

RESPONSE TO DIVISION OF RATE COUNSEL
REQUEST: RC-1
WITNESS(S):
PAGE 1 OF 1
SUSQUEHANNA-ROSELAND

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
RATES

QUESTION:

Reference the June 18, 2009 advertisement in the *Star-Ledger* entitled "The Highlands Challenge". In the copy, there is the statement: "So we established a formula that puts a fair price on land values, and attempts to assess the impact to eco-tourism in the region. We agreed to contribute that sum, just over \$18 million, to the Highlands Council so it can preserve more open space at this critical moment." Please state whether PSE&G intends to recover this sum from ratepayers. If so, please explain how and where the Company expects to recover this sum.

ANSWER:

PSE&G objects to this question as outside the discovery timeframe established by the Board's Prehearing Order. In addition, PSE&G objects to this question as it is not within the scope of this proceeding. The scope of this proceeding does not include the review of the rates or recovery mechanisms for the Susquehanna Roseland transmission line. Such matters are within the exclusive jurisdiction of the Federal Energy Regulatory Commission (FERC) pursuant to the Federal Power Act. Without waiving the stated objections, PSE&G does intend to recover these Project related costs in its transmission rates.

See PJM Open Access Transmission Tariff at Attachment H-10

<http://www.pjm.com/documents/agreements/~//media/documents/agreements/tariff.ashx>. Transmission customers in the PSE&G transmission zone will be responsible for a share of these costs, in accordance with PJM's tariff which currently assigns cost responsibility for 500 kV and higher transmission projects approved in PJM's RTEP on a PJM wide basis. Based upon 2008 load ratio share, the PSE&G zone would be allocated 7.61% of these costs. See also the testimony of Esam A.F. Khadr at page 29 lines 12-20.

RESPONSE TO DIVISION OF RATE COUNSEL
REQUEST: RC-2
WITNESS(S):
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SUSQUEHANNA-ROSELAND

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
RATES

QUESTION:

Please provide the amount this advertisement cost and state whether PSE&G intends to recover that amount from ratepayers. If so, please explain how and where the Company expects to recover that amount.

ANSWER:

See response to RC-1. Without waiving the stated objections, PSE&G intends to recover all costs eligible for cost recovery under its FERC-approved transmission formula rate.

RESPONSE TO DIVISION OF RATE COUNSEL
REQUEST: RC-3
WITNESS(S):
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SUSQUEHANNA-ROSELAND

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
RATES

QUESTION:

Please provide the amounts of other advertising the Company has spent on this project. Please also set forth how and where the Company intends to recover these costs.

ANSWER:

See response to RC-1 and RC-2.

RESPONSE TO DIVISION OF RATE COUNSEL
REQUEST: RC-4
WITNESS(S):
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SUSQUEHANNA-ROSELAND

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
RATES

QUESTION:

Please provide the amounts of public relations costs the Company has spent on this project.
Please also set forth how and where the Company intends to recover these costs.

ANSWER:

See response to RC-1 and RC-2.

RESPONSE TO DIVISION OF RATE COUNSEL
REQUEST: RC-5
WITNESS(S):
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SUSQUEHANNA-ROSELAND

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
RATES

QUESTION:

In the May 29, 2009 BPU Order denying the municipal motions for an escrow account for interveners, the Board noted that PSE&G issued a May 12, 2009 letter offering the establishment of an escrow account for the seven municipal interveners. Please set forth the current and maximum amounts in this escrow account and how and where the Company intends to recover this money.

ANSWER:

See response to RC-1 and RC-2. Without waiving the stated objections, a \$300,000 escrow account was established for use by the Municipal Intervenors.

RESPONSE TO DIVISION OF RATE COUNSEL
REQUEST: RC-6
WITNESS(S):
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SUSQUEHANNA-ROSELAND

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
NEED

QUESTION:

Reference the attached Chart, obtained from the archives section of the Financial Statements of the www.PSEG.com website. It shows four projects from the PSE&G territory to New York City, totaling 2,630 MW of exports. If these projects did not occur, would there still be a need for the Susquehanna-Roseland transmission project? Please explain in detail.

ANSWER:

PSE&G objects to this question as outside the discovery timeframe established by the Board's Procedural Order. Without waiving this objection, if these projects did not occur, there would still be a need for the Susquehanna-Roseland transmission project. The following projects, totalling approximately 2,630 MWs, were not included in the RTEP modeling process that determined the need for the Susquehanna-Roseland Project:

U2-046
U2-047
U2-077
U2-100