptions		BRH Project	Project X	Project Y
a	Beginning Balance of Unamortized Transmission Projects	Per FERC Order	\$ -	\$ -	\$ -
Attachment 7 b	Years remaining in Amortization Period	Per FERC Order	\$ -	\$ -	\$ -
81 c	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(line a / line b)	\$ -	\$ -	\$ -
d	Ending Balance of Unamortized Transmission Projects	(line a - line c)	\$ -	\$ -	\$ -
e	Average Balance of Unamortized Abandoned Transmission Projects	(line a + d)/2	\$ -	\$ -	\$ -
g	Non Incentive Return and Income Taxes	(Appendix A line 137+ line 138)	\$ -	\$ -	\$ -
h	Rate Base	(Appendix A line 58)	\$ -	\$ -	\$ -
Attachment 7 i	Non Incentive Return and Income Taxes	(line g / line h)	\$ -	\$ -	\$ -
Docket Number authorizing amount and period for recovery of Abandoned Transmission Project					

**Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 6 - True-up Adjustment for Network Integration Transmission Service - December 31, 2012**

The True-Up Adjustment component of the Formula Rate for each Rate Year beginning with 2010 shall be determined as follows:

- (i) Beginning with 2009, no later than June 15 of each year PSE&G shall recalculate an adjusted Annual Transmission Revenue Requirement for the previous calendar year based on its actual costs as reflected in its Form No. 1 and its books and records for that calendar year, consistent with FERC accounting policies. <sup>2</sup>
- (ii) PSE&G shall determine the difference between the recalculated Annual Transmission Revenue Requirement as determined in paragraph (i) above, and ATRR based on projected costs for the previous calendar year (True-Up Adjustment Before Interest).
- (iii) The True-Up Adjustment shall be determined as follows:  
 True-Up Adjustment equals the True-Up Adjustment Before Interest multiplied by  $(1+i)^{24}$  months  
 Where:  $i =$  Sum of (the monthly rates for the 10 months ending October 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year) divided by 21 months.

Summary of Formula Rate Process including True-Up Adjustment

Month	Year	Action
July	2008	TO populates the formula with Year 2008 estimated data
October	2008	TO populates the formula with Year 2009 estimated data
June	2009	TO populates the formula with Year 2008 actual data and calculates the 2008 True-Up Adjustment Before Interest
October	2009	TO calculates the Interest to include in the 2008 True-Up Adjustment
October	2009	TO populates the formula with Year 2010 estimated data and 2008 True-Up Adjustment
June	2010	TO populates the formula with Year 2009 actual data and calculates the 2009 True-Up Adjustment Before Interest
October	2010	TO calculates the Interest to include in the 2009 True-Up Adjustment
October	2010	TO populates the formula with Year 2011 estimated data and 2009 True-Up Adjustment
June	2011	TO populates the formula with Year 2010 actual data and calculates the 2010 True-Up Adjustment Before Interest
October	2011	TO calculates the Interest to include in the 2010 True-Up Adjustment
October	2011	TO populates the formula with Year 2012 estimated data and 2010 True-Up Adjustment
June	2012	TO populates the formula with Year 2011 actual data and calculates the 2011 True-Up Adjustment Before Interest
October	2012	TO calculates the Interest to include in the 2011 True-Up Adjustment
October	2012	TO populates the formula with Year 2013 estimated data and 2011 True-Up Adjustment
June	2013	TO populates the formula with Year 2012 actual data and calculates the 2012 True-Up Adjustment Before Interest

<sup>1</sup> No True-Up Adjustment will be included in the Annual Transmission Revenue Requirement for 2008 or 2009 since the Formula Rate was not in effect for 2006 or 2007.

<sup>2</sup> To the extent possible each input to the Formula Rate used to calculate the actual Annual Transmission Revenue Requirement included in the True-Up Adjustment either will be taken directly from the FERC Form No. 1 or will be reconcilable to the FERC Form 1 by the application of clearly identified and supported information. If the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

Calendar Year Complete for Each Calendar Year beginning in 2009

A	ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.	390,016,980
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	390,500,912
C	Difference (A-B)	-483,932
D	Future Value Factor $(1+i)^{24}$	1.00000
E	True-up Adjustment (C*D)	-483,932

<Note: for the first rate year, divide this reconciliation amount by 12 and multiply by the number of months and fractional months the rate was in effect.

