June 26, 2014

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re:  PJM Interconnection, L.L.C. and Public Service Electric & Gas Company
Docket No. ER14-1608-000

Dear Secretary Bose:

Pursuant to Ordering Paragraph A of the May 27, 2014 Order issued by the Federal Regulatory Commission (“FERC” or “Commission”) in the above-captioned proceeding,1 Public Service Electric and Gas Company (“PSE&G”) submits the enclosed compliance filing. PSE&G requests that the enclosed tariff sheets be made effective on May 28, 2014.

With respect to PSE&G’s Bergen Linden Corridor Transmission Project, the Commission granted PSE&G’s request to include 100 percent of prudently-incurred construction work in progress in rate base (“100 percent CWIP”), subject to PSE&G submitting a compliance filing detailing the accounting controls and procedures PSE&G will use to identify and remove unpaid accruals from rate base. The Commission also required that PSE&G update Note B of Attachment H-10A of its formula rate under PJM’s OATT to disclose that unpaid accruals are being used to reduce CWIP balances included in rate base.

Attachment 1 hereto sets forth the accounting controls and procedures that PSE&G will use to identify and remove unpaid accruals from rate base. Attachment 2 contains clean tariff revisions of Attachment H-10A of PSE&G’s formula rate under PJM’s OATT with Note B modified as directed. Attachment 3 contains redlined tariff revisions of Attachment H-10A of PSE&G’s formula rate under PJM’s OATT with Note B modified as directed. Specifically, this change is reflected on page 5 to Appendix A of Attachment H-10A.

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Pursuant to Order No. 714, this filing is submitted by PJM on behalf of PSE&G as part of an XML filing package that conforms to the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, PSE&G has requested PJM to submit this compliance filing in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission’s regulations, PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region alerting them that this filing has been made by PJM and is available by following such link. PJM also serves the parties listed on the Commission’s official service list for this docket. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission’s eLibrary website located at the following link: http://www.ferc.gov/docs-filing/elibrary.asp in accordance with the Commission’s regulations and Order No. 714.

Thank you for your consideration. Should additional information be required, please contact the undersigned.

Respectfully submitted,

Enclosure

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3 See 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3) (2011). PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state Commissions.
ATTACHMENT 1
ACCOUNTING CONTROLS AND PROCEDURES THAT
PSE&G WILL USE TO IDENTIFY AND REMOVE
UNPAID ACCRUALS FROM RATE BASE
Attachment 1

On a monthly basis (during the month end general ledger close process), project management personnel will be required to submit to General Accounting Associates detailed manual accrual requests not expected to be paid within a reasonable billing cycle such as unbilled expenditures (work performed but not invoiced), contract retentions (payment holdbacks), and suspended or disputed invoices for recording in the Company’s general ledger accounting system (SAP). The unbilled expenditures, contract retentions, and suspended or disputed invoices will be recorded as liabilities via a manual journal entry. These charges will be debited to specifically designated general ledger cost elements used solely for the purpose of these unbilled expenditures, contract retentions and suspended or disputed invoices and which are readily identifiable in the Company’s accounting system.

At month end, Property Accounting Associates will review the journal entry prior to posting to ensure that the detail accrual line items for unbilled expenditures, contract retentions, and suspended or disputed invoices are charged to the appropriate designated cost elements, and approve the entry for posting. Upon closing of the accounting system each month, the cost elements used for unbilled expenditures, contract retentions and suspended or disputed invoices will be totaled and compared to the approved journal entry detail to confirm the amounts were properly recorded. The month end project costs-to-date (CWIP balance) will be manually adjusted to exclude from rate base in the formula rate under PJM’s OATT all accruals not expected to be paid within a reasonable billing cycle.

The Company’s Note B of Attachment H-10A of its formula rate under PJM’s OATT tariff will be modified as follows (modification to the current Note B is underlined below):

Note B  Calculated using 13-month average balances. Beginning year balances are from FERC Form 1. As stipulated in FERC Docket No. ER14-1608-000, CWIP for Incentive Transmission Projects excludes accruals not expected to be paid within a reasonable billing cycle.
## Allocators

### Wages & Salary Allocation Factor

<table>
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### Plant Allocation Factors

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<td>11</td>
<td>Accumulated Common Plant Depreciation &amp; Amortization - Electric</td>
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<td>12</td>
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<td>13</td>
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<td>Net Plant</td>
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### Plant Calculations

#### Plant In Service

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<td>21</td>
<td>Intangible - Electric</td>
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<td>Total General, Intangible &amp; Common Plant</td>
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<td>27</td>
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<td>Account No. 397 Directly Assigned to Transmission</td>
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<td>(Line 28 + Line 29)</td>
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<td>Total Plant In Rate Base</td>
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#### Accumulated Depreciation

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<td>36</td>
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<td>Total Accumulated Depreciation</td>
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<td>Total Net Property, Plant &amp; Equipment</td>
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### Adjustment To Rate Base

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<td>ADIT net of FASB 109 and 109</td>
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<td>Abandoned Transmission Projects</td>
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<td>47</td>
<td>Prepayments</td>
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<td>Materials and Supplies</td>
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<td>49</td>
<td>Prepayments</td>
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<td>Total Prepayments</td>
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<td>Network Credits</td>
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### Operations & Maintenance Expense

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<td>Allocated Administrative &amp; General Expenses</td>
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<td>Plus: Fixed PBOP expense</td>
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<td>Less Regulatory Commission Exp Account 928</td>
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<td>Less General Advertising Exp Account 930.1</td>
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<td>Less EPRI Dues</td>
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<td>Regulatory Commission Exp Account 928</td>
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<td>General Advertising Exp Account 930.1</td>
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<tr>
<td>81</td>
<td>Transmission Depreciation Expense Including Amortization of Limited Term Plant</td>
<td>(Note J &amp; O) Attachment 5</td>
<td>0</td>
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<tr>
<td>81a</td>
<td>Amortization of Abandoned Plant Projects</td>
<td>(Note R) Attachment 5</td>
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<td>82</td>
<td>General Depreciation Expense Including Amortization of Limited Term Plant</td>
<td>(Note J &amp; O) Attachment 5</td>
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<td>83</td>
<td>Less: Amount of General Depreciation Expense Associated with Acct. 397</td>
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<td>84</td>
<td>Balance of General Depreciation Expense</td>
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<td>85</td>
<td>Intangible Amortization</td>
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<td>88</td>
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<td>(Line 86 * Line 87)</td>
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<td>General Depreciation Expense for Acct. 397 Directly Assigned to Transmission</td>
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<td>General Depreciation and Intangible Amortization Functionalized to Transmission</td>
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<td>Total Transmission Depreciation &amp; Amortization</td>
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<td>92</td>
<td>Taxes Other than Income Taxes</td>
<td>(Note O) Attachment 2</td>
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<tr>
<td>93</td>
<td>Total Taxes Other than Income Taxes</td>
<td>(Line 92)</td>
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<tr>
<td>94</td>
<td>Long Term Interest</td>
<td>p117.62.c through 67.c</td>
<td>0</td>
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<tr>
<td>95</td>
<td>Preferred Dividends</td>
<td>enter positive p118.29.d</td>
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<td>96</td>
<td>Proprietary Capital</td>
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<td>97</td>
<td>Loss Accumulated Other Comprehensive Income Account 219</td>
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<tr>
<td>98</td>
<td>Loss Preferred Stock</td>
<td>(Line 106)</td>
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<tr>
<td>99</td>
<td>Loss Account 216.1</td>
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<tr>
<td>100</td>
<td>Common Stock</td>
<td>(Line 96 - 97 - 98 - 99)</td>
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<tr>
<td>101</td>
<td>Long Term Debt</td>
<td>(Note P) Attachment 5</td>
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<tr>
<td>102</td>
<td>Loss on Reacquired Debt</td>
<td>(Note P) Attachment 5</td>
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<tr>
<td>103</td>
<td>Gain on Reacquired Debt</td>
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<td>104</td>
<td>Less ADIT associated with Gain or Loss</td>
<td>(Note P) Attachment 5</td>
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<tr>
<td>105</td>
<td>Total Long Term Debt</td>
<td>(Line 101 - 102 + 103 - 104 )</td>
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<td>106</td>
<td>Preferred Stock</td>
<td>(Note P) Attachment 5</td>
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<td>107</td>
<td>Common Stock</td>
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<td>108</td>
<td>Total Capitalization</td>
<td>Sum (Lines 100 to 107)</td>
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<td>109</td>
<td>Debt %</td>
<td>Total Long Term Debt</td>
<td>0.02%</td>
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<tr>
<td>110</td>
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<tr>
<td>111</td>
<td>Common %</td>
<td>Common Stock</td>
<td>0.02%</td>
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<tr>
<td>112</td>
<td>Debt Cost</td>
<td>Total Long Term Debt</td>
<td>0.0000</td>
<td></td>
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<tr>
<td>113</td>
<td>Preferred Cost</td>
<td>Preferred Stock</td>
<td>0.0000</td>
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<tr>
<td>114</td>
<td>Common Cost</td>
<td>Common Stock</td>
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<td>115</td>
<td>Weighted Cost of Debt</td>
<td>Total Long Term Debt (WLD)</td>
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<td>116</td>
<td>Weighted Cost of Preferred</td>
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<tr>
<td>117</td>
<td>Weighted Cost of Common</td>
<td>Common Stock</td>
<td>0.0000</td>
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<tr>
<td>118</td>
<td>Rate of Return on Rate Base ( ROR )</td>
<td>(Sum/Lines 115 to 117)</td>
<td>0.0300</td>
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</tr>
<tr>
<td>119</td>
<td>Investment Return = Rate Base * Rate of Return</td>
<td>(Line 58 * Line 118)</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
**Public Service Electric and Gas Company**

**ATTACHMENT H-10A**

**Formula Rate -- Appendix A**

**Notes**

FERC Form 1  Page # or Instruction

2008

Shaded cells are input cells

### Composite Income Taxes

#### Income Tax Rates

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
<th>Notes</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>120</td>
<td>FIT=Federal Income Tax Rate</td>
<td>(Note I)</td>
<td>0.00%</td>
</tr>
<tr>
<td>121</td>
<td>SIT=State Income Tax Rate or Composite</td>
<td>Per State Tax Code</td>
<td>0.00%</td>
</tr>
<tr>
<td>122</td>
<td>p (percent of federal income tax deductible for state purposes)</td>
<td>Per State Tax Code</td>
<td>0.00%</td>
</tr>
<tr>
<td>123</td>
<td>T = (1 - (1 - SIT) * (1 - FIT) / (1 - SIT * FIT * p))</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>124</td>
<td>T / (1-T)</td>
<td></td>
<td>0.00%</td>
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</tbody>
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#### ITC Adjustment

<table>
<thead>
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<th>Formula</th>
<th>Notes</th>
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</thead>
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<tr>
<td>125</td>
<td>Amortized Investment Tax Credit</td>
<td>(Note O) Attachment 5</td>
</tr>
<tr>
<td>126</td>
<td>1/(1-T)</td>
<td>Line 123</td>
</tr>
<tr>
<td>127</td>
<td>Net Plant Allocation Factor</td>
<td>(Line 15)</td>
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#### Income Tax Component =

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<th>Line</th>
<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>129</td>
<td>(T/1-T) * Investment Return * (1-(WCLTD/ROR))</td>
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</table>

