State of New Jersey
DIVISION OF THE RATEPAYER ADVOCATE
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JON S. CORZINE
Governor

SEEMA M. SINGH, Esq.
Ratepayer Advocate
and Director

May 12, 2006

VIA HAND DELIVERY
Honorable Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Re: In the Matter of the Deferred Balances Audit of Public Service Electric & Gas Company
Phase II: August 2002 -July 2003
Docket Nos. EX02060363 and EA02060366

Dear Ms. Izzo:

Enclosed please find the original and eleven copies of the comments of the Division of the Ratepayer Advocate (Ratepayer Advocate) on the above-referenced matter. Kindly stamp the extra copy as "filed" and return it in the enclosed, self-addressed stamped envelope. Thank you for your assistance.

The Ratepayer Advocate provides the within comments pursuant to the August 18, 2005 letter from the Secretary of the Board of Public Utilities (Board or BPU) directing the Ratepayer Advocate to submit comments on the Market Transition Charge (MTC) issues concerning the deferred balances of Public Service Electric and Gas Company (PSE&G or Company). In addition to these comments, the Ratepayer Advocate incorporates by reference our June 13, 2005 initial comments and also our reply comments dated June 28, 2005. To place the instant comments in context, the Ratepayer Advocate will include some background information as we have done in our previous comments. We will also include an update of our answers to certain questions regarding the MTC that the Board posed in the May 13, 2005 letter from the Board Secretary, using the information updates from the discovery materials we recently received. As can be seen from the within comments and attached schedules, the Market Transition Charge over-recovery as of July 31, 2003 due to be refunded to ratepayers should be increased by $114,359,000 over and above the amount claimed by PSE&G. The total outstanding over-recovery should also be increased to reflect accrued interest beginning August 1, 2003.

MARKET TRANSITION CHARGE ISSUES

Background

As part of the restructuring agreement to transfer PSE&G's generating units to PSE&G's unregulated affiliate, PSEG Power, PSE&G received a cash advance of $540 million from PSEG Power toward the recovery of the generating units' stranded costs. This so-called "transfer premium" was to be used to reduce PSE&G's capitalization, and was to be repaid from the revenues collected by PSE&G from (1) its Market Transition Charge (MTC); (2) the amortization of its excess depreciation reserve; and (3) a 2 mill per kWh "retail adder" applied to the Basic Generation Service (BGS). If, at the end of the four-year Transition Period, these three revenue sources were not sufficient to fully repay the $540 million advance, the shortfall was to be absorbed by PSEG Power. If the $540 million were to be over-recovered, the excess revenue recovery was to be refunded to PSE&G's ratepayers by way of credits in the Societal Benefits Charge (SBC).

The Board's Restructuring Order of August 24, 1999 in Docket Nos. EO97070461, EO97070462, and EO97070463 (Restructuring Order) has the following language with regard to the above-described transfer premium:

> ...PSE&G shall be provided with the opportunity to recover $540 million of its unsecuritized generation stranded costs on a net present value (8.42% discount rate) net of tax basis over the Transition Period. This recovery is to be accomplished via a 2 mill per kwh retail adder, an explicit Market Transition Charge (MTC), exclusive of the NTC, as discussed in Attachment 2 to the PSE&G Stipulation, and the amount funded by the excess distribution depreciation reserve amortization. [page 118, paragraph 13]
>
> At the end of the Transition Period, the recovery of the $540 million will be reconciled to actual collections based on actual sales, the net present value of recovery from both the MTC, exclusive of the NTC, and collections from the 2.0 mill per kWh retail adder for customers retained on BGS, and the depreciation amortization. In the event the company fails to collect $540 million, it will be at risk for any such shortfall. In the event the company collects over $540 million, it shall use any such overrecovery to reduce the Company's SBC at the end of the Transition Period when the SBC is reset and shall in no event be retained by PSE&G or remitted to GENCO [PSEG Power] or otherwise utilized to recover unsecuritized generation related stranded costs. [page 119, paragraph 14]

In the Phase I Deferred Balances proceeding, BPU Docket No. ER02080604 (Phase I Proceeding), PSE&G's proposed reconciliation of the revenue received during the Transition Period for the recovery of the $540 million transfer premium was presented in the testimony of its witness Robert C. Krueger, Jr. Specifically, Mr. Krueger's original Schedule RCK-D-9 showed that, based on actual data through July 31, 2002 and projected data for the remainder of the Transition Period, PSE&G had determined that the reconciliation of the actual revenues received for the recovery of the $540 million indicated an over-recovery of $205.1 million as the amount to be refunded to PSE&G's ratepayers via the SBC (see Attachment-1 to these comments).