Where:  
i = average interest rate as calculated below

Month	Yr	Month
January	Year 1	0.0000%
February	Year 1	0.0000%
March	Year 1	0.0000%
April	Year 1	0.0000%
May	Year 1	0.0000%
June	Year 1	0.0000%
July	Year 1	0.0000%
August	Year 1	0.0000%
September	Year 1	0.0000%
October	Year 1	0.0000%
November	Year 1	0.0000%
December	Year 1	0.0000%
January	Year 2	0.0000%
February	Year 2	0.0000%
March	Year 2	0.0000%
April	Year 2	0.0000%
May	Year 2	0.0000%
June	Year 2	0.0000%
July	Year 2	0.0000%
August	Year 2	0.0000%
September	Year 2	0.0000%
Average Interest Rate		0.0000%

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 6A - Project Specific Estimate and Reconciliation Worksheet - December 31, 2012

Estimated Additions - 2012															
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	
Other Projects PIS (Monthly additions)	Branchburg 400 MVAR Capacitor (B0290) (monthly additions)	Saddle Brook - Athena Upgrade Cable (B0472) (monthly additions)	Branchburg-Somerville Flagtown-Reconductor (B0664 & B0665) (monthly additions)	Somerville - Bridgewater Reconductor (B0668) (monthly additions)	New Essex-Keamy 138 KV circuit and Keamy 138 KV bus tie (B0614) (monthly additions)	Replace Salem 500 KV breakers (B1410-B1415) (monthly additions)	Susquehanna Roseland Breakers (B0485.5-B0485.9) (monthly additions)	Susquehanna Roseland <500KV (B0488.4) (monthly additions)	Burlington - Camden 230KV Conversion (B1156) (monthly additions)	Susquehanna Roseland == 500KV (B0489) (monthly additions)	Susquehanna Roseland < 500KV (B0489.4) (monthly additions)	Reliability (West Orange Conversion) (B1154) (monthly additions)	Mickleton-Glooucester-Camden (B1388-B1398.7) (monthly additions)	Burlington - Camden 238KV Conversion (B1156) (monthly additions)	
	(in service)		(in service)		(in service)	(in-service)	(in service)	(in service)	(in-service)	CWIP	CWIP	CWIP	CWIP	CWIP	
Dec						3,808,736	2,662,585	7,634,097	19,278,373	145,893,927	17,129,657	18,599,058	1,267,000	29,348,900	
Jan	23,362,893									4,326,727		1,801,633	770,619	4,470,183	
Feb	5,665,450									5,190,195	3,058,094	1,784,795	761,626	2,698,395	
Mar	4,807,457									1,892,278	1,448,160	1,637,494	1,198,127	5,491,937	
Apr	3,389,660									1,304,445		2,529,481	1,210,514	2,398,865	
May	25,472,943									1,028,629		2,276,939	1,253,248	6,696,195	
Jun	48,218,624	72,842,721	12,287,038	23,135,215	4,547,502	38,946,456	2,925,000			10,581,425		5,004,975	3,723,485	8,325,706	
Jul	4,404,711	719,621	94,123	69,624	25,490	162,701	1,000			4,073,794		6,636,741	2,187,241	15,110,507	
Aug	2,375,150	630,678	47,562	43,360	16,556	186,612				14,020,141		6,692,672	2,105,721	17,657,998	
Sep	12,650,547	560,627	25,245	27,538	11,802	322,240				5,057,212		12,811,009	3,910,258	17,678,263	
Oct	37,674,060	88,258	24,188	25,654	10,616	269,774				9,107,704		15,113,268	1,518,071	15,130,805	
Nov	5,275,728	49,285	1,769	25,654	10,616	127,425				8,208,529		15,356,322	1,852,703	23,825,605	
Dec	217,449,084	48,295	1,767	25,654	10,616	16,348	2,975,000			7,610,514		15,412,276	1,508,387	16,798,626	
<b>Total</b>	<b>390,746,308</b>	<b>74,900,475</b>	<b>12,481,692</b>	<b>23,349,700</b>	<b>4,633,200</b>	<b>40,031,556</b>	<b>9,709,736</b>	<b>2,662,585</b>	<b>7,834,097</b>	<b>19,278,373</b>	<b>218,504,517</b>	<b>21,635,911</b>	<b>105,668,662</b>	<b>23,267,000</b>	<b>165,539,985</b>

Estimated Transmission Enhancement Charges (Before True-Up) - 2012																					
Total Projects	Branchburg (B0139)	Kittany (B0134)	Essex Aldene (B0145)	New Freedom Trans (B0111)	New Freedom Loop (B0488)	Metuchen Transformer (B0161)	Branchburg-Flagtown-Somerville (B0169)	Flagtown-Somerville-Bridgewater (B0170)	Roseland Transformers (B0274)	Wave Trap Branchburg (B0172.2)	Reconductor Hudson - South Waerford (B0813)	Reconductor South Mahwah - J-3410 Circuit (B1017)	Reconductor South Mahwah - K-3410 Circuit (B1018)	Branchburg 400 MVAR Capacitor (B0290)	Saddle Brook - Athena Upgrade Cable (B0472)	Branchburg - Somerville-Flagtown - Reconductor (B0664 & B0665)	Somerville - Bridgewater Reconductor (B0666)	New Essex-Keamy 138 KV (B0614)	Salem 500 KV breakers (B1410-B1415)	Susquehanna Roseland Breakers (B0485.5-B0485.9)	Susquehanna Roseland < 500KV (B0488.4)
152,172,523	3,913,298	1,580,045	17,030,793	4,309,320	4,309,061	5,366,351	1,853,368	4,413,976	4,027,638	3,722	1,654,019	4,360,029	3,935,034	15,346,854	2,558,125	4,785,700	949,370	8,200,639	1,999,715	645,869	1,177,534