#### Total Income Taxes =

<table>
<thead>
<tr>
<th>Line</th>
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<tr>
<td>130</td>
<td>Line 128 + Line 129</td>
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### Revenue Requirement

#### Summary

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<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>131</td>
<td>Net Property, Plant &amp; Equipment</td>
<td>(Line 43)</td>
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<tr>
<td>132</td>
<td>Total Adjustment to Rate Base</td>
<td>(Line 57)</td>
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#### Rate Base

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
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<tbody>
<tr>
<td>133</td>
<td>Line 58</td>
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#### Gross Revenue Requirement =

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>139</td>
<td>Sum Lines 134 to 138</td>
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</table>

#### Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

<table>
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<tr>
<th>Line</th>
<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>140</td>
<td>Transmission Plant in Service</td>
<td>(Line 19)</td>
</tr>
<tr>
<td>141</td>
<td>Excluded Transmission Facilities</td>
<td>(Note B &amp; M) Attachment 5</td>
</tr>
<tr>
<td>142</td>
<td>Included Transmission Facilities</td>
<td>(Line 140 - Line 141)</td>
</tr>
<tr>
<td>143</td>
<td>Inclusion Ratio</td>
<td>(Line 142 / Line 140)</td>
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</tbody>
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#### Gross Revenue Requirement

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
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</thead>
<tbody>
<tr>
<td>144</td>
<td>Line 139</td>
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#### Adjusted Gross Revenue Requirement

<table>
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<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>145</td>
<td>Line 143 * Line 144</td>
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</table>

#### Revenue Credits & Interest on Network Credits

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>146</td>
<td>Revenue Credits</td>
<td>(Note O) Attachment 3</td>
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<tr>
<td>147</td>
<td>Interest on Network Credits</td>
<td>(Note N &amp; O) Attachment 5</td>
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</table>

#### Net Revenue Requirement

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>148</td>
<td>Line 145 - Line 146 + Line 147</td>
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#### Net Plant Carrying Charge

<table>
<thead>
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<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>149</td>
<td>Gross Revenue Requirement</td>
<td>(Line 144)</td>
</tr>
<tr>
<td>150</td>
<td>Net Transmission Plant, CWP and Abandoned Plant</td>
<td>(Line 19 - Line 32 + Line 45 + Line 45a)</td>
</tr>
<tr>
<td>151</td>
<td>Net Plant Carrying Charge</td>
<td>(Line 149 - Line 150)</td>
</tr>
<tr>
<td>152</td>
<td>Net Plant Carrying Charge without Depreciation</td>
<td>(Line 149 - Line 81)</td>
</tr>
<tr>
<td>153</td>
<td>Net Plant Carrying Charge without Depreciation, Return, or Income Taxes</td>
<td>(Line 149 - Line 81 - Line 119 - Line 130) / Line 150</td>
</tr>
</tbody>
</table>

#### Net Plant Carrying Charge Calculation per 100 Basis Point Increase in ROE

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>154</td>
<td>Gross Revenue Requirement Less Return and Taxes</td>
<td>(Line 144 - Line 137 - Line 138)</td>
</tr>
<tr>
<td>155</td>
<td>Increased Return and Taxes</td>
<td>(Line 154 + Line 155)</td>
</tr>
<tr>
<td>156</td>
<td>Net Revenue Requirement per 100 Basis Point Increase in ROE</td>
<td>(Line 154 + Line 155)</td>
</tr>
<tr>
<td>157</td>
<td>Net Transmission Plant, CWP and Abandoned Plant</td>
<td>(Line 19 - Line 32 + Line 45 + Line 45a)</td>
</tr>
<tr>
<td>158</td>
<td>Net Plant Carrying Charge per 100 Basis Point Increase in ROE</td>
<td>(Line 159 + Line 157)</td>
</tr>
<tr>
<td>159</td>
<td>Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation</td>
<td>(Line 159 - Line 81) / Line 157</td>
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</tbody>
</table>

#### Net Revenue Requirement

<table>
<thead>
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<th>Line</th>
<th>Formula</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>160</td>
<td>(Line 148)</td>
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#### True-up amount

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<tr>
<td>161</td>
<td>Attachment 6</td>
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</tbody>
</table>

#### Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects not paid by other PJM transmission zones

<table>
<thead>
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<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
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<tr>
<td>162</td>
<td>Attachment 7</td>
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</table>

#### Facility Credits under Section 30.9 of the PJM OATT

<table>
<thead>
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</thead>
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<tr>
<td>163</td>
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#### Net Zonal Revenue Requirement

<table>
<thead>
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<th>Line</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>164</td>
<td>(Line 163 + 161 + 162 + 163)</td>
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</tbody>
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#### Network Zonal Service Rate

<table>
<thead>
<tr>
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<th>Formula</th>
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</thead>
<tbody>
<tr>
<td>165</td>
<td>1 CP Peak</td>
<td>(Note L) Attachment 5</td>
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<tr>
<td>166</td>
<td>Rate (MMW/Year)</td>
<td>(Line 164 / 165)</td>
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</table>

#### Network Service Rate (MMW/Year)

<table>
<thead>
<tr>
<th>Line</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>167</td>
<td>(Line 168)</td>
</tr>
</tbody>
</table>
Notes
A Electric portion only
B Calculated using 13-month average balances. Beginning year balances are from FERC Form 1. As stipulated in FERC Docket No. ER14-1938-000, CWIP for Incentive Transmission Projects excludes accruals not expected to be paid within a reasonable billing cycle.
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 550.1
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.
PBOIP expense shall be $42,000,000 for service provided commencing January 1, 2014 and 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 Transmission Owner whole on Line 147.
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.
R Unamortized Abandoned Plant and Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion.
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
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<tbody>
<tr>
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<td>ADIT-283</td>
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<td>ADIT-190</td>
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<td>Subtotal</td>
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<tr>
<td>Wage &amp; Salary Allocator</td>
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</tr>
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<td>Net Plant Allocator</td>
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<tr>
<td>End of Year ADIT</td>
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<tr>
<td>End of Previous Year ADIT (from Sheet 1A-ADIT (3))</td>
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<tr>
<td>Average Beginning and End of Year ADIT</td>
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<tr>
<td>End of Year ADIT</td>
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<tr>
<td>End of Previous Year ADIT (Attachment 1A)</td>
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<tr>
<td>Average Beginning and End of Year ADIT</td>
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</tbody>
</table>

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

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.

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C.
2. ADIT items related only to Transmission are directly assigned to Column D.
3. ADIT items related to Plant and not in Columns C & D are included in Column E.
4. ADIT items related to labor and not in Columns C & D are included in Column F.
5. 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.
### Accumulated Deferred Income Taxes (ADIT) Worksheet

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
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</thead>
<tbody>
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<td></td>
<td>Total</td>
<td>Gas, Prod Only</td>
<td>Or Other</td>
<td>Transmission</td>
<td>Plant</td>
<td>Labor</td>
</tr>
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<td>Related</td>
<td>Related</td>
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</tr>
</tbody>
</table>

Subtotal - p275

Less FASB 109 Above if not separately removed

Less FASB 106 Above if not separately removed

Total

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td><strong>ADIT-283</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal - p277</strong></td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Less FASB 109 Above if not separately removed</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C.

2. ADIT items related only to Transmission are directly assigned to Column D.

3. ADIT items related to Plant and not in Columns C & D are included in Column E.

4. ADIT items related to labor and not in Columns C & D are included in Column F.

5. 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.
<table>
<thead>
<tr>
<th></th>
<th>Related</th>
<th>Related</th>
<th>Related</th>
<th>Related</th>
<th>ADIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADIT-282</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>ADIT-283</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>ADIT-190</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Wages & Salary Allocator: 0.0000%

Net Plant Allocator: 0.0000%

End of Year ADIT: 0

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

Instructions for Account 190:
1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C.
2. ADIT items related only to Transmission are directly assigned to Column D.
3. ADIT items related to Plant and not in Columns C & D are included in Column E.
4. ADIT items related to labor and not in Columns C & D are included in Column F.
5. 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.
### Attached 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2007

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gas Prod</td>
<td>Only</td>
<td>Or Other</td>
<td>Transmission</td>
<td>Plant</td>
<td>Labor</td>
</tr>
<tr>
<td>ADIT: 282</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Related</th>
<th>Related</th>
<th>Related</th>
<th>Related</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>Subtotal - p275</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Less FASB 109 Above if not separately removed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less FASB 106 Above if not separately removed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Instructions for Account 282:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C.
2. ADIT items related only to Transmission are directly assigned to Column D.
3. ADIT items related to Plant and not in Columns C & D are included in Column E.
4. ADIT items related to labor and not in Columns C & D are included in Column F.
5. 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 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gas, Prod or Other Related</td>
<td>Only Transmission Related</td>
<td>Plant</td>
<td>Labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal - p277</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Less FASB 106 Above if not separately removed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less FASB 106 Above if not separately removed</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

<table>
<thead>
<tr>
<th>Other Taxes</th>
<th>Col (i)</th>
<th>Allocator</th>
<th>Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant Related</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Real Estate</td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2 Total Plant Related</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td><strong>Labor Related</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 FICA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Federal Unemployment Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 New Jersey Unemployment Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 New Jersey Workforce Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Total Labor Related</td>
<td>0</td>
<td>0.0000%</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other Included</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Net Plant Allocator</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Total Other Included</td>
<td>0</td>
<td>0.0000%</td>
<td>0</td>
</tr>
<tr>
<td>13 Total Included (Lines 8 + 14 + 19)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Current Excluded</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Corporate Business Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 TEFA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Use &amp; Sales Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 Local Franchise Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 PA Corporate Income Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Municipal Utility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Public Utility Fund</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>22 Subtotal, Excluded</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23 Total, Included and Excluded (Line 20 + Line 22)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 Total Other Taxes from p114.14.g - Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 Difference (Line 29 - Line 30)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Late Payment Penalties Allocated to Transmission</td>
</tr>
<tr>
<td>2</td>
<td>Rent from Electric Property - Transmission Related (Note 2)</td>
</tr>
<tr>
<td>3</td>
<td>Transmission for Others</td>
</tr>
<tr>
<td>4</td>
<td>Schedule 1A</td>
</tr>
<tr>
<td>5</td>
<td>Rent from Electric Property - Transmission Related (Note 2)</td>
</tr>
<tr>
<td>6</td>
<td>Revenues from Directly Assigned Transmission Facility Charges (Note 1)</td>
</tr>
<tr>
<td>7</td>
<td>Rent or Attachment Fees associated with Transmission Facilities (Note 2)</td>
</tr>
<tr>
<td>10</td>
<td>Gross Revenue Credits</td>
</tr>
<tr>
<td>11</td>
<td>Less line 18</td>
</tr>
<tr>
<td>12</td>
<td>Total Revenue Credits</td>
</tr>
<tr>
<td>13</td>
<td>Revenues associated with lines 2, 7, and 9 (Note 2)</td>
</tr>
<tr>
<td>14</td>
<td>Income Taxes associated with revenues in line 13</td>
</tr>
<tr>
<td>15</td>
<td>One half margin (line 13 - line 14)/2</td>
</tr>
<tr>
<td>16</td>
<td>All expenses (other than income taxes) associated with revenues in line 13</td>
</tr>
<tr>
<td>17</td>
<td>Line 15 plus line 16</td>
</tr>
<tr>
<td>18</td>
<td>Line 13 less line 17</td>
</tr>
</tbody>
</table>

