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October 22, 2021

**Via eTariff**

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

**RE: Public Service Electric and Gas Company  
Docket No. ER09-1257-000  
Informational Filing of 2021 Formula Rate Annual Update (Revision)**

Dear Secretary Bose:

On behalf of Public Service Electric and Gas Company (“PSE&G”), attached please find a revised informational filing of PSE&G’s 2021 Transmission Formula Rate Annual Update. This revised informational filing reduces the 2021 annual revenue requirement forecast by approximately \$126 million. The reduced 2021 annual revenue requirement forecast is effective August 1, 2021.<sup>1</sup>

On October 15, 2020, PSE&G filed with the Federal Energy Regulatory Commission (“Commission”) in the above-captioned docket a 2021 Formula Rate Annual Update.<sup>2</sup> The revision herein implements the agreement PSE&G executed on July 14, 2021 between itself, the New Jersey Board of Public Utilities and New Jersey Division of Rate Counsel that modifies PSE&G’s Formula Rate template and Protocols contained in Attachment H-10A and Attachment H-10B of the PJM OATT (the “Settlement”).

As explained in PSE&G’s October 15, 2021 filing in the above-captioned docket, FERC approved the Settlement without modification on October 1, 2021 with an effective date of August 1, 2021.<sup>3</sup>

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<sup>1</sup> PSE&G anticipates its 2021 transmission revenues to be lowered by roughly \$53 million due to the approximate \$126 million reduction to the 2021 annual revenue requirement becoming effective August 1, 2021.

<sup>2</sup> This “Annual Update” filing was submitted pursuant to PSE&G’s Formula Rate Implementation Protocols (“Protocols”) contained in Attachment H-10B of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”).

<sup>3</sup> *Public Service Electric and Gas Company*, 177 FERC ¶ 61,004 (2021) (“October 1 Order”).

PJM, on PSE&G's behalf, filed a compliance filing with tariff records in eTariff format on October 11, 2021, consistent with the directive in the October 1 Order.<sup>4</sup> The tariff sheets contained in the October 11<sup>th</sup> compliance filing are substantively identical to those contained in the FERC-approved Settlement. The subject filing implements this Settlement with respect to the 2021 rate year.

In addition to the revised 2021 Formula Rate Annual Update transmitted in today's filing, PSE&G is working diligently to prepare a Revised 2022 Annual Update<sup>5</sup> reflecting the terms of the Settlement, and expects to submit that document as soon as possible and well in advance of PSE&G's annual customer meeting to discuss the 2021 Formula Rate Annual Update Filing for 2022 Rate Year scheduled for Monday, November 15, 2021.<sup>6</sup>

In accordance with the Protocols, this submission is provided to the Commission for informational purposes only and requires no action by the Commission. As required by the Protocols, PSE&G is also providing a copy of this filing to PJM for posting on the PJM website. Exhibit 1 of this filing includes a copy of PSE&G's Revised 2021 Annual Update. Consistent with the Commission Staff's Guidance on Formula Rate Updates, PSE&G is submitting the formula rate template and additional exhibits in Microsoft Excel format.

In addition to PSE&G's Revised 2021 Annual Update formula rate template, PSE&G also submits a Workpaper 1, which contains additional supporting information pursuant to Commission Staff's Guidance on Formula Rate Updates. Thank you for your attention to this matter and please advise the undersigned of any questions.

Respectfully submitted,

Public Service Electric and Gas Company

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Attachments

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<sup>4</sup> See Public Service Electric and Gas Company, *Compliance Filing*, Docket No. ER22-81-000 (filed October 11, 2021).

<sup>5</sup> As required by PSE&G's Protocols, the 2022 Annual Update was submitted on October 15, 2021.

<sup>6</sup> A notice of the customer meeting is available here: <https://www.pjm.com/-/media/markets-ops/trans-service/jan-to-dec/2022/pseg/pseg-customer-meeting-notice.ashx>.