Public Service Electric and Gas Company  
ATTACHMENT H-0A  
Attachment 6A - Project Specific Estimate and Reconciliation Worksheet - December 31, 2012

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(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	(Z)	(AA)	(AB)	(AC)	(AD)
Other Projects PIS (monthly balances)	Branchburg 400 MVAR Capacitor (B0290)	Saddle Brook - Athalia Upgrade Cable (B0472)	Branchburg - Somerville Flagtown Reconductor (B0664 & B0665)	Somerville-Bridgewater Reconductor(B0668)	New Essex-Keary 138 kV circuit and Keary 138 kV bus tie(B0314)	Replace Salem 500 kV breakers (B1410-B1415)	Susquehanna Roseland Breakers (B0489.5-B0489.9)	Susquehanna Roseland <500kV (B0489.4)	Burlington - Camden 230kV Conversion (B1156)	Susquehanna Roseland >= 500KV (B0489)	Susquehanna Roseland >= 500KV (B0489)	North Central Reliability (West Orange Conversion) (B1154)	Mickleton-GloUCEster-Camden (B1398-B1398.7)	Burlington - Camden 230kV Conversion (B1156)
	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP	CWIP	CWIP	CWIP
Dec						3,808,736	2,662,585	7,834,097	19,278,373	145,893,927	17,129,657	18,599,058	1,267,000	29,348,900
Jan	23,362,893					3,808,736	2,662,585	7,834,097	19,278,373	150,220,654	17,129,657	20,490,691	2,037,619	33,819,083
Feb	5,665,450					3,808,736	2,662,585	7,834,097	19,278,373	155,410,848	20,187,751	22,185,486	2,799,245	36,517,477
Mar	4,807,457					3,808,736	2,662,585	7,834,097	19,278,373	157,303,126	21,635,911	23,622,910	3,997,372	42,009,414
Apr	3,389,660					3,808,736	2,662,585	7,834,097	19,278,373	159,607,371	21,635,911	25,352,461	5,207,886	44,318,290
May	25,472,943					3,808,736	2,662,585	7,834,097	19,278,373	159,636,199	21,635,911	26,631,400	6,461,134	51,012,474
Jun	48,218,624	72,842,721	12,287,038	23,135,215	4,547,502	38,946,456	6,733,736	2,662,585	7,834,097	170,217,624	21,635,911	33,636,375	10,184,619	59,338,180
Jul	4,404,711	73,562,342	12,381,161	23,204,839	4,572,993	39,109,158	6,734,736	2,662,585	7,834,097	19,278,373	174,291,418	21,635,911	40,273,716	74,448,687
Aug	2,375,150	74,153,020	12,428,722	23,245,189	4,589,549	39,295,769	6,734,736	2,662,585	7,834,097	19,278,373	188,311,859	21,635,911	45,985,798	92,106,686
Sep	12,650,547	74,713,647	12,453,967	23,272,737	4,601,352	39,618,009	6,734,736	2,662,585	7,834,097	19,278,373	193,368,770	21,635,911	58,776,797	109,784,949
Oct	37,674,060	74,801,905	12,478,155	23,298,392	4,611,968	39,887,784	6,734,736	2,662,585	7,834,097	19,278,373	202,476,474	21,635,911	74,890,065	124,915,754
Nov	5,275,728	74,851,190	12,479,924	23,324,046	4,622,584	40,015,208	6,734,736	2,662,585	7,834,097	19,278,373	210,685,003	21,635,911	90,256,387	148,741,358
Dec	217,449,084	74,900,476	12,481,092	23,349,700	4,633,200	40,091,566	6,734,736	2,662,585	7,834,097	19,278,373	218,504,513	21,635,911	109,688,662	165,539,985
<b>Total</b>	<b>390,746,308</b>	<b>519,825,301</b>	<b>86,990,659</b>	<b>162,830,127</b>	<b>32,179,147</b>	<b>276,903,941</b>	<b>72,969,567</b>	<b>34,613,605</b>	<b>101,243,258</b>	<b>250,618,852</b>	<b>2,284,927,690</b>	<b>270,806,172</b>	<b>591,459,260</b>	<b>1,011,899,226</b>
<b>Average 13 Month Balance</b>	<b>30,057,408</b>	<b>39,986,562</b>	<b>6,691,589</b>	<b>12,525,394</b>	<b>2,475,319</b>	<b>21,300,303</b>	<b>5,613,044</b>	<b>2,662,585</b>	<b>7,787,943</b>	<b>19,278,373</b>				
<b>Average 13 Month in service to month</b>	<b>1.80</b>	<b>6.94</b>	<b>6.97</b>	<b>6.97</b>	<b>6.95</b>	<b>6.92</b>	<b>7.52</b>	<b>13.00</b>	<b>12.92</b>	<b>13.00</b>	<b>10.46</b>	<b>12.52</b>	<b>5.60</b>	<b>6.11</b>
<b>Average CWIP to Appendix A, line 45</b>											<b>175,763,668</b>	<b>20,831,244</b>	<b>45,496,866</b>	<b>77,838,402</b>