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 California Public Utilities Commission Decision 98-01-111, § 1.1-111. 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).
<table>
<thead>
<tr>
<th>Return Calculation</th>
<th>Appendix A Line or Source Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Rate Base</td>
<td>(Line 43 + Line 57) -</td>
</tr>
<tr>
<td>2 Long Term Interest</td>
<td>p17.62.c through 67.c -</td>
</tr>
<tr>
<td>3 Preferred Dividends</td>
<td>p18.28.d 0</td>
</tr>
<tr>
<td>Common Stock</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>4 Proprietary Capital</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>5 Less Accumulated Other Comprehensive Income Account 219</td>
<td>p12.15.c 0</td>
</tr>
<tr>
<td>6 Less Preferred Stock</td>
<td>(Line 106) 0</td>
</tr>
<tr>
<td>7 Less Account 216.1</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>8 Common Stock</td>
<td>(Line 96 - 97 - 98 - 99) 0</td>
</tr>
<tr>
<td>Capitalization</td>
<td></td>
</tr>
<tr>
<td>9 Long Term Debt</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>10 Less Loss on Reacquired Debt</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>11 Plus Gain on Reacquired Debt</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>12 Less ADIT associated with Gain or Loss</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>13 Total Long Term Debt</td>
<td>(Line 101 - 102 + 103 - 104) 0</td>
</tr>
<tr>
<td>14 Preferred Stock</td>
<td>Attachment 5 0</td>
</tr>
<tr>
<td>15 Common Stock</td>
<td>(Line 100) 0</td>
</tr>
<tr>
<td>16 Total Capitalization</td>
<td>(Sum Lines 105 to 107) 0</td>
</tr>
<tr>
<td>17 Debt %</td>
<td>Total Long Term Debt (Line 105 / Line 108) 0.0%</td>
</tr>
<tr>
<td>18 Preferred %</td>
<td>Preferred Stock (Line 106 / Line 108) 0.0%</td>
</tr>
<tr>
<td>19 Common %</td>
<td>Common Stock (Line 107 / Line 108) 0.0%</td>
</tr>
<tr>
<td>20 Debt Cost</td>
<td>Total Long Term Debt (Line 94 / Line 105) 0.0000</td>
</tr>
<tr>
<td>21 Preferred Cost</td>
<td>Preferred Stock (Line 95 / Line 106) 0.0000</td>
</tr>
<tr>
<td>22 Common Cost</td>
<td>Common Stock (Line 114 + 100 basis points) 0.1268</td>
</tr>
<tr>
<td>23 Weighted Cost of Debt</td>
<td>Total Long Term Debt (WCLTD) (Line 109 * Line 112) 0.0000</td>
</tr>
<tr>
<td>24 Weighted Cost of Preferred</td>
<td>Preferred Stock (Line 110 * Line 113) 0.0000</td>
</tr>
<tr>
<td>25 Weighted Cost of Common</td>
<td>Common Stock (Line 111 * Line 114) 0.0000</td>
</tr>
<tr>
<td>26 Rate of Return on Rate Base ( ROR )</td>
<td>(Sum Lines 115 to 117) 0.0000</td>
</tr>
<tr>
<td>27 Investment Return = Rate Base * Rate of Return</td>
<td>(Line 58 * Line 118) 0</td>
</tr>
</tbody>
</table>

**Composite Income Taxes**

<table>
<thead>
<tr>
<th>Income Tax Rates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>28 FIT=Federal Income Tax Rate</td>
<td>0.00%</td>
</tr>
<tr>
<td>29 SIT=State Income Tax Rate or Composite</td>
<td>0.00%</td>
</tr>
<tr>
<td>30 p = percent of federal income tax deductible for state purposes</td>
<td>Per State Tax Code 0.00%</td>
</tr>
<tr>
<td>31 T</td>
<td>T=1 - (1 - SIT) * (1 - FIT) / (1 - SIT * FIT * p) =</td>
</tr>
<tr>
<td>32 CIT = T /(1-T)</td>
<td>0.00%</td>
</tr>
<tr>
<td>33 1/(1-T)</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ITC Adjustment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>37 Amortized Investment Tax Credit</td>
<td>enter negative Attachment 5 0</td>
</tr>
<tr>
<td>38 (1-T)</td>
<td>1 - Line 123 100.00%</td>
</tr>
<tr>
<td>39 Net Plant Allocation Factor</td>
<td>(Line 18) 0.0000%</td>
</tr>
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<td>40 ITC Adjustment Allocated to Transmission</td>
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**Public Service Electric and Gas Company**

**ATTACHMENT H-10A**

**Attachment 4 - Calculation of 100 Basis Point Increase in ROE**

A 100 Basis Point increase in ROE and Income Taxes

B 100 Basis Point increase in ROE

Return and Taxes with 100 Basis Point increase in ROE

A 100 Basis Point increase in ROE and Income Taxes Line 27 + Line 42 from below #DIV/0!

B 100 Basis Point increase in ROE 1.00%
# Electric / Non-electric Cost Support

## Plant Allocation Factors

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## Accumulated Depreciation

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## Wages & Salary

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## Transmission / Non-transmission Cost Support

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## O&M Expenses

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## Property Insurance Expenses

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## Observation

- The table includes various cost support details such as Plant Allocation Factors, Accumulated Depreciation, Wages & Salary, Transmission / Non-transmission Cost Support, Prepayments, Materials and Supplies, Outstanding Network Credits Cost Support, O&M Expenses, Property Insurance Expenses, and Account No. 397 Directly Assigned to Transmission.
- Each entry provides specific details such as descriptions, notes, and page numbers.
- The data is organized in a tabular format, making it easier to analyze and compare different aspects of cost support.
### Adjustments to A & G Expense

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### Regulatory Expense Related to Transmission Cost Support

#### General & Common Expenses

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#### Safety Related Advertising Cost Support

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### Depreciation Expense

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### Direct Assignment of Transmission Real Estate Taxes

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<td>Proprietary Capital</td>
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<td>Accumulated Other Comprehensive Income Account 2 15</td>
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<td>p112.715.d</td>
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<td>Account 2 15</td>
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<td>101</td>
<td>Long Term Debt</td>
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<td>p112.815.d thru 23.d</td>
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<td>102</td>
<td>Loss on Reacquired Debt</td>
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<td>p111.815.d.</td>
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<td>103</td>
<td>Gain on Reacquired Debt</td>
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<td>p113.815.c</td>
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<tr>
<td>104</td>
<td>ADIT associated with Gain or Loss on Reacquired Debt</td>
<td>(Note P)</td>
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<td>p277.3,3 (fictitious)</td>
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<td>105</td>
<td>Preferred Stock</td>
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<td>p112.715.c</td>
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**Notes:**
- 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. Each parcel is associated with a Lot & Block number. These Lot & Block 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**
- **MultiState Workpaper**
- **Income Tax Rates**
<table>
<thead>
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<th>Line #</th>
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</thead>
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<tr>
<td>121</td>
<td>SIT=State Income Tax Rate or Composite</td>
<td>(Note I)</td>
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<td>0.00%</td>
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</tbody>
</table>

### Amortized Investment Tax Credit

| Line # | Description | Notes | Page & | Form Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Form 1 Dec | Average |
|--------|-------------|-------|--------|---------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|
| 125    | Amortized Investment Tax Credit | (Note O) | p366.8 |        |     |     |     |     |     |     |     |     |     |     |        |         |

### Excluded Transmission Facilities

| Line # | Description | Notes | Page & | Form Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Form 1 Dec | Average |
|--------|-------------|-------|--------|---------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|
| 138    | Excluded Transmission Facilities | (Note B) | p266.8 |        |     |     |     |     |     |     |     |     |     |     |        |         |

### Interest on Outstanding Network Credits Cost Support

| Line # | Description | Notes | Page & | Form Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Form 1 Dec | Average |
|--------|-------------|-------|--------|---------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|
| 138    | Interest on Network Credits | (Note N) | p266.8 |        |     |     |     |     |     |     |     |     |     |     |        |         |

### Revenue Requirement

| Line # | Description | Notes | Page & | Form Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Form 1 Dec | Average |
|--------|-------------|-------|--------|---------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|
| 153    | Revenue Requirement | Facility Credits under Section 30.9 of the PJM OATT | p266.8 |        |     |     |     |     |     |     |     |     |     |     |        |         |

### PJM Load Cost Support

| Line # | Description | Notes | Page & | Form Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Form 1 Dec | Average |
|--------|-------------|-------|--------|---------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|
| 163    | PJM Load Cost Support | Network Zonal Service Rate | (Note P) |                |     |     |     |     |     |     |     |     |     |     |     |        |         |

### Abandoned Transmission Projects

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<thead>
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<th>Line #</th>
<th>Description</th>
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<th>Page &amp;</th>
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<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
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<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Form 1 Dec</th>
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<td>Abandoned Transmission Projects</td>
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</table>

**Docket Numbers authorizing amount and period for recovery of Abandoned Transmission Project:**

- **BPH Project Docket No. ER12-2274-000** Authorizing $5,500,000 with a one-year recovery period.
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.  

(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 

\[ (1+i)^{24} \]

Where: 

\[ i = \text{Sum of (the monthly rates for the 10 months ending October 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year)} \] divided by 21 months.

### Summary of Formula Rate Process including True-Up Adjustment

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<thead>
<tr>
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<th>Year</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>2008</td>
<td>TO populates the formula with Year 2008 estimated data</td>
</tr>
<tr>
<td>October</td>
<td>2008</td>
<td>TO populates the formula with Year 2009 estimated data</td>
</tr>
<tr>
<td>June</td>
<td>2009</td>
<td>TO populates the formula with Year 2008 actual data and calculates the 2008 True-Up Adjustment Before Interest</td>
</tr>
<tr>
<td>October</td>
<td>2009</td>
<td>TO calculates the Interest to include in the 2008 True-Up Adjustment</td>
</tr>
<tr>
<td>October</td>
<td>2009</td>
<td>TO populates the formula with Year 2010 estimated data and 2008 True-Up Adjustment</td>
</tr>
<tr>
<td>June</td>
<td>2010</td>
<td>TO populates the formula with Year 2009 actual data and calculates the 2009 True-Up Adjustment Before Interest</td>
</tr>
<tr>
<td>October</td>
<td>2010</td>
<td>TO calculates the Interest to include in the 2009 True-Up Adjustment</td>
</tr>
<tr>
<td>October</td>
<td>2010</td>
<td>TO populates the formula with Year 2011 estimated data and 2009 True-Up Adjustment</td>
</tr>
<tr>
<td>June</td>
<td>(Year)</td>
<td>TO populates the formula with (Year -1) actual data and calculates the (Year-1) True-Up Adjustment Before Interest</td>
</tr>
<tr>
<td>October</td>
<td>(Year)</td>
<td>TO calculates the Interest to include in the (Year-1) True-Up Adjustment</td>
</tr>
<tr>
<td>October</td>
<td>(Year)</td>
<td>TO populates the formula with (Year +1) estimated data and (Year-1) True-Up Adjustment</td>
</tr>
</tbody>
</table>

1 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.