In this Phase II Proceeding, PSE&G's initial comments dated June 13, 2005 apparently used an MTC over-recovery amount that was subsequently updated to reflect actual Transition Period data through January 31, 2003, which increased the MTC over-recovery from $205.1 million to $207.1 million (see Attachment-2 to these comments).

Finally, in its response to the BPU Staff data request S-DBINF-1 submitted as part of this Phase II Proceeding, PSE&G updated its calculated MTC over-recovery amount based on actual Transition Period data through July 31, 2003. This final update indicated an MTC over-recovery amount of $197.601 million (see Attachment-3 to these comments).

PSE&G's proposed Transition Period over-recovery amounts of $205.1 million (original), $207.1 million (updated) and $197.6 million (final update) included an over-recovery reduction of approximately $370 million for the carrying costs associated with the delay in securitization from January 2000 through January 2001. In the Phase I Proceeding of PSE&G's Deferred Balances case, Docket No. ER02080604, the Board's consultants, Mitchell & Titus, LLP and the Barrington-Wellesley Group, Incorporated (Auditors), concluded that the inclusion in PSE&G's proposed MTC over-recovery determination of the $370 million securitization delay-related carrying costs had not been authorized by a Board order.

The Ratepayer Advocate also took issue with this item and recommended in that case that PSE&G's quantified Transition Period MTC over-recovery amount should be (1) increased by $328.1 million by completely removing the net present value of the $370 million carrying charges; or, alternatively (2) increased by $173.1 million by replacing PSE&G's proposed carrying cost rate with the rate on 7-year constant maturity Treasury notes plus 60 basis points.

<u>Question No. 1</u>

How was the net present value of the MTC over-recovery due ratepayers determined by PSE&G and was it consistent with the determination of the net present value of the MTC recovery due PSEG Power? Please explain in detail, and provide supporting documentation.

Answer:

PSE&G determined the net present value (NPV) of the MTC over-recovery due ratepayers in the same way as it determined the NPV of the MTC recovery due PSEG Power. PSE&G June 13, 2005 initial comments, pages 3-4. The Company's specific calculation methodology for the final updated NPV analysis of the Transition Period MTC collections is detailed in Attachment-3 to these instant comments which is in the format of Schedule RCK-D-9 from the Phase I Proceeding, updated to reflect actual Transition Period data through July 31, 2003. As shown in Attachment-3, the Company first determined the after-tax MTC collections in each month of the 4-year Transition Period from August 1999 through July 2003. Next, the Company accumulated all monthly after-tax MTC collections for each calendar year in the Transition Period, and then applied to these annual calendar year MTC accumulations annual discount factors based on an after-tax annual discount rate of 8.42%. The 8.42% discount rate represents PSE&G's then-allowed overall rate of return (10.08%), expressed net of tax. The NPV results of this annual discounting process are summarized below:

	Cumulative MTC Collections in Calendar Year ($million)	Annual Discount Factor Based on Annual Rate of 8.42%	NPV Cumulative MTC Collections in Calendar Year ($million)
1999 (5 mos.):	$151.050	0.96687	$146.046
2000 (12 mos.):	251.996	0.89178	224.727
2001 (12 mos.):	195.252	0.82253	160.601
2002 (12 mos.):	97.694	0.75864	74.115
2003 (7 mos.):	71,011	0.72370	51,391
Total	$767,002		$656,881

Thus, based on this annual discounting approach, the Company concluded that, during the entire Transition Period, it collected after-tax MTC revenues of $656.881 million on a NPV basis as of August 1999. Next, the Company subtracted from this total NPV amount the $540 million[1] transition premium owed to PSEG Power, thereby leaving an after-tax NPV amount of $116.881 million as the MTC over-recovery due ratepayers. As the final step, by using a revenue conversion factor of 0.5915,[2] the Company converted this after-tax MTC over-recovery amount of $116.881 million into a total over-recovered revenue amount of $197.601 million[3]. As will be shown below, PSE&G's method of calculation is incorrect and understates the over-recovery due back to its ratepayers.