Estimated Transmission Enhancement Charges (Before True-Up)

Susquehanna Roseland >= 500KV (B0489)	Burlington - Camden 230kV Conversion (B1156)	North Central Reliability (West Orange Conversion) (B1154)	Susquehanna Roseland >= 500KV (B0489) CWIP	Susquehanna Roseland < 500KV (B0489.4) CWIP	North Central Reliability (West Orange Conversion) (B1154) CWIP	Mickleton-GloUCEster-Camden (B1398-B1398.7) CWIP	Mickleton-GloUCEster-Camden(B1398.15-B1398.19) CWIP	Burlington - Camden 230kV Conversion (B1156) CWIP	Burlington - Camden 230kV Conversion (B1156.13-B1156.20)	Northeast Grid Reliability Project (B1304.1-B1304.4)	Northeast Grid Reliability Project (B1304.5-B1304.23)
-	4,164,035	-	30,587,569	1,596,316	8,743,842	2,101,087	14,959,420	-	-	-	-





Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.73%
5	C		Line B less Line A	0.71%
6	<b>FCR if a CIAC</b>			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the 13 month average balance from Attach 6a, and Line 19 will be number of months to be amortized in year plus one.

Details		Branchburg (B0130)			Kittatinny (B0134)			Essex Aldene (B0145)			
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes		Yes		Yes				
11	Useful life of the project	Life	42		42		42				
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	CIAC (Yes or No)	No		No		No				
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	0		0		0				
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	15.0174%		15.0174%		15.0174%				
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	15.0174%		15.0174%		15.0174%				
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	20,680,597		8,069,022		86,565,629				
17	Line 17 divided by line 12	Annual Depreciation or Amort Exp	492,395		192,120		2,061,086				
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00		13.00		13.00				
19			2006		2007		2007				
20											
21		Invest Yr	Ending	Amort	Revenue	Ending	Amort	Revenue	Ending	Amort	Revenue
22	W 11.68 % ROE	2006	20,680,597	492,395	4,652,471						
23	W Increased ROE	2006	20,680,597	492,395	4,652,471						
24	W 11.68 % ROE	2007	20,188,202	492,395	4,553,422	8,069,022	80,050	1,703,202	86,565,629	858,786	18,272,191
25	W Increased ROE	2007	20,188,202	492,395	4,553,422	8,069,022	80,050	1,703,202	86,565,629	858,786	18,272,191
26	W 11.68 % ROE	2008	19,695,807	492,395	4,454,372	7,988,972	192,120	1,799,169	85,706,843	2,061,086	19,301,739
27	W Increased ROE	2008	19,695,807	492,395	4,454,372	7,988,972	192,120	1,799,169	85,706,843	2,061,086	19,301,739
28	W 11.68 % ROE	2009	19,203,412	492,395	4,523,234	7,796,853	192,120	1,828,696	83,645,756	2,061,086	19,618,517
29	W Increased ROE	2009	19,203,412	492,395	4,523,234	7,796,853	192,120	1,828,696	83,645,756	2,061,086	19,618,517
30	W 11.68 % ROE	2010	18,711,016	492,395	4,095,968	7,604,733	192,120	1,656,722	81,584,670	2,061,086	17,773,557
31	W Increased ROE	2010	18,711,016	492,395	4,095,968	7,604,733	192,120	1,656,722	81,584,670	2,061,086	17,773,557
32	W 11.68 % ROE	2011	18,218,621	492,395	3,746,858	7,412,613	192,120	1,516,263	79,523,584	2,061,086	16,266,692
33	W Increased ROE	2011	18,218,621	492,395	3,746,858	7,412,613	192,120	1,516,263	79,523,584	2,061,086	16,266,692
34	W 11.68 % ROE	2012	17,726,226	492,395	3,154,416	7,220,494	192,120	1,276,451	77,462,497	2,061,086	13,693,952
35	W Increased ROE	2012	17,726,226	492,395	3,154,416	7,220,494	192,120	1,276,451	77,462,497	2,061,086	13,693,952

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.73%
5	C		Line B less Line A	0.71%
6	<b>FCR if a CIAC</b>			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the 13 month average balance from Attach 6a, and Line 19 will be number of months to be amortized in year plus one.