Interest on Amount of Refunds or Surcharges

Interest 35.10a for Current Yr:  

\[ i = \text{average interest rate as calculated below} \]

### Interest 35.10a for Current Yr:

<table>
<thead>
<tr>
<th>Month</th>
<th>Yr</th>
<th>Interest 35.10a for Current Yr</th>
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</thead>
<tbody>
<tr>
<td>January</td>
<td>Year 1</td>
<td>0.0000%</td>
</tr>
<tr>
<td>February</td>
<td>Year 1</td>
<td>0.0000%</td>
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<tr>
<td>March</td>
<td>Year 1</td>
<td>0.0000%</td>
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<tr>
<td>April</td>
<td>Year 1</td>
<td>0.0000%</td>
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<tr>
<td>May</td>
<td>Year 1</td>
<td>0.0000%</td>
</tr>
<tr>
<td>June</td>
<td>Year 1</td>
<td>0.0000%</td>
</tr>
<tr>
<td>July</td>
<td>Year 1</td>
<td>0.0000%</td>
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<tr>
<td>August</td>
<td>Year 1</td>
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<td>September</td>
<td>Year 1</td>
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<td>October</td>
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<td>November</td>
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<tr>
<td>December</td>
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<tr>
<td>January</td>
<td>Year 2</td>
<td>0.0000%</td>
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<tr>
<td>February</td>
<td>Year 2</td>
<td>0.0000%</td>
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<tr>
<td>March</td>
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<td>August</td>
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</table>

Interest 35.10a for

<table>
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<td>September</td>
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</table>

- **A** ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.
- **B** ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.
- **C** Difference (A-B)  
- **D** Future Value Factor \((1+i)^{24}\)  
- **E** True-up Adjustment \((C\times D)\)  

Where:  

\[ i = \text{average interest rate as calculated below} \]
Average Interest Rate 0.0000%
### Estimated Additions

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<th>(B)</th>
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**Other Projects PIS**

- New Freedom Loop (monthly additions)
- Susquehanna Roseland (monthly additions)
- Susquehanna Roseland >= 500KV (monthly additions)
- Susquehanna Roseland < 500KV (monthly additions)

**Estimated Transmission Enhancement Charges**

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<th>(C)</th>
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### Actual Additions

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### Actual Transmission Enhancement Charges

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<th></th>
<th>Stranchtinq (B0133)</th>
<th>Kittany (B0134)</th>
<th>Essex Aldene (B0145)</th>
<th>New Freedom Trans (B0411)</th>
<th>New Freedom Loop (B0498)</th>
<th>Susquehanna Roseland (B0489)</th>
<th>Susquehanna Roseland (B0489) = 500KV CWIP</th>
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<tbody>
<tr>
<td>Total Projects</td>
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### Reconciliation amount by Project (without interest)

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<th>Kittany (B0134)</th>
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<th>New Freedom Loop (B0498)</th>
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### Reconciliation amount by Project (with interest)

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<th>New Freedom Loop (B0498)</th>
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<th>Susquehanna Roseland (B0489) = 500KV CWIP</th>
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<tbody>
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<td>Total Projects</td>
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Average 13 Month Balance
Average 13 Month in service
Average CWIP to Appendix A line 46
## Public Service Electric and Gas Company

**ATTACHMENT H-10A**

**Attachment 7 - Transmission Enhancement Charges Worksheet (TEC) - December 31, 2009**

### New Plant Carrying Charge

#### Fixed Charge Rate (FCR) if not a CIAC

<table>
<thead>
<tr>
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<th>Description</th>
<th>Value</th>
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<tr>
<td>A = 152</td>
<td>Net Plant Carrying Charge without Depreciation</td>
<td>0.0000</td>
</tr>
<tr>
<td>B = 159</td>
<td>Net Plant Carrying Charge per 100 Basis Points in ROE without Depreciation</td>
<td>0.0000</td>
</tr>
<tr>
<td>C = Line B - Line A</td>
<td></td>
<td>0.0000</td>
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</table>

**FCR if a CIAC**

| D = 153 | Net Plant Carrying Charge without Depreciation, Return, or Income Taxes | 0.0000 |

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

<table>
<thead>
<tr>
<th>Schedule 12</th>
<th>Details</th>
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<tbody>
<tr>
<td>Yes or No</td>
<td>Yes if a project under FERC Order 12, otherwise &quot;No&quot;</td>
</tr>
<tr>
<td>Line 13</td>
<td>Useful life of the project</td>
</tr>
<tr>
<td>Line 14</td>
<td>&quot;Yes&quot; if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise the allowed increase in ROE</td>
</tr>
<tr>
<td>Line 15</td>
<td>Input the allowed increase in ROE</td>
</tr>
<tr>
<td>Line 16</td>
<td>From line 3 above if &quot;Yes&quot; on line 13 and From line 7 above if &quot;Yes&quot; on line 13</td>
</tr>
<tr>
<td>Line 17</td>
<td>Line 14 plus line 5 times line 15/100</td>
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<tr>
<td>Line 18</td>
<td>Project subaccount of Plant in Service Account 101 or 106 if not yet classified - End of year balance</td>
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<tr>
<td>Line 19</td>
<td>Months in service for depreciation expense from Attachment 6</td>
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### Annually Depreciation or Amort

<table>
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### Investment Yr Ending

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### Investment Yr Revenue

<table>
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Increased 2024

11.68% ROE 2025

Increased 2025
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<tr>
<th>New Freedom Loop (B0498)</th>
<th>Metuchen Transformer (B0161)</th>
<th>Branchburg-Flagtown-Somerville (B0169)</th>
<th>Branchburg Flagtown - Bridgewater (B0170)</th>
<th>Roseland Transformer (B0274)</th>
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<tr>
<td>Ending</td>
<td>Depreciation or Amort</td>
<td>Revenue</td>
<td>Ending</td>
<td>Depreciation or Amort</td>
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<td>Project</td>
<td>Description</td>
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<td>Mid-Atlantic Power Pathway (MAAP)</td>
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<td>Burlington - Camden Project (B1156)</td>
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<td>West Orange Project (B1154)</td>
<td>Mickleton-Camden-Gloucester Project (B1398, B1398.1, B1398.2, B1398.3, B1398.4, B1398.7)</td>
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<tr>
<td>Project</td>
<td>Susquehanna Roseland (500KV)</td>
<td>Susquehanna Roseland (&lt; 500KV)</td>
<td>Bergen-Linden 345kV Project</td>
<td>Abandoned Recovery Costs</td>
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<td>--------------------------------</td>
<td>-----------------------------</td>
<td>--------------------------</td>
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<td>Ending Depreciation or Amort Revenue</td>
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## Attachment 8 - Depreciation Rates

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<td>Line Transformers</td>
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<td><strong>General &amp; Common</strong></td>
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<td>Miscellaneous Equipment</td>
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ATTACHMENT 3
REVISED SHEETS TO PJM OATT
RED-LINED VERSION
## Allocators

### Wages & Salary Allocation Factor

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<th>Line</th>
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<tr>
<td>1</td>
<td>Transmission Wages Expense</td>
<td>(Line O)</td>
<td>Attachment 5</td>
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<td>2</td>
<td>Total Wages Expense</td>
<td>(Line O)</td>
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<td>3</td>
<td>Less A&amp;G Wages Expense</td>
<td>(Line O)</td>
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<td>4</td>
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<td>Wages &amp; Salary Allocator</td>
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### Plant Allocation Factors

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<tr>
<td>6</td>
<td>Electric Plant in Service</td>
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<td>Attachment 5</td>
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<tr>
<td>7</td>
<td>Common Plant in Service</td>
<td>(Note B)</td>
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<td>Total Plant in Service</td>
<td>(Line 6 + Line 7)</td>
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<td>9</td>
<td>Accumulated Depreciation (Total Electric Plant)</td>
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<td>Accumulated Intangible Amortization - Electric</td>
<td>(Note B)</td>
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<td>11</td>
<td>Accumulated Common Plant Depreciation &amp; Amortization - Electric</td>
<td>(Note B &amp; J)</td>
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<td>12</td>
<td>Accumulated Common Amortization - Electric</td>
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<td>Total Accumulated Depreciation</td>
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<td>Net Plant</td>
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<td>Gross Plant Allocator</td>
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<td>18</td>
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## Plant Calculations

### Plant In Service

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<td>(Note B)</td>
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<td>Intangible - Electric</td>
<td>(Note B)</td>
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<td>22</td>
<td>Common Plant - Electric</td>
<td>(Note B)</td>
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<td>Total General, Intangible &amp; Common Plant</td>
<td>(Line 20 + Line 21 + Line 22)</td>
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<td>24</td>
<td>Less: General Plant Account 397 – Communications</td>
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<tr>
<td>25</td>
<td>Less: Common Plant Account 397 – Communications</td>
<td>(Note B)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>26</td>
<td>General and Intangible Excluding Acct. 397</td>
<td>(Line 23 - Line 24 - Line 25)</td>
<td>0</td>
</tr>
<tr>
<td>27</td>
<td>Wage &amp; Salary Allocator</td>
<td>(Line 5)</td>
<td>0.0000%</td>
</tr>
<tr>
<td>28</td>
<td>General and Intangible Plant Allocated to Transmission</td>
<td>(Line 26 * Line 27)</td>
<td>0</td>
</tr>
<tr>
<td>29</td>
<td>Account No. 397 Directly Assigned to Transmission</td>
<td>(Note B)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>30</td>
<td>Total General and Intangible Functionalized to Transmission</td>
<td>(Line 28 + Line 29)</td>
<td>0</td>
</tr>
<tr>
<td>31</td>
<td>Total Plant In Rate Base</td>
<td>(Line 19 + Line 30)</td>
<td>0</td>
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</tbody>
</table>

### Accumulated Depreciation

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>Transmission Accumulated Depreciation</td>
<td>(Note B &amp; J)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>33</td>
<td>Accumulated General Depreciation</td>
<td>(Note B &amp; J)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>34</td>
<td>Accumulated Common Plant Depreciation - Electric</td>
<td>(Note B &amp; J)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>35</td>
<td>Less: Amount of General Depreciation Associated with Acct. 397</td>
<td>(Note B &amp; J)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>36</td>
<td>Balance of Accumulated General Depreciation</td>
<td>(Line 33 + Line 34 - Line 35)</td>
<td>0</td>
</tr>
<tr>
<td>37</td>
<td>Accumulated Intangible Amortization - Electric</td>
<td>(Note B)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>38</td>
<td>Accumulated General and Intangible Depreciation Ex. Acct. 397</td>
<td>(Line 36 + Line 37)</td>
<td>0</td>
</tr>
<tr>
<td>39</td>
<td>Wage &amp; Salary Allocator</td>
<td>(Line 5)</td>
<td>0.0000%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>Subtotal General and Intangible Account - Depreciation - Acct. 397</td>
<td>(Note B &amp; J)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>41</td>
<td>Accumulated General Depreciation Associated with Acct. 397 Directly Assigned to Transmission</td>
<td>(Note B &amp; J)</td>
<td>Attachment 5</td>
</tr>
</tbody>
</table>

### Total Accumulated Depreciation

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>Total Accumulated Depreciation</td>
<td>(Lines 32 + 33 + 34 + 35)</td>
<td>0</td>
</tr>
<tr>
<td>43</td>
<td>Total Net Property, Plant &amp; Equipment</td>
<td>(Line 31 - Line 42)</td>
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</table>
### Adjustment To Rate Base

