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June 14, 2024

VIA Electronic Filing

Debbie-Anne A. Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

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

Dear Secretary Reese:

Public Service Electric and Gas Company (“PSE&G” or “Company”) hereby submits for informational purposes its annual true-up adjustment (“True-Up Adjustment”) for its transmission formula rate in accordance with its Formula Rate Implementation Protocols (“Protocols”) set forth in Attachment H-10B of the Open Access Transmission Tariff (“OATT”) of PJM Interconnection, L.L.C. (“PJM”).¹ Section 1.b of the Protocols requires PSE&G to annually calculate the true-up of its formula rate on or before June 15th and cause it to be posted on the PJM website (www.PJM.com), and filed with the Federal Energy Regulatory Commission (“Commission” or

¹ PSE&G’s Formula Rate Implementation Protocols were originally approved by the Commission on September 30, 2008. *See Public Service Electric and Gas Company*, 124 FERC ¶ 61,303 (2008); *see Public Service Electric and Gas Company*, Docket No. ER08-1233-001 (January 13, 2009). On October 1, 2021, the Commission approved revisions to PSE&G’s Protocols that were submitted as part of a settlement. *See Public Service Electric and Gas Company*, 177 FERC ¶ 61,004 (2021).

“FERC”) for informational purposes. In accordance with Section 1.b of the Protocols, this True-Up Adjustment does not require any Commission action.

This True-Up Adjustment relates to PSE&G’s transmission formula rates in effect for calendar year 2023. In accordance with the Protocols, adjustments from this True-Up Adjustment will be incorporated into the Transmission Formula Rate Annual Update to be filed by PSE&G on or before October 15, 2024 for the 2025 rate year.

PSE&G’s True-Up Adjustment filing includes six Attachments (referred to as Attachments A-F). Attachment A contains a recalculated Appendix A to Attachment H-10A that sets forth PSE&G’s Annual Transmission Revenue Requirement (“ATRR”) and Network Integration Transmission Service (“NITS”) rate for January 1, 2023 through December 31, 2023. Attachment B is a report on each transmission project listed in PSE&G’s formula rate for which the Commission has authorized PSE&G to include Construction Work In Progress (“CWIP”) in transmission rate base, in accordance with the Protocols. Attachment C contains supporting documentation for 2023 that is being provided consistent with the Commission Staff’s Guidance on Formula Rate updates encouraging formula rate transparency.² Attachment D shows the derivation of the 2023 Actual Annual Post-Retirement Benefits Other Than Pensions (“PBOP”) Expense included in the formula rate.³ Attachment E contains confidential excerpts from PSE&G’s annual actuarial valuation report, as of January 1, 2023, supporting the Actual Annual PBOP Expense shown in Attachment D. Attachment F contains additional supporting information pursuant to Commission Staff’s Guidance on Formula Rate Updates for the computation of accumulated deferred income taxes (“ADIT”).

The cost support in Attachment E contains actuarial report information and data that are both confidential and commercially sensitive. Accordingly, the Company is filing these data under the provisions of 18 C.F.R. § 388.112 (2024) and, as such, the Company is requesting privileged treatment of the information. The Company has maintained the confidentiality of this data in its confidential actuarial reports, and their public release would divulge commercially sensitive information. A public version of Attachment E is included in the filing and the confidential version of Attachment E is being provided under the provisions of 18 C.F.R. § 388.112.

Section 1.j(iii) of the Protocols requires an explanation of any changes in PSE&G’s accounting, including financial reporting changes in the FERC Form No. 1, from those in effect for the calendar year upon which the immediately preceding Annual Update was based that affects

² See <https://www.ferc.gov/sites/default/files/2020-04/staff-guidance.pdf>.

³ On October 2, 2015, the Commission issued a letter order accepting a tariff revision modifying the formula rate PBOP expense to the actual annual PBOP expense. *Public Service Electric and Gas Company*, Docket No. ER15-2397-000 (Issued Oct. 2, 2015).

inputs to the Formula Rate or the resulting charges under the Formula Rate. In 2023, there were no material changes in PSE&G's accounting policies and practices.

Section 2 of PSE&G's Protocols sets forth Annual Review Procedures that permit interested parties to review annual true-up filings. During the course of the review of PSE&G's 2022 True-Up Adjustment filing, PSE&G agreed that several error corrections should be included in this current True-Up Adjustment, including the following:

- Adjustment to Account 566 to exclude expenses associated with ICF Consulting Group that should have been recorded to Account 930.1 (\$25,059 ATRR reduction impact);
- Adjustment to Account 566 to exclude expenses associated with Construction Users Round Table that should have been recorded to Account 930.2 (\$12,353 ATRR reduction impact);
- Adjustment to Account 566 to exclude certain non-transmission charges (\$8,826 ATRR reduction impact);
- Adjustment related to AFUDC calculation (\$3,231 ATRR reduction impact)
- Adjustment to Account 923 to exclude expenses associated with notifications to rate payers as to rate changes, hearings, customer service center closings and an explanation of rates and rate classes that should have been recorded to Account 928 (\$1,631 ATRR reduction impact); and
- Adjustment to Account 930.2 to exclude a portion of expenses associated the New Jersey Chamber of Commerce (\$1,003 ATRR reduction impact).

The sum of these adjustments (\$52,103) with interest (\$7,512) for a total of \$59,615 will be subtracted from the 2023 True-Up Revenue Requirement,⁴ and will be incorporated into the Transmission Formula Rate Annual Update to be filed by PSE&G on or before October 15, 2024 for the 2025 rate year.

PSE&G is providing this annual True-Up Adjustment to parties identified on the service list in this docket as well as all Interested Parties who have informed PSE&G that they wish to receive such updates. Additionally, PSE&G has provided this true-up to PJM for posting on its website www.PJM.com.

⁴ See Excel cell B8 on Attachment 6 – True-up Adjustment of the Formula Rate Template.

Honorable Debbie-Anne A. Reese

June 14, 2024

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Thank you for your attention to this informational filing. Please contact the undersigned should you have any questions.

Respectfully submitted,

s/ Viet H. Ngo

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the official service list in accordance with the requirement of Rule 2010 of the Commission's Rules of Practice and Procedures.

Dated at Newark, New Jersey this 14th day of June 2024.

Robert Gardinor

Robert Gardinor

Paralegal