Details		New Freedom Trans.(B0411)			New Freedom Loop (B0498)			Metuchen Transformer (B0161)			
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes		Yes		Yes				
11	Useful life of the project	Life	42		42		42				
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	CIAC (Yes or No)	No		No		No				
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	0		0		0				
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	15.0174%		15.0174%		15.0174%				
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	15.0174%		15.0174%		15.0174%				
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	22,188,863		27,005,248		25,799,055				
17	Line 17 divided by line 12	Annual Depreciation or Amort Exp	528,306		642,982		614,263				
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00		13.00		13.00				
19			2007		2008		2009				
20											
21		Invest Yr	Ending	Amort	Revenue	Ending	Amort	Revenue	Ending	Amort	Revenue
22	W 11.68 % ROE	2006									
23	W Increased ROE	2006									
24	W 11.68 % ROE	2007	22,188,863	484,281	4,947,757						
25	W Increased ROE	2007	22,188,863	484,281	4,947,757						
26	W 11.68 % ROE	2008	21,704,582	528,306	4,894,366	24,921,237	88,646	837,584			
27	W Increased ROE	2008	21,704,582	528,306	4,894,366	24,921,237	88,646	837,584			
28	W 11.68 % ROE	2009	21,176,276	528,306	4,973,254	26,916,602	642,982	6,292,837	19,700,217	288,478	2,831,673
29	W Increased ROE	2009	21,176,276	528,306	4,973,254	26,916,602	642,982	6,292,837	19,700,217	288,478	2,831,673
30	W 11.68 % ROE	2010	20,647,970	528,306	4,504,919	26,273,620	642,982	5,703,044	25,488,527	613,738	5,522,598
31	W Increased ROE	2010	20,647,970	528,306	4,504,919	26,273,620	642,982	5,703,044	25,488,527	613,738	5,522,598
32	W 11.68 % ROE	2011	20,119,663	528,306	4,122,360	25,630,832	642,987	5,221,521	24,896,838	614,263	5,061,682
33	W Increased ROE	2011	20,119,663	528,306	4,122,360	25,630,832	642,987	5,221,521	24,896,838	614,263	5,061,682
34	W 11.68 % ROE	2012	19,591,357	528,306	3,470,422	24,987,652	642,982	4,395,482	24,282,576	614,263	4,260,879
35	W Increased ROE	2012	19,591,357	528,306	3,470,422	24,987,652	642,982	4,395,482	24,282,576	614,263	4,260,879

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1		New Plant Carrying Charge		
2		<b>Fixed Charge Rate (FCR) if if not a CIAC</b>		
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.73%
5	C		Line B less Line A	0.71%
6		<b>FCR if a CIAC</b>		
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%,  
which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the

Details		Branchburg-Flagtown-Somerville (B0169)			Flagtown-Somerville-Bridgewater (B0170)			Roseland Transformers (B0274)			
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
11	Useful life of the project	Life	42	42	42	42	42	42	42	42	
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	CIAC (Yes or No)	No	No	No	No	No	No	No	No	
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	0	0	0	0	0	0	0	0	
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	15.0174%	
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	15,731,554	6,961,495	6,961,495	6,961,495	21,073,706	21,073,706	21,073,706	21,073,706	
17	Line 17 divided by line 12	Annual Depreciation or Amort Exp	374,561	165,750	165,750	165,750	501,755	501,755	501,755	501,755	
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	
19			2009	2008	2008	2009	2009	2009	2009	2009	
20											
		Invest Yr	Ending	Amort	Revenue	Ending	Amort	Revenue	Ending	Amort	Revenue
21		2006									
22	W 11.68 % ROE	2006									
23	W Increased ROE	2006									
24	W 11.68 % ROE	2007									
25	W Increased ROE	2007									
26	W 11.68 % ROE	2008				6,961,495	25,372	239,734			
27	W Increased ROE	2008				6,961,495	25,372	239,734			
28	W 11.68 % ROE	2009	15,773,880	234,561	2,302,423	6,936,122	165,750	1,621,657	21,092,458	268,347	2,634,066
29	W Increased ROE	2009	15,773,880	234,561	2,302,423	6,936,122	165,750	1,621,657	21,092,458	268,347	2,634,066
30	W 11.68 % ROE	2010	15,539,319	375,568	3,368,301	6,770,372	165,750	1,469,662	20,797,967	501,579	4,507,079
31	W Increased ROE	2010	15,539,319	375,568	3,368,301	6,770,372	165,750	1,469,662	20,797,967	501,579	4,507,079
32	W 11.68 % ROE	2011	15,121,425	374,561	3,075,759	6,604,623	165,750	1,345,559	20,302,520	501,725	4,128,443
33	W Increased ROE	2011	15,121,425	374,561	3,075,759	6,604,623	165,750	1,345,559	20,302,520	501,725	4,128,443
34	W 11.68 % ROE	2012	14,746,864	374,561	2,589,159	6,438,873	165,750	1,132,702	19,802,055	501,755	3,475,512
35	W Increased ROE	2012	14,746,864	374,561	2,589,159	6,438,873	165,750	1,132,702	19,802,055	501,755	3,475,512

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1		New Plant Carrying Charge		
2		<b>Fixed Charge Rate (FCR) if not a CIAC</b>		
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without De	15.73%
5	C		Line B less Line A	0.71%
6		<b>FCR if a CIAC</b>		
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Incon	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the