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Deferred Income Taxes</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>ADIT net of FASB 106 and 109</td>
<td>44</td>
<td>(Note Q)</td>
<td>Attachment 1</td>
<td>0</td>
</tr>
<tr>
<td>CWIP for Incentive Transmission Projects</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
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<tr>
<td>CWIP Balances for Current Rate Year</td>
<td>45</td>
<td>(Note B &amp; H)</td>
<td>Attachment 6</td>
<td>0</td>
</tr>
<tr>
<td>Abandoned Transmission Projects</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Unamortized Abandoned Transmission Projects</td>
<td>45a</td>
<td>(Note R)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Plant Held for Future Use</td>
<td>46</td>
<td>(Note C &amp; O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
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<tr>
<td>Materials and Supplies</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Undistributed Stores Expense</td>
<td>48</td>
<td>(Note Q)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Wage &amp; Salary Allocator</td>
<td>49</td>
<td>(Line 5)</td>
<td>0.0003%</td>
<td>0</td>
</tr>
<tr>
<td>Total Undistributed Stores Expense Allocated to Transmission</td>
<td>50</td>
<td>(Line 48 * Line 49)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Transmission Materials &amp; Supplies</td>
<td></td>
<td>(Note N &amp; Q)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Total Materials &amp; Supplies Allocated to Transmission</td>
<td>52</td>
<td>(Line 50 + Line 51)</td>
<td>0</td>
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### Cash Working Capital

<table>
<thead>
<tr>
<th>Description</th>
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<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Operation &amp; Maintenance Expense</td>
<td>53</td>
<td>(Line 80)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>1/8th Rule</td>
<td>54</td>
<td>1/8</td>
<td>12.5%</td>
<td>0</td>
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<tr>
<td>Total Cash Working Capital Allocated to Transmission</td>
<td>55</td>
<td>(Line 53 * Line 54)</td>
<td>0</td>
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### Network Credits

<table>
<thead>
<tr>
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<th>Formula</th>
<th>Notes</th>
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<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Network Credits</td>
<td>56</td>
<td>(Note N)</td>
<td>Attachment 5</td>
<td>0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Adj ustment to Rate Base</td>
<td>57</td>
<td>(Lines 44 + 45 + 45a + 46 + 47 + 52 + 55 - 56)</td>
<td>0</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Base</td>
<td>58</td>
<td>(Line 43 + Line 57)</td>
<td>0</td>
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</table>

### Operations & Maintenance Expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission O&amp;M</td>
<td>59</td>
<td>(Note O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Plus Transmission Lease Payments</td>
<td>60</td>
<td>(Note O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Transmission O&amp;M</td>
<td>61</td>
<td>(Lines 59 + 60)</td>
<td>0</td>
<td></td>
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</tbody>
</table>

### Allocated Administrative & General Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total A&amp;G</td>
<td>62</td>
<td>(Note O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Plus: Fixed PBOP expense</td>
<td>63</td>
<td>(Note J)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Less: Actual PBOP expense</td>
<td>64</td>
<td>(Note O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Less Property Insurance Account 924</td>
<td>65</td>
<td>(Note O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Less Regulatory Commission Exp Account 928</td>
<td>66</td>
<td>(Note E &amp; O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Less General Advertising Exp Account 930.1</td>
<td>67</td>
<td>(Note O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Less EPRI Dues</td>
<td>68</td>
<td>(Note O &amp; O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Administrative &amp; General Expenses</td>
<td>69</td>
<td>Sum (Lines 62 to 63) - Sum (Lines 64 to 68)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Wage &amp; Salary Allocator</td>
<td>70</td>
<td>(Line 5)</td>
<td>0.0003%</td>
<td>0</td>
</tr>
<tr>
<td>Administrative &amp; General Expenses Allocated to Transmission</td>
<td>71</td>
<td>(Line 69 * Line 70)</td>
<td>0</td>
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</tr>
</tbody>
</table>

### Directly Assigned A&G

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Commission Exp Account 928</td>
<td>72</td>
<td>(Note G &amp; O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>General Advertising Exp Account 930.1</td>
<td>73</td>
<td>(Note K &amp; O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal - Accounts 928 and 930.1 - Transmission Related</td>
<td>74</td>
<td>(Line 72 + Line 73)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Property Insurance Account 924</td>
<td>75</td>
<td>(Line 65)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>General Advertising Exp Account 930.1</td>
<td>76</td>
<td>(Note F &amp; O)</td>
<td>Attachment 5</td>
<td>0</td>
</tr>
<tr>
<td>Total Accounts 928 and 930.1 - General</td>
<td>77</td>
<td>(Line 75 + Line 76)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Net Plant Allocator</td>
<td>78</td>
<td>(Line 18)</td>
<td>0.0002%</td>
<td>0</td>
</tr>
<tr>
<td><strong>A&amp;G Directly Assigned to Transmission</strong></td>
<td>79</td>
<td>(Line 77 + Line 78)</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
<th>Attachment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Transmission O&amp;M</td>
<td>80</td>
<td>(Lines 61 + 71 + 74 + 79)</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
### Depreciation & Amortization Expense

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>81</td>
<td>Transmission Depreciation Expense Including Amortization of Limited Term Plant</td>
<td>(Note J &amp; O)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>81a</td>
<td>Amortization of Abandoned Plant Projects</td>
<td>(Note R)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>82</td>
<td>General Depreciation Expense Including Amortization of Limited Term Plant</td>
<td>(Note J &amp; O)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>83</td>
<td>Less: Amount of General Depreciation Expense Associated with Acct. 397</td>
<td>(Note J &amp; O)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>84</td>
<td>Balance of General Depreciation Expense</td>
<td>(Line 82 - Line 83)</td>
<td></td>
</tr>
<tr>
<td>85</td>
<td>Intangible Amortization</td>
<td>(Note A-5)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>86</td>
<td>Total</td>
<td>(Line 84 + Line 85)</td>
<td></td>
</tr>
<tr>
<td>87</td>
<td>Wage &amp; Salary Allocator</td>
<td>(Line 86)</td>
<td>0.0002</td>
</tr>
<tr>
<td>88</td>
<td>General Depreciation &amp; Intangible Amortization Allocated to Transmission</td>
<td>(Line 86 * Line 87)</td>
<td></td>
</tr>
<tr>
<td>89</td>
<td>General Depreciation Expense for Acct. 397 Directly Assigned to Transmission</td>
<td>(Note J &amp; O)</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>90</td>
<td>General Depreciation and Intangible Amortization Functionalized to Transmission</td>
<td>(Line 88 + Line 89)</td>
<td></td>
</tr>
</tbody>
</table>

#### Total Transmission Depreciation & Amortization

(Line 81 + 81a + 90)

0

### Taxes Other than Income Taxes

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>92</td>
<td>Taxes Other than Income Taxes</td>
<td>(Note O)</td>
</tr>
</tbody>
</table>

#### Total Taxes Other than Income Taxes

(Line 92)

0

### Return Capitalization Calculations

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>94</td>
<td>Long Term Interest</td>
<td>p117.62.c through 67.c</td>
</tr>
<tr>
<td>95</td>
<td>Preferred Dividends</td>
<td>enter positive p118.29.d</td>
</tr>
<tr>
<td></td>
<td>Common Stock</td>
<td></td>
</tr>
<tr>
<td>96</td>
<td>Proprietary Capital</td>
<td>(Note P)</td>
</tr>
<tr>
<td>97</td>
<td>Less Accumulated Other Comprehensive Income Account 219</td>
<td>(Note P )</td>
</tr>
<tr>
<td>98</td>
<td>Less Preferred Stock</td>
<td>(Line 106)</td>
</tr>
<tr>
<td>99</td>
<td>Less Account 216.1</td>
<td>(Note P)</td>
</tr>
<tr>
<td>100</td>
<td>Common Stock</td>
<td>(Line 96 - 97 - 98 - 99)</td>
</tr>
<tr>
<td></td>
<td>Capitalization</td>
<td></td>
</tr>
<tr>
<td>101</td>
<td>Long Term Debt</td>
<td>(Note P)</td>
</tr>
<tr>
<td>102</td>
<td>Less Loss on Reacquired Debt</td>
<td>(Note P)</td>
</tr>
<tr>
<td>103</td>
<td>Plus Gain on Reacquired Debt</td>
<td>(Note P)</td>
</tr>
<tr>
<td>104</td>
<td>Less ADIT associated with Gain or Loss</td>
<td>(Note P)</td>
</tr>
<tr>
<td>105</td>
<td>Total Long Term Debt</td>
<td>(Line 101 - 102 + 103 - 104)</td>
</tr>
<tr>
<td>106</td>
<td>Preferred Stock</td>
<td>(Note P)</td>
</tr>
<tr>
<td>107</td>
<td>Common Stock</td>
<td>(Line 105)</td>
</tr>
<tr>
<td>108</td>
<td>Total Capitalization</td>
<td>(Sum Lines 106 to 107)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>109</td>
<td>Debt %</td>
<td>Total Long Term Debt</td>
</tr>
<tr>
<td>110</td>
<td>Preferred %</td>
<td>Preferred Stock</td>
</tr>
<tr>
<td>111</td>
<td>Common %</td>
<td>Common Stock</td>
</tr>
<tr>
<td>112</td>
<td>Debt Cost</td>
<td>Total Long Term Debt</td>
</tr>
<tr>
<td>113</td>
<td>Preferred Cost</td>
<td>Preferred Stock</td>
</tr>
<tr>
<td>114</td>
<td>Common Cost</td>
<td>Common Stock</td>
</tr>
<tr>
<td>115</td>
<td>Weighted Cost of Debt</td>
<td>Total Long Term Debt (WCLTD)</td>
</tr>
<tr>
<td>116</td>
<td>Weighted Cost of Preferred</td>
<td>Preferred Stock</td>
</tr>
<tr>
<td>117</td>
<td>Weighted Cost of Common</td>
<td>Common Stock</td>
</tr>
<tr>
<td>118</td>
<td>Rate of Return on Rate Base (RON)</td>
<td>(Sum Lines 115 to 117)</td>
</tr>
</tbody>
</table>

#### Investment Return = Rate Base * Rate of Return

(Line 58 * Line 118) 0.0000
### Composite Income Taxes

<table>
<thead>
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<tbody>
<tr>
<td>120</td>
<td>FIT=Federal Income Tax Rate (Note I)</td>
</tr>
<tr>
<td>121</td>
<td>SIT=State Income Tax Rate or Composite</td>
</tr>
<tr>
<td>122</td>
<td>p (percent of federal income tax deductible for state purposes) Per State Tax Code</td>
</tr>
<tr>
<td>123</td>
<td>T (=1 - \frac{(1 - SIT) \times (1 - FIT) \times p}{1 - SIT \times FIT \times p})</td>
</tr>
<tr>
<td>124</td>
<td>T / (1-T)</td>
</tr>
</tbody>
</table>

#### ITC Adjustment

<table>
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<th>Formula</th>
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</tr>
</thead>
<tbody>
<tr>
<td>125</td>
<td>Amortized Investment Tax Credit enter negative (Note O) Attachment 5</td>
</tr>
<tr>
<td>126</td>
<td>(\frac{1}{1-T})</td>
</tr>
<tr>
<td>127</td>
<td>Net Plant Allocation Factor (Line 15)</td>
</tr>
<tr>
<td>128</td>
<td>ITC Adjustment Allocated to Transmission (Line 125 * Line 126 * Line 127)</td>
</tr>
</tbody>
</table>