Question No. 4

In determining the net present value of the MTC recovery, should the discount rate have been applied monthly or annually? Please explain in detail with supporting documentation.

Answer:

It is the Ratepayer Advocate's position that, in determining the NPV of the MTC recovery, the discount rate should have been applied monthly rather than annually. The reason is quite simple.

First, it should be made clear that a discount factor used in a present value analysis represents a time value of money and, in this instance, represents the return presumed to be earned by PSE&G on the available cash flows from the MTC collections. The MTC revenues during the Transition Period were billed and collected by PSE&G on a monthly basis, with the monthly collections clearly shown on Schedule RCK-D-9 in the testimony of PSE&G witness, Mr. Krueger, in the Phase I Deferred Balances proceeding. Since the cash flows from the MTC collections became available to PSE&G on a monthly basis, PSE&G has been able to immediately earn a return on these MTC revenues from the moment they were collected in each month. Applying the discount rate to the

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1 Similar to the amount of $656.881 million, the transition premium amount of $540 million is also stated on a NPV basis as of August 1999.

2 Inverse of combined federal and state income tax rate of 0.4085.

3 Calculation: $116.881 / 0.5915 = $197.601 million

monthly MTC collections, instead of using an annual basis as PSE&G does, gives appropriate recognition to the fact that PSE&G has actually enjoyed the immediate returns on these monthly MTC collections during the Transition Period.

The Company's proposed annual discounting approach assumes that PSE&G does not earn a return on its monthly MTC collections during the calendar year. Rather, it assumes that PSE&G will not start earning a return until all monthly MTC collections have been accumulated at the end of the calendar year. This assumption is wrong and completely inconsistent with financial reality.

The appropriate monthly discounting process to use is to take 1/12th of the annual after-tax discount rate of 8.42% (equal to a converted monthly discount rate of 0.70167%) and apply this monthly discount rate to PSE&G's monthly after-tax MTC collections during the Transition Period.

On Schedule RPA-1 (Updated for Actuals through 7/31/03) in Attachment-4, the Ratepayer Advocate has calculated that the total Transition Period after-tax MTC collections of $767 million have a present value as of August 1999 of $676.053 million when discounted on a monthly basis using a monthly discount rate of 0.70167%. This after-tax NPV value of $676.053 million is $19.172 million higher than PSE&G's calculated final updated after-tax NPV value of $656.881 million based on the Company's proposed annual discounting approach. Using the same revenue conversion factor of 0.5915, this higher after-tax value of $19.172 million translates into a higher MTC revenue over-recovery of $32.412 million. Thus, based on the monthly discounting approach, PSE&G's calculated final updated MTC over-recovery of $197.601 million should be increased by $32.412 million. This would mean that the correct final updated MTC over-recovery total should be $230.013 million.

PSE&G claims in its June 13, 2005 initial comments that its proposed use of the annual discounting approach is in accordance with the Board's Restructuring Order. Specifically, on page 9 of its initial comments, PSE&G states:

> A review of the language and context of the Board's Restructuring and Rate and Deferral Orders makes clear that, contrary to the Energy Staff's Position in the instant dispute, those Orders included:
>
> 1) a determination that the net present value calculation of the Company's MTC recovery would be on an annual, rather than monthly, basis; ....

This PSE&G claim is based on its reading of the language on page 120, paragraph 13 of the Restructuring Order that "PSE&G shall be provided with the opportunity to recover up to $540 million of its unsecuritized generation stranded costs on a net present value (8.42% discount rate) net of tax basis over the Transition Period." Thus, since the Restructuring Order mentions an annual discount rate of 8.42%, PSE&G believes that, therefore, the Board meant to use the annual discounting approach in determining the NPV of the MTC collections.