Details		Wave Trap Branchburg (B0172.2)			Reconductor Hudson - South Waterfront (B0813)			Reconductor South Mahwah J-3410 Circuit (B1017)				
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes		Yes		Yes					
11	Useful life of the project	Life	42		42		42					
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	CIAC (Yes or No)	No		No		No					
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	0		0		0					
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	15.0174%		15.0174%		15.0174%					
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	15.0174%		15.0174%		15.0174%					
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	27,988		9,158,918		20,626,991					
17	Line 17 divided by line 12	Annual Depreciation or Amort Exp	666		218,069		491,119					
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		13.00		13.00		13.00					
19			2008		2010		2011					
20												
		Invest Yr	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	
21		W 11.68 % ROE										
22		W Increased ROE										
23		W 11.68 % ROE										
24		W Increased ROE										
25		W 11.68 % ROE	2006									
26		W Increased ROE	2006									
27		W 11.68 % ROE	2007									
28		W Increased ROE	2007									
29		W 11.68 % ROE	2008	36,369	577	5,114						
30		W Increased ROE	2008	36,369	577	5,114						
31		W 11.68 % ROE	2009	35,792	866	8,379						
32		W Increased ROE	2009	35,792	866	8,379						
33		W 11.68 % ROE	2010	27,122	666	5,890	8,806,222	18,700	169,959			
34		W Increased ROE	2010	27,122	666	5,890	8,806,222	18,700	169,959			
35		W 11.68 % ROE	2011	25,878	666	5,289	9,140,218	218,069	1,850,822	20,623,951	300,198	2,435,793
		W Increased ROE	2011	25,878	666	5,289	9,140,218	218,069	1,850,822	20,623,951	300,198	2,435,793
		W 11.68 % ROE	2012	25,212	666	4,453	8,922,149	218,069	1,557,946	20,326,793	491,119	3,543,678
		W Increased ROE	2012	25,212	666	4,453	8,922,149	218,069	1,557,946	20,326,793	491,119	3,543,678

Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1		New Plant Carrying Charge			
2		<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line			
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%	
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Dep	15.73%	
5	C		Line B less Line A	0.71%	
6		<b>FCR if a CIAC</b>			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Incom	4.71%	

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the

Details		Reconductor South Mahwah K-3410 Circuit (B018)	Branchburg 400 MVAR Capacitor (B0290)	Saddle Brook - Athenia Upgrade Cable (B0472)	Branchburg-Sommerville-Flagtown Reconnector (B0664 & B0665)						
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Yes	Yes	Yes	Yes						
11	Schedule 12 (Yes or No)	Yes	Yes	Yes	Yes						
12	Useful life of the project Life	42	42	42	42						
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	No	No	No	No						
14	Input the allowed increase in ROE	0	0	0	0						
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	15.0174%	15.0174%	15.0174%	15.0174%						
16	Line 14 plus (line 5 times line 15)/100	15.0174%	15.0174%	15.0174%	15.0174%						
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	21,170,273	79,937,194	14,401,477	19,820,557						
18	Line 17 divided by line 12	504,054	1,903,267	342,892	471,918						
19	Months in service for depreciation expense from Year placed in Service (0 if CWIP)	13.00	8.47	7.98	8.77						
20		2011	2012	2012	2012						
		Depreciation or Amort Revenue			Depreciation or Amort Revenue			Depreciation or Amort Revenue			
21		Invest Yr	Ending	Amort	Revenue	Ending	Amort	Revenue	Ending	Amort	Revenue
22	W 11.68 % ROE	2006									
23	W Increased ROE	2006									
24	W 11.68 % ROE	2007									
25	W Increased ROE	2007									
26	W 11.68 % ROE	2008									
27	W Increased ROE	2008									
28	W 11.68 % ROE	2009									
29	W Increased ROE	2009									
30	W 11.68 % ROE	2010									
31	W Increased ROE	2010									
32	W 11.68 % ROE	2011	20,511,158	37,566	284,735						
33	W Increased ROE	2011	20,511,158	37,566	284,735						
34	W 11.68 % ROE	2012	21,132,707	504,054	3,677,641	79,937,194	1,240,233	9,062,770	14,401,477	210,412	1,537,549
35	W Increased ROE	2012	21,132,707	504,054	3,677,641	79,937,194	1,240,233	9,062,770	14,401,477	210,412	1,537,549



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.73%
5	C		Line B less Line A	0.71%
6	<b>FCR if a CIAC</b>			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the