### Income Tax Component

\[\text{Income Tax Component} = \left(\frac{T}{1-T}\right) \times \text{Investment Return} \times (1-(\text{WCLTD} / \text{ROR})) = \left[\text{Line 124} \times \text{Line 119} \times (1- \left(\text{Line 115} / \text{Line 118}\right))\right] - \]

### Total Income Taxes

\[\text{Total Income Taxes} = \text{Line 128} + \text{Line 129} \]

### Revenue Requirement

#### Summary

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>131</td>
<td>Net Property, Plant &amp; Equipment (Line 43)</td>
</tr>
<tr>
<td>132</td>
<td>Total Adjustment to Rate Base (Line 57)</td>
</tr>
<tr>
<td>133</td>
<td>Rate Base (Line 58)</td>
</tr>
<tr>
<td>134</td>
<td>Total Transmission O&amp;M (Line 80)</td>
</tr>
<tr>
<td>135</td>
<td>Total Transmission Depreciation &amp; Amortization (Line 91)</td>
</tr>
<tr>
<td>136</td>
<td>Taxes Other than Income (Line 93)</td>
</tr>
<tr>
<td>137</td>
<td>Investment Return (Line 119)</td>
</tr>
<tr>
<td>138</td>
<td>Income Taxes (Line 130)</td>
</tr>
</tbody>
</table>

\[\text{Gross Revenue Requirement} = \text{Sum Lines 134 to 138} \]

### Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>140</td>
<td>Transmission Plant in Service (Line 19)</td>
</tr>
<tr>
<td>141</td>
<td>Excluded Transmission Facilities (Note B &amp; M) Attachment 5</td>
</tr>
<tr>
<td>142</td>
<td>Included Transmission Facilities (Line 146 * Line 141)</td>
</tr>
<tr>
<td>143</td>
<td>Inclusion Ratio (Line 142 * Line 140)</td>
</tr>
<tr>
<td>144</td>
<td>Gross Revenue Requirement (Line 139)</td>
</tr>
<tr>
<td>145</td>
<td>Adjusted Gross Revenue Requirement (Line 143 * Line 144)</td>
</tr>
</tbody>
</table>

### Revenue Credits & Interest on Network Credits

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>146</td>
<td>Revenue Credits (Note O) Attachment 3</td>
</tr>
<tr>
<td>147</td>
<td>Interest on Network Credits (Note N &amp; O) Attachment 5</td>
</tr>
</tbody>
</table>

\[\text{Net Revenue Requirement} = \text{Line 145} - \text{Line 146} + \text{Line 147} \]

### Net Plant Carrying Charge

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>149</td>
<td>Gross Revenue Requirement (Line 144)</td>
</tr>
<tr>
<td>150</td>
<td>Net Transmission Plant, CWP and Abandoned Plant (Line 19 * Line 32 + Line 45 + Line 45a)</td>
</tr>
<tr>
<td>151</td>
<td>Net Plant Carrying Charge (Line 149 * Line 150)</td>
</tr>
<tr>
<td>152</td>
<td>Net Plant Carrying Charge without Depreciation (Line 149 * Line 81) / Line 150</td>
</tr>
<tr>
<td>153</td>
<td>Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes (Line 148 * Line 81 * Line 119 - Line 130) / Line 150</td>
</tr>
</tbody>
</table>

### Net Plant Carrying Charge Calculation per 100 Basis Point Increase in ROE

\[\text{Net Plant Carrying Charge Calculation per 100 Basis Point Increase in ROE} = \text{Line 144} - \text{Line 137} - \text{Line 138} \]

### Network Zonal Service Rate

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>155</td>
<td>1 CP Peak (Note L) Attachment 5</td>
</tr>
<tr>
<td>156</td>
<td>Rate (MW/Year) (Line 164 / 165)</td>
</tr>
</tbody>
</table>

\[\text{Network Service Rate (MW/Year)} = \text{Line 166} \]

### Notes

- FIT=Federal Income Tax Rate
- SIT=State Income Tax Rate
- p=percent of federal income tax deductible for state purposes
- T=1 - \((1 - SIT) \times (1 - FIT) \times p\) / \(1 - SIT \times FIT \times p\)
- ITC=Investment Tax Credit
- ROE=Return on Equity
- WCLTD=Working Capital Loss Through Depreciation
- ROR=Rate of Return
- PMI=PJM Interconnection Inc.
- OATT=Open Access Transmission Tariff
- PJM=PJM Interconnection Inc.
Notes
A. Electric portion only
B. Calculated using 13-month average balances. Beginning year balances are from FERC Form 1. As stipulated in FERC Docket No. ER14-1938-000, CWIP for incentive Transmission Projects excludes accounts not expected to be paid within a reasonable billing cycle.
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 550.1
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.
PLOP expense shall be $42,000,000 for service provided commencing January 1, 2014 and is fixed until changed as the result of a filing at FERC. Depreciation rates shown in Attachment B are fixed until changed as the result of a filing at FERC.
If book depreciation rates are different than the Attachment B 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 Transmission Owner whole on Line 147.
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.
R. Unamortized Abandoned Plant and Amortization of Abandoned Plant may only be included pursuant to a Commission Order authorizing such inclusion.
### Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008

<table>
<thead>
<tr>
<th>ADIT</th>
<th>Related</th>
<th>From Acct.</th>
<th>Below</th>
<th>Related</th>
<th>From Acct.</th>
<th>Below</th>
<th>Related</th>
<th>From Acct.</th>
<th>Below</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADIT-282</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>From Acct. 282 total, below</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADIT-283</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>From Acct. 283 total, below</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>ADIT-190</td>
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<td>0</td>
<td>0</td>
<td>From Acct. 190 total, below</td>
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<tr>
<td>Subtotal</td>
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<td>0</td>
<td></td>
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<td></td>
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</tbody>
</table>

#### Wage & Salary Allocator

<table>
<thead>
<tr>
<th>Net Plant Allocator</th>
<th>0.0000%</th>
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</thead>
<tbody>
<tr>
<td>End of Year ADIT</td>
<td>0</td>
</tr>
<tr>
<td>End of Previous Year ADIT (from Sheet 1A-ADIT (3))</td>
<td>0</td>
</tr>
<tr>
<td>Average Beginning and End of Year ADIT</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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.

#### Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C.
2. ADIT items related only to Transmission are directly assigned to Column D.
3. ADIT items related to Plant and not in Columns C & D are included in Column E.
4. ADIT items related to labor and not in Columns C & D are included in Column F.
5. 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.

#### Table:

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subtotal - p234</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

| **Less FASB 106 Above if not separately removed** | 0 | 0 | 0 | 0 | 0 | |

| **Total** | 0 | 0 | 0 | 0 | 0 | |

### Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Gas, Prod Only</td>
<td>ADIT-282</td>
<td>Or Other Transmission Plant Labor</td>
<td>Justification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Less FASB 109 Above if not separately removed</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Less FASB 106 Above if not separately removed</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
</tbody>
</table>
### Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

<table>
<thead>
<tr>
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<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Related</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Only Plant Related</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADIT-283</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less FASB 109 Above if not separately removed</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal - p277</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**Instructions for Account 283:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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


Only

<table>
<thead>
<tr>
<th></th>
<th>Transmission</th>
<th>Plant</th>
<th>Labor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>ADIT</td>
</tr>
<tr>
<td>ADIT-282</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>ADIT-283</td>
<td>0</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>ADIT-190</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Wages & Salary Allocator: 0.0000%

Net Plant Allocator: 0.0000%

End of Year ADIT: 0

Sum Cols. C, D, E; Enter as negative Appendix A, line 42.

Less FASB 109 Above if not separately removed

Less FASB 106 Above if not separately removed

Subtotal = p234

Less FASB 109 Above if not separately removed

Less FASB 106 Above if not separately removed

Total

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
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5. 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

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

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.
### Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2007

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Gas, Prod Only</td>
<td>Or Other</td>
<td>Transmission</td>
<td>Plant</td>
<td>Labor</td>
</tr>
<tr>
<td>ADIT: 282</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Justification</td>
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</tr>
<tr>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Less FASB 106 Above if not separately removed</td>
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<td>Total</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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
### Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>Gas, Prod or Other Related</strong></td>
<td><strong>Only Transmission Related</strong></td>
<td><strong>Plant</strong></td>
<td><strong>Labor</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Less FASB 109 Above if not separately removed</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Less FASB 106 Above if not separately removed</td>
<td></td>
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<td></td>
</tr>
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<td>0</td>
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<td>0</td>
</tr>
</tbody>
</table>

**Instructions for Account 283:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. 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
### Other Taxes

#### Plant Related

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Plant Related</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total Plant Related</td>
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</tr>
</tbody>
</table>

#### Labor Related

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Labor Related</td>
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</tr>
<tr>
<td>4</td>
<td>Total Labor Related</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Other Included

<p>| | | |</p>
<table>
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<tr>
<th></th>
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</tr>
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<tbody>
<tr>
<td>9</td>
<td>Other Included</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Total Other Included</td>
<td>0</td>
</tr>
</tbody>
</table>

### Currently Excluded

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>15</td>
<td>Excluded</td>
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</tr>
<tr>
<td>16</td>
<td>Total, Included and Excluded (Lines 20 + Line 28)</td>
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### Other Tax Information

#### Other Taxes

<p>| | |</p>
<table>
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</thead>
<tbody>
<tr>
<td>25</td>
<td>Difference (Line 29 - Line 30)</td>
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</table>

### 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

<table>
<thead>
<tr>
<th>Accounts 450 &amp; 451</th>
<th></th>
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<tbody>
<tr>
<td>1 Late Payment Penalties Allocated to Transmission</td>
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<table>
<thead>
<tr>
<th>Account 454 - Rent from Electric Property</th>
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<tbody>
<tr>
<td>2 Rent from Electric Property - Transmission Related (Note 2)</td>
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</table>

<table>
<thead>
<tr>
<th>Account 456 - Other Electric Revenues</th>
<th></th>
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<tr>
<td>3 Transmission for Others</td>
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<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>4 Schedule 1A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td></td>
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<tr>
<td>6 Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Professional Services (Note 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Revenues from Directly Assigned Transmission Facility Charges (Note 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Rent or Attachment Fees associated with Transmission Facilities (Note 2)</td>
<td></td>
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<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>10 Gross Revenue Credits</td>
<td>(Sum Lines 1-9)</td>
<td>-</td>
</tr>
<tr>
<td>11 Less line 18</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12 Total Revenue Credits</td>
<td>line 10 + line 11</td>
<td>-</td>
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<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>13 Revenues associated with lines 2, 7, and 9 (Note 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Income Taxes associated with revenues in line 13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 One half margin (line 13 - line 14)/2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 All expenses (other than income taxes) associated with revenues in line 13 that are included in FERC accounts recovered through the formulas times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Line 15 plus line 16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 Line 13 less line 17</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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).
### Return Calculation