The Ratepayer Advocate submits that this Board language does not at all require, or even suggest, that all monthly MTC collections should be accumulated for each Transition Period calendar year and then discounted on an annual basis. The 8.42% rate was stated in the Order to indicate what the <u>annualized</u> rate should be in making NPV calculations with regard to the MTC collections and was not meant to require that the annual discounting method should be used. There is nothing unusual about converting an annualized earnings or discount rate to a monthly rate by dividing the annualized rate by twelve. And there is nothing unusual or unorthodox about applying such a monthly rate if cash flows are realized on a monthly basis rather than on an annual basis. As a matter of fact, this practice of converting an annual rate to a monthly rate (by taking $1/12^{th}$ of the annual rate) and applying the monthly rate to monthly cash flows rather than annual cash flows has been used by the Board in numerous regulatory matters involving interest or present value calculations.

For example, in many restructuring related matters, Board Orders have ruled that interest be calculated on under- or over-recovery balances based on the annual rate on 7-year constant maturity Treasury notes plus 60 basis points. However, in making the interest calculations, the Board required that interest be calculated on monthly under- or over-recovery balances at a monthly interest rate equal to 1/12th of the annual rate on 7-year constant maturity Treasury notes plus 60 basis points.

On page 8 of its June 13, 2005 initial comments, PSE&G states that recalculating the Company's MTC over-collection would be "inconsistent with the Restructuring Order." This claim is apparently based on the fact that the Restructuring Order does not specify the exact methodology of calculating the MTC over-recovery. In this regard, the Ratepayer Advocate notes that the previously discussed carrying charges on the delay of securitization that were allowed to be included in the determination of the MTC over-collection, which significantly reduced the MTC over-collection calculations and correspondingly reduced the refund to ratepayers, were also considered to be "inconsistent with the Restructuring Order" to the extent that the consideration of these carrying charges was not provided for in the Order. Thus, the Board has previously allowed MTC reconciliation-related calculation aspects that were not specifically covered in the Restructuring Order, if these calculation aspects were considered equitable and appropriately justified. The Board should do the same in this instance by re-calculating the MTC over-recovery based on the monthly discounting approach.

Question No. 2

How should the ratepayer MTC over-recovery have been booked during each year of the transition period, i.e., as an allocated portion of the estimated net present value of the over-recovery as of August 1, 1999, as determined and booked by PSE&G, or as the estimated over-recovery occurring in each year of the transition period, in that year's dollars?

Answer:

This question goes to the issue as to how much of the MTC recovery during the Transition Period should be discounted back to August 1, 1999 in the determination of the dollar value of the MTC over-recovery. PSE&G takes the position that all Transition Period MTC recoveries should be discounted. On the other hand, the Ratepayer Advocate believes that only the Transition Period MTC recovery amount needed to recover the $540 million transfer premium should be discounted back to August 1, 1999. Once the NPV amount of $540 million has been collected, any MTC revenues collected after that point in time should be treated as normal over-recovery that would receive the same treatment that has been prescribed by the Restructuring Order for other over- and under-recoveries incurred during the Transition Period. What this means is that these MTC over-recoveries should be deferred at undiscounted, nominal dollar values. Therefore, the Ratepayer Advocate agrees with the latter approach mentioned in Question No. 2 above, *i.e.*, that the ratepayer MTC over-recovery should have been booked as the "over-recovery occurring in each year of the transition period, in that year's dollars."

PSE&G's calculation methodology incorrectly discounts all MTC over-recoveries collected through July 2003 back to the NPV as of August 1, 1999, even though the ratepayer refunds for these MTC over-recoveries take place starting on August 1, 2003. This calculation method inappropriately assigns to PSE&G -- rather than to the ratepayers -- all earnings on the MTC over-recovery amount during the 4-year Transition Period from August 1, 1999 to August 1, 2003. Once enough MTC revenues have been collected that, on a discounted basis, would equal the $540 million transfer premium value as of August 1, 1999, it makes no sense, from either a sound financial or logical viewpoint, to continue to discount the subsequently collected MTC over-recoveries to a present value as of August 1, 1999 and then use that discounted value as the basis for the determination of the MTC over-recovery ratepayer refund starting on August 1, 2003.

On Schedule RPA-2 in Attachment-5, the Ratepayer Advocate has calculated that, based on the monthly discounting approach, the $540 million after-tax NPV transition premium is fully recovered through MTC collections from August 1999 until sometime in the month of December 2001. The bottom of Schedule RPA-2 also shows that, based on the annual discounting approach used by PSE&G, this full recovery point in time occurs one month later, in January 2002. All MTC collections after those months represent MTC over-recoveries for which there