Details		Susquehanna Roseland < 500KV (B0489.4)	Susquehanna Roseland > 500KV (B0489.4)	Burlington - Camden 230kV Conversion (B1156)	North Central Reliability (West Orange Conversion (B1154)					
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Yes	Yes	Yes	Yes					
11	Schedule 12 (Yes or No)	Yes	Yes	Yes	Yes					
12	Useful life of the project Life	42	42	42	42					
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	No	No	No	No					
14	Input the allowed increase in ROE	125	125	0	0					
15	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	15.0174%	15.0174%	15.0174%	15.0174%					
16	Line 14 plus (line 5 times line 15)/100	15.9067%	15.9067%	15.0174%	15.0174%					
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	7,739,852	4,694,511	19,995,715	16,441,748					
18	Line 17 divided by line 12	184,282	111,774	476,088	391,470					
19	Months in service for depreciation expense from Year placed in Service (0 if CWIP)	13.01	1.00	12.98	1.00					
20		2011	2012	2011	2012					
	Invest Yr	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue
21	W 11.68 % ROE	2006								
22	W Increased ROE	2006								
23	W 11.68 % ROE	2007								
24	W Increased ROE	2007								
25	W 11.68 % ROE	2008								
26	W Increased ROE	2008								
27	W 11.68 % ROE	2009								
28	W Increased ROE	2009								
29	W 11.68 % ROE	2010								
30	W Increased ROE	2010								
31	W 11.68 % ROE	2011	7,844,331	111,778	905,525	19,902,939	147,204	1,150,144		
32	W Increased ROE	2011	7,844,331	111,778	952,449	19,902,939	147,204	1,150,144		
33	W 11.68 % ROE	2012	7,628,074	184,491	1,331,330	19,848,511	475,501	3,452,558	16,441,748	30,113
34	W Increased ROE	2012	7,628,074	184,491	1,399,243	19,848,511	475,501	3,452,558	16,441,748	30,113
35						66,040			220,046	220,046



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.73%
5	C		Line B less Line A	0.71%
6	<b>FCR if a CIAC</b>			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the

Details	Susquehanna Roseland >= 500KV (B0489) CWIP	Susquehanna Roseland < 500KV (B0489.4) CWIP	North Central Reliability (West Orange Conversion) (B1154) CWIP	Mickleton-Gloucestercamden(B1398-B1398.7) CWIP
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Yes	Yes	Yes	Yes
Useful life of the project "Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	42	42	42	42
Input the allowed increase in ROE	No	No	No	No
From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	125	125	0	0
Line 14 plus (line 5 times line 15)/100	15.0174%	15.0174%	15.0174%	15.0174%
Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year Line 17 divided by line 12	15.9067%	15.9067%	15.0174%	15.0174%
Months in service for depreciation expense from Year placed in Service (0 if CWIP)	264,235,891	38,077,851	139,052,337	22,706,717
	6,291,331	906,616	3,310,770	540,636
	8.91	12.18	6.31	6.05
	2015	2014	2014	2015
	Invest Yr	Depreciation or Amort Revenue	Depreciation or Amort Revenue	Depreciation or Amort Revenue
W 11.68 % ROE	2006	Ending	Ending	Ending
W Increased ROE	2006	Amort	Amort	Amort
W 11.68 % ROE	2007	Revenue	Revenue	Revenue
W Increased ROE	2007			
W 11.68 % ROE	2008	8,927,082	819,421	
W Increased ROE	2008	8,927,082	858,682	
W 11.68 % ROE	2009	33,993,795	3,927,226	8,601,534
W Increased ROE	2009	33,993,795	4,120,411	8,601,534
W 11.68 % ROE	2010	83,961,998	10,780,919	10,121,290
W Increased ROE	2010	83,961,998	11,355,769	1,719,499
W 11.68 % ROE	2011	133,618,838	19,674,374	1,811,185
W Increased ROE	2011	133,618,838	20,775,227	30,831,150
W 11.68 % ROE	2012	264,235,891	27,190,938	30,831,150
W Increased ROE	2012	264,235,891	28,801,108	3,376,923
				19,588,655
				1,299,846
				1,648,851
				1,648,851
				1,299,846
				1,648,851
				56,106
				56,106
				1,587,335
				1,587,335



Public Service Electric and Gas Company  
ATTACHMENT H-10A  
Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2012

1	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line		
3	A	152	Net Plant Carrying Charge without Depreciation	15.02%
4	B	159	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	15.73%
5	C		Line B less Line A	0.71%
6	<b>FCR if a CIAC</b>			
7	D	153	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	4.71%

The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years.  
Per FERC Order dated December 30, 2011 in Docket No. ER12-296, the ROE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission ROE adder as authorized by FERC to become effective January 1, 2012.  
For abandoned plant lines 12, 14, 15, and 16 will be from Attachment 5 - Abandoned Transmission Projects, Line 17 is the