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula/Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rate Base</td>
<td>(Line 43 + Line 57)</td>
</tr>
<tr>
<td>2</td>
<td>Long Term Interest</td>
<td>p117.62.c through 67.c</td>
</tr>
<tr>
<td>3</td>
<td>Preferred Dividends</td>
<td>p118.29.d</td>
</tr>
<tr>
<td></td>
<td>Common Stock</td>
<td>(Line 43 + Line 57)</td>
</tr>
<tr>
<td>4</td>
<td>Proprietary Capital</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>5</td>
<td>Less Accumulated Other Comprehensive Income Account 219</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>6</td>
<td>Less Preferred Stock</td>
<td>(Line 106)</td>
</tr>
<tr>
<td>7</td>
<td>Less Account 218.1</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>8</td>
<td>Common Stock</td>
<td>(Line 96 - 97 - 98 - 99)</td>
</tr>
<tr>
<td></td>
<td>Capitalization</td>
<td>(Sum Lines 105 to 107)</td>
</tr>
<tr>
<td>9</td>
<td>Long Term Debt</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>10</td>
<td>Less Loss on Reacquired Debt</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>11</td>
<td>Plus Gain on Reacquired Debt</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>12</td>
<td>Less ADIT associated with Gain or Loss</td>
<td>Attachment 5</td>
</tr>
<tr>
<td>13</td>
<td>Total Long Term Debt</td>
<td>(Line 101 - 102 + 103 - 104)</td>
</tr>
<tr>
<td>14</td>
<td>Preferred Stock</td>
<td>Attachment 5</td>
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<tr>
<td>15</td>
<td>Common Stock</td>
<td>(Line 100)</td>
</tr>
<tr>
<td>16</td>
<td>Total Capitalization</td>
<td>(Sum Lines 105 to 107)</td>
</tr>
<tr>
<td>17</td>
<td>Debt %</td>
<td>(Line 105 / Line 108)</td>
</tr>
<tr>
<td>18</td>
<td>Preferred %</td>
<td>(Line 106 / Line 108)</td>
</tr>
<tr>
<td>19</td>
<td>Common %</td>
<td>(Line 107 / Line 108)</td>
</tr>
<tr>
<td>20</td>
<td>Debt Cost</td>
<td>(Line 94 / Line 105)</td>
</tr>
<tr>
<td>21</td>
<td>Preferred Cost</td>
<td>(Line 95 / Line 106)</td>
</tr>
<tr>
<td>22</td>
<td>Common Cost</td>
<td>(Line 114 + 100 basis points)</td>
</tr>
<tr>
<td>23</td>
<td>Weighted Cost of Debt</td>
<td>(Line 109 * Line 112)</td>
</tr>
<tr>
<td>24</td>
<td>Weighted Cost of Preferred</td>
<td>(Line 110 * Line 113)</td>
</tr>
<tr>
<td>25</td>
<td>Weighted Cost of Common</td>
<td>(Line 111 * Line 114)</td>
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<tr>
<td>26</td>
<td>Rate of Return on Rate Base (ROR)</td>
<td>(Sum Lines 115 to 117)</td>
</tr>
<tr>
<td>27</td>
<td>Investment Return = Rate Base * Rate of Return</td>
<td>(Line 58 * Line 118)</td>
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### Composite Income Taxes

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Formula/Reference</th>
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<tbody>
<tr>
<td>28</td>
<td>FIT=Federal Income Tax Rate</td>
<td>0.00%</td>
</tr>
<tr>
<td>29</td>
<td>SIT=State Income Tax Rate or Composite</td>
<td>0.00%</td>
</tr>
<tr>
<td>30</td>
<td>p = percent of federal income tax deductible for state purposes</td>
<td>Per State Tax Code</td>
</tr>
<tr>
<td>31</td>
<td>T</td>
<td>T = 1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)</td>
</tr>
<tr>
<td>32</td>
<td>CIT = T / (1-T)</td>
<td>0.00%</td>
</tr>
<tr>
<td>33</td>
<td>1 / (1-T)</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### ITC Adjustment

<table>
<thead>
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<th>Line</th>
<th>Description</th>
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<tr>
<td>37</td>
<td>Amortized Investment Tax Credit</td>
<td>enter negative Attachment 5</td>
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<tr>
<td>38</td>
<td>1/(1-T)</td>
<td>1 / (1-Line 123)</td>
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<tr>
<td>39</td>
<td>Net Plant Allocation Factor</td>
<td>(Line 15)</td>
</tr>
<tr>
<td>40</td>
<td>ITC Adjustment Allocated to Transmission</td>
<td>(Line 125 - Line 126 * Line 127)</td>
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### Income Tax Component

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<tbody>
<tr>
<td>41</td>
<td>CIT = (T1-T) * Investment Return * (1/(WCLTD/R))</td>
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<tr>
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<td>#DIV/0!</td>
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### Total Income Taxes

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## Electric / Non-electric Cost Support

### Previous Year

<table>
<thead>
<tr>
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<th>Page &amp; Instructions</th>
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<tbody>
<tr>
<td>6</td>
<td>Electric Plant in Service</td>
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<td>p207.104g</td>
</tr>
<tr>
<td>7</td>
<td>Common Plant in Service - Electric</td>
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<td>p365</td>
</tr>
<tr>
<td>9</td>
<td>Accumulated Depreciation (Total Electric Plant)</td>
<td>(Note B &amp; J)</td>
<td>p219.28c</td>
</tr>
<tr>
<td>10</td>
<td>Accumulated Intangible Amortization</td>
<td>(Note B)</td>
<td>p203.21c</td>
</tr>
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<td>11</td>
<td>Accumulated Common Plant Depreciation - Electric</td>
<td>(Note B &amp; J)</td>
<td>p365</td>
</tr>
<tr>
<td>12</td>
<td>Accumulated Common Amortization - Electric</td>
<td>(Note B)</td>
<td>p365</td>
</tr>
<tr>
<td>19</td>
<td>Transmission Plant in Service</td>
<td>(Note B)</td>
<td>p207.36g</td>
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<td>20</td>
<td>General</td>
<td></td>
<td>p365</td>
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<tr>
<td>21</td>
<td>Intangible - Electric</td>
<td></td>
<td>p305.5</td>
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<td>22</td>
<td>Common Plant in Service - Electric</td>
<td>(Note B)</td>
<td>p365</td>
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<tr>
<td>24</td>
<td>General Plant Account 307 – Communications</td>
<td>(Note B)</td>
<td>p207.39g</td>
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<td>Common Plant Account 307 – Communications</td>
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<td>p365</td>
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<tr>
<td>29</td>
<td>Account No. 397 Directly Assigned to Transmission</td>
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### Accumulated Depreciation

<table>
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<th>Description</th>
<th>Notes</th>
<th>Page &amp; Instructions</th>
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<tbody>
<tr>
<td>32</td>
<td>Transmission Accumulated Depreciation</td>
<td>(Note B &amp; J)</td>
<td>p219.25c</td>
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<tr>
<td>33</td>
<td>Accumulated General Depreciation</td>
<td>(Note B &amp; J)</td>
<td>p219.26c</td>
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<tr>
<td>34</td>
<td>Accumulated Common Plant Depreciation - Electric</td>
<td>(Note B &amp; J)</td>
<td>p365</td>
</tr>
<tr>
<td>35</td>
<td>Amount of General Depreciation Associated with Acct. 307</td>
<td>(Note B &amp; J)</td>
<td>Company Records</td>
</tr>
<tr>
<td>41</td>
<td>Acc. Deprec. Acct. 397 Directly Assigned to Transmission</td>
<td>(Note B &amp; J)</td>
<td>Company Records</td>
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### Wages & Salary

<table>
<thead>
<tr>
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<th>Description</th>
<th>Notes</th>
<th>Page &amp; Instructions</th>
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<tbody>
<tr>
<td>2</td>
<td>Total Wage Expense</td>
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<td>Total A&amp;G Wages Expense</td>
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<td>p354.27b</td>
</tr>
<tr>
<td>46</td>
<td>Plant Held for Future Use (Including Land)</td>
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<td>p214.47d</td>
</tr>
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<td>Transmission Only</td>
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### Transmission / Non-transmission Cost Support

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<th>Description</th>
<th>Notes</th>
<th>Page &amp; Instructions</th>
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<tbody>
<tr>
<td>47</td>
<td>Prepayments</td>
<td>(Note A &amp; Q)</td>
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### Materials and Supplies

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<tr>
<td>48</td>
<td>Undistributed Stores Exp</td>
<td>(Note Q)</td>
<td>p227.16b,c</td>
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<tr>
<td>51</td>
<td>Transmission Materials &amp; Supplies</td>
<td>(Note N &amp; Q)</td>
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### Outstanding/Network Credits Cost Support

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<tr>
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<td>Network Credits</td>
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### O&M Expenses

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<th>Notes</th>
<th>Page &amp; Instructions</th>
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<tbody>
<tr>
<td>59</td>
<td>Transmission O&amp;M</td>
<td>(Note Q)</td>
<td>p321.112b</td>
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<td>60</td>
<td>Transmission Lease Payments</td>
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### Property Insurance Expenses

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<th>Description</th>
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</thead>
</table>

### SOURCING:

- Public Service Electric and Gas Company
- ATTACHMENT H-5A
- Attachment 5 - Cost Support
- Electric / Non-electric Cost Support

### FORM:

- Form 1
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Form 1 Dec

### Notes:

- Form 1 Dec
- Average
- Non-electric
- Line #s
- Descriptions
- Page #'s & Instructions
- Notes
- Electric in Service
- Non-electric
- Prepayments
- Materials and Supplies
- Outstanding/Network Credits
- O&M Expenses
- Property Insurance Expenses
- SOURCING:
- Public Service Electric and Gas Company
### Adjustments to A & G Expense

<table>
<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>Notes</th>
<th>Page #'s &amp; Instructions</th>
<th>Amount</th>
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<tr>
<td>62</td>
<td>Total A&amp;G Expenses</td>
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<td>(p323,197b)</td>
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<tr>
<td>63</td>
<td>Fixed PBOP expense</td>
<td>(Note J)</td>
<td>Company Records</td>
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<tr>
<td>64</td>
<td>Actual PBOP expense</td>
<td>(Note O)</td>
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<td>$42,000,000</td>
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### Regulatory Expense Related to Transmission Cost Support

<table>
<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>Notes</th>
<th>Page #'s &amp; Instructions</th>
<th>End of Year</th>
<th>Transmission Related</th>
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<tbody>
<tr>
<td>65</td>
<td>Associated General &amp; Common Expenses</td>
<td>(Note E &amp; O)</td>
<td>(p323,193b)</td>
<td>-</td>
<td>-</td>
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<td>72</td>
<td>Regulatory Commission Exp Account 928</td>
<td>(Note G &amp; O)</td>
<td>(p323,188b)</td>
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### General & Common Expenses

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<tr>
<th>Line #</th>
<th>Description</th>
<th>Notes</th>
<th>Page #'s &amp; Instructions</th>
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<tbody>
<tr>
<td>66</td>
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<td>(p323,189b)</td>
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### Safety Related Advertising Cost Support

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<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>Notes</th>
<th>Page #'s &amp; Instructions</th>
<th>End of Year</th>
<th>Safety Related</th>
<th>Non-safety Related</th>
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<tbody>
<tr>
<td>73</td>
<td>General Advertising Exp Account 100.1</td>
<td>(Note K &amp; O)</td>
<td>(p323,191b)</td>
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### Education and Outreach Cost Support

<table>
<thead>
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<th>Line #</th>
<th>Description</th>
<th>Notes</th>
<th>Page #'s &amp; Instructions</th>
<th>End of Year</th>
<th>Education &amp; Outreach</th>
<th>Other</th>
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<tbody>
<tr>
<td>76</td>
<td>General Advertising Exp Account 100.1</td>
<td>(Note K &amp; O)</td>
<td>(p323,191b)</td>
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### Depreciation Expense

<table>
<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>Notes</th>
<th>Page #'s &amp; Instructions</th>
<th>End of Year</th>
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<tbody>
<tr>
<td>81</td>
<td>Depreciation - Transmission</td>
<td>(Note J &amp; O)</td>
<td>(p330,73a)</td>
<td>-</td>
</tr>
<tr>
<td>82</td>
<td>Depreciation - General &amp; Common</td>
<td>(Note J &amp; O)</td>
<td>(p330,73a)</td>
<td>-</td>
</tr>
<tr>
<td>83</td>
<td>Depreciation - General Expense Associated with Acct. 307</td>
<td>(Note J &amp; O)</td>
<td>(p330,73a)</td>
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<tr>
<td>85</td>
<td>Depreciation - Intangible</td>
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<td>89</td>
<td>Transmission Depreciation Expense for Acct. 307</td>
<td>(Note O)</td>
<td>Company Records</td>
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### Direct Assignment of Transmission Real Estate Taxes

<table>
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<tr>
<th>Line #</th>
<th>Description</th>
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<th>Page #'s &amp; Instructions</th>
<th>End of Year</th>
<th>Transmission Related</th>
<th>Non-Transmission</th>
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<tbody>
<tr>
<td>92</td>
<td>Real Estate Taxes - Directly Assigned to Transmission</td>
<td></td>
<td>(p303,39)</td>
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### MultiState Workpaper

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<td>95</td>
<td>Proprietary Capital</td>
<td>(Note P)</td>
<td>(p112,76a)</td>
<td>-</td>
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<tr>
<td>97</td>
<td>Accumulated Other Comprehensive Income Account 219</td>
<td>(Note P)</td>
<td>(p112,15a)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>98</td>
<td>Account 219.1</td>
<td>(Note P)</td>
<td>Attachment 5</td>
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<tr>
<td>101</td>
<td>Long Term Debt</td>
<td>(Note P)</td>
<td>(p112,76c thru 23c)</td>
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<tr>
<td>102</td>
<td>Loss on Reacquired Debt</td>
<td>(Note P)</td>
<td>(p111,41c)</td>
<td>-</td>
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<td>103</td>
<td>Gain on Reacquired Debt</td>
<td>(Note P)</td>
<td>(p113,41c)</td>
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<td>(p277,3a) (footnote)</td>
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<td>105</td>
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### Return Capitalization

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<tr>
<td>95</td>
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<td>(p112,15a)</td>
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<td>Account 219.1</td>
<td>(Note P)</td>
<td>Attachment 5</td>
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<td>101</td>
<td>Long Term Debt</td>
<td>(Note P)</td>
<td>(p112,76c thru 23c)</td>
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<td>Loss on Reacquired Debt</td>
<td>(Note P)</td>
<td>(p111,41c)</td>
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<td>103</td>
<td>Gain on Reacquired Debt</td>
<td>(Note P)</td>
<td>(p113,41c)</td>
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<td>104</td>
<td>ADIT associated with Gain or Loss on Reacquired Debt</td>
<td>(Note P)</td>
<td>(p277,3a) (footnote)</td>
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</table>

**Notes:**
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. Each 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.
| Line # | Description | Notes | Page # & Line | Form | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Form 1 Dec | Average |
|-------|-------------|-------|---------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------|---------|
| 121   | SIT=State Income Tax Rate or Composite | (Note I) |               |      |     |     |     |     |     |     |     |     |     |     |     |          | 0.00%   |

**Amortized Investment Tax Credit**

<table>
<thead>
<tr>
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<th>Description</th>
<th>Notes</th>
<th>Page # &amp; Line</th>
<th>Form</th>
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<th>Jan</th>
<th>Feb</th>
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<th>Apr</th>
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**Excluded Transmission Facilities**

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<th>Page # &amp; Line</th>
<th>Form</th>
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<th>Feb</th>
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<tr>
<td>141</td>
<td>Excluded Transmission Facilities</td>
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**Interest on Outstanding Network Credits Cost Support**

<table>
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<th>Form</th>
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<th>Feb</th>
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<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Form 1 Dec</th>
<th>Average</th>
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<tr>
<td>147</td>
<td>Interest on Network Credits</td>
<td>(Note H A)</td>
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**Facility Credits under Section 30.9 of the PJM OATT**

<table>
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<th>Page # &amp; Line</th>
<th>Form</th>
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<th>Jan</th>
<th>Feb</th>
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<th>Apr</th>
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<th>Jul</th>
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<tr>
<td>150</td>
<td>Revenue Requirement</td>
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**PJM Load Cost Support**

<table>
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<th>Description</th>
<th>Notes</th>
<th>Page # &amp; Line</th>
<th>Form</th>
<th>Dec</th>
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<th>Feb</th>
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<th>Nov</th>
<th>Form 1 Dec</th>
<th>Average</th>
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<tr>
<td>195</td>
<td>Network Zonal Service Rate</td>
<td>(Note L)</td>
<td>PJM Data</td>
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**Abandoned Transmission Projects**

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<th>Description</th>
<th>Notes</th>
<th>Page # &amp; Line</th>
<th>Form</th>
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<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Form 1 Dec</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Beginning Balance of Unamortized Transmission Projects</td>
<td>Per FERC Order</td>
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</tr>
<tr>
<td>b</td>
<td>Years remaining in Amortization Period</td>
<td>Per FERC Order</td>
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<td></td>
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<tr>
<td>c</td>
<td>Transmission Depreciation Expense including Amortization of Limited Term Project</td>
<td>(line a - line b)</td>
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<tr>
<td>d</td>
<td>Ending Balance of Unamortized Transmission Projects</td>
<td>(line a - line c)</td>
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<tr>
<td>e</td>
<td>Average Balance of Unamortized Abandoned Transmission Projects</td>
<td>(line a + line d)/2</td>
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<tr>
<td>g</td>
<td>Non Incentive Return and Income Taxes</td>
<td>(Appendix A line 137- line 138)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>h</td>
<td>Rate Base</td>
<td>(Appendix A line 89)</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>i</td>
<td>Non Incentive Return and Income Taxes</td>
<td>(line g / line h)</td>
<td></td>
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</table>

**Notes:**
- **Attachment 7:** Beginning Balance of Unamortized Transmission Projects
- **Attachment 8:** Years remaining in Amortization Period
- **Attachment 9:** Transmission Depreciation Expense including Amortization of Limited Term Project
- **Attachment 10:** Ending Balance of Unamortized Transmission Projects
- **Attachment 11:** Average Balance of Unamortized Abandoned Transmission Projects
- **Attachment 12:** Non Incentive Return and Income Taxes
- **Attachment 13:** Rate Base
- **Attachment 14:** Non Incentive Return and Income Taxes

**Docket Numbers authorizing amount and period for recovery of Abandoned Transmission Project:**

**$3,500,000 with a one-year recovery period.**

**Form 1 Dec:**
- **Average:**
  - **Balance of Unamortized Abandoned Transmission Projects:**
    - **Average Balance:**
      - **Rate of Return and Income Taxes:** (line a + line d)/2
      - **Non Incentive Return and Income Taxes:** (line c + line d)
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. 2

(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 = True-Up Adjustment Before Interest multiplied by \((1+i)^{24}\) months

Where:

\[ i = \text{Sum of the monthly rates for the 10 months ending October 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year)} \text{ divided by 21 months.}\]

Summary of Formula Rate Process including True-Up Adjustment

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>2008</td>
<td>TO populates the formula with Year 2008 estimated data</td>
</tr>
<tr>
<td>October</td>
<td>2008</td>
<td>TO populates the formula with Year 2009 estimated data</td>
</tr>
<tr>
<td>June</td>
<td>2009</td>
<td>TO populates the formula with Year 2008 actual data and calculates the 2008 True-Up Adjustment Before Interest</td>
</tr>
<tr>
<td>October</td>
<td>2009</td>
<td>TO calculates the Interest to include in the 2008 True-Up Adjustment</td>
</tr>
<tr>
<td>October</td>
<td>2009</td>
<td>TO populates the formula with Year 2010 estimated data and 2008 True-Up Adjustment</td>
</tr>
<tr>
<td>June</td>
<td>2010</td>
<td>TO populates the formula with Year 2009 actual data and calculates the 2009 True-Up Adjustment Before Interest</td>
</tr>
<tr>
<td>October</td>
<td>2010</td>
<td>TO calculates the Interest to include in the 2009 True-Up Adjustment</td>
</tr>
<tr>
<td>October</td>
<td>2010</td>
<td>TO populates the formula with Year 2011 estimated data and 2009 True-Up Adjustment</td>
</tr>
<tr>
<td>June (Year)</td>
<td>2011</td>
<td>TO populates the formula with (Year -1) actual data and calculates the (Year-1) True-Up Adjustment Before Interest</td>
</tr>
<tr>
<td>October (Year)</td>
<td>2011</td>
<td>TO calculates the Interest to include in the (Year-1) True-Up Adjustment</td>
</tr>
<tr>
<td>October (Year)</td>
<td>2011</td>
<td>TO populates the formula with (Year +1) estimated data and (Year-1) True-Up Adjustment</td>
</tr>
</tbody>
</table>

1 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.

2 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. |
| B | ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment. |
| C | Difference (A-B) | 0 |
| D | Future Value Factor \((1+i)^{24}\) | 1.0000 |
| E | True-up Adjustment \((C*D)\) | 0 |

Where:

\[ i = \text{average interest rate as calculated below} \]

<table>
<thead>
<tr>
<th>Interest on Amount of Refunds or Surcharges</th>
<th>Interest 35, 19a for Current Yr</th>
<th>Interest 35, 19a for Month</th>
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</thead>
<tbody>
<tr>
<td>Month</td>
<td>Year</td>
<td>%</td>
</tr>
<tr>
<td>January</td>
<td>Year 1</td>
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<td>February</td>
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<td>March</td>
<td>Year 1</td>
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<td>May</td>
<td>Year 1</td>
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<td>Year 1</td>
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<td>Year 1</td>
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<tr>
<td>June</td>
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<tr>
<td>July</td>
<td>Year 2</td>
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<tr>
<td>August</td>
<td>Year 2</td>
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Average Interest Rate  0.0000%
## Estimated Additions

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</tbody>
</table>

- **Other Projects PIS (Monthly additions)**
- **New Freedom Loop (monthly additions)**

**Susquehanna Roseland >= 500KV (monthly additions)**

**Susquehanna Roseland < 500KV (monthly additions)**

### Estimated Transmission Enhancement Charges

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<th>Essex Alden (B0140)</th>
<th>New Freedom Trans(B0417)</th>
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### Additional Notes
- **Average 13 Month Balance**
- **Average 13 Month in service**
- **Average CWIP to Appendix A, line 45**
### Actual Additions

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### Actual Transmission Enhancement Charges

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### Reconciliation amount by Project (with interest)

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### Table: Transmission Enhancement Charges Worksheet (TEC) - December 31, 2009

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**Formula for FCR if a CIAC**

**FCR if not a CIAC**

The FCR resulting from Formula 1 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 RCE for the Northeast Grid Reliability Project is 11.93%, which includes a 25 basis-point transmission RCE 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

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### Investment in Service (CI or O&M)

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Total Revenue: $\text{Total Revenue} = \sum \text{Ending Depreciation or Amort Revenue} + \sum \text{Incentive Revenue} + \text{Revenue Credit}$
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<td>Communications Equipment</td>
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