Details		Northeast Grid Reliability Project (B1304.1-B1304.4) (CWIP)			Northeast Grid Reliability Project (B1304.5-B1304.21) (CWIP)							
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes		Yes							
11	Useful life of the project	Life	42		42							
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, otherwise "No"	CIAC (Yes or No)	No		No							
13	Input the allowed increase in ROE	Increased ROE (Basis Points)	25		25							
14	From line 3 above if "No" on line 13 and From line 7 above if "Yes" on line 13	11.68% ROE	15.0174%		15.0174%							
15	Line 14 plus (line 5 times line 15)/100	FCR for This Project	15.1953%		15.1953%							
16	Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year	Investment	81,587,177		5,537,185							
17	Line 17 divided by line 12	Annual Depreciation or Amort Exp	1,942,552		131,838							
18	Months in service for depreciation expense from Year placed in Service (0 if CWIP)		6.73		7.15							
19			2015		2015							
20												
		Invest Yr	Ending	Depreciation or Amort	Revenue	Ending	Depreciation or Amort	Revenue	Total	Incentive Charged	Revenue Credit	
21	W 11.68 % ROE	2006							\$ 4,652,471		\$ 4,652,471	
22	W Increased ROE	2006							\$ 4,652,471	\$ 4,652,471		\$ -
23	W 11.68 % ROE	2007							\$ 29,476,571	\$ 29,476,571	\$ 29,476,571	\$ -
24	W Increased ROE	2007							\$ 29,476,571	\$ 29,476,571	\$ 32,346,385	\$ -
25	W 11.68 % ROE	2008							\$ 32,346,385	\$ 32,385,646	\$ 32,346,385	
26	W Increased ROE	2008							\$ 32,385,646	\$ 32,385,646	\$ 51,356,608	39,261
27	W 11.68 % ROE	2009							\$ 51,356,608	\$ 51,588,883	\$ 51,356,608	232,275
28	W Increased ROE	2009							\$ 51,588,883	\$ 61,349,032	\$ 61,349,032	
29	W 11.68 % ROE	2010							\$ 61,349,032	\$ 62,015,568	\$ 62,015,568	666,536
30	W Increased ROE	2010							\$ 62,015,568	\$ 78,438,322	\$ 78,438,322	-
31	W 11.68 % ROE	2011							\$ 78,438,322	\$ 79,823,709	\$ 79,823,709	1,385,386
32	W Increased ROE	2011							\$ 79,823,709	\$ 129,728,618	\$ 129,728,618	
33	W 11.68 % ROE	2012	81,587,177		6,341,372	5,537,185		457,198	\$ 129,728,618	\$ 131,858,773	\$ 129,728,618	
34	W Increased ROE	2012	81,587,177		6,416,475	5,537,185		462,613	\$ 131,858,773	\$ 131,858,773	\$ 131,858,773	2,130,155

**Public Service Electric and Gas Company**  
**ATTACHMENT H-10A**  
**Attachment 8 - Depreciation Rates**

<u>Plant Type</u>	<u>PSE&amp;G</u>
<b>Transmission</b>	2.40
<b>Distribution</b>	
High Voltage Distribution	2.49
Meters	2.49
Line Transformers	2.49
All Other Distribution	2.49
<b>General &amp; Common</b>	
Structures and Improvements	1.40
Office Furniture	5.00
Office Equipment	25.00
Computer Equipment	14.29
Personal Computers	33.33
Store Equipment	14.29
Tools, Shop, Garage and Other Tangible Equipment	14.29
Laboratory Equipment	20.00
Communications Equipment	10.00
Miscellaneous Equipment	14.29

## **ATTACHMENT B**

Public Service Electric and Gas Company  
Annual Report of Construction Work In Progress (CWIP) in Transmission Rate Base  
Federal Energy Regulatory Commission Authorized Incentive Projects  
(per section 2B of PSE&G's Attachment H-10B Formula Rate Implementation Protocols)

PJM Project #	RTEP Project	Actual Project Cost thru Dec 2012	AFUDC Year 2009	AFUDC Year 2010	AFUDC Year 2011	AFUDC Year 2012	2012 CWIP Revenue Requirement	Status	Projected In-Service Date
B0489	Build new 500 kV transmission facilities from Pennsylvania - New Jersey border at Bushkill to Roseland (500 kV and above elements of the project)	\$ 264,235,891	\$ 78,361				\$ 28,801,108	Under Construction	June 2015
B0489.4	Install two Roseland 500/230 kV transformers as part of the Susquehanna - Roseland 500 kV project (below 500 kV elements of the project)	\$ 38,077,851					\$ 5,676,479	Under Construction	June 2014
B1154	North Central Reliability (West Orange Project)	\$ 139,052,337		\$ 21,495	\$ 74,280		\$ 10,137,161	Under Construction	June 2014
B1398-B1398.7	Mickleton - Gloucester-Camden	\$ 22,706,717					\$ 1,587,335	Planning/Engineering	June 2015
B1398.15-B1398.19	Mickleton - Gloucester-Camden	\$ 532,375					\$ 24,600	Planning/Engineering	June 2015
B1156	Burlington - Camden Conversion	\$ 128,653,138		\$ 32,642	\$ 130,975		\$ 10,501,318	Under Construction	June 2014
B1156.13-B1156.20	Burlington - Camden Conversion	\$ 9,231,712					\$ 791,084	Under Construction	June 2014
B1304.1-B1304.4	Northeast Grid Reliability Project	\$ 81,587,177			\$ 32,527		\$ 6,416,475	Under Construction	June 2015
B1304.5-B1304.21	Northeast Grid Reliability Project	\$ 5,537,185					\$ 462,613	Planning/Engineering	June 2015
		\$ 689,614,382	\$ 78,361	\$ 54,138	\$ 237,782	\$ -	\$ 64,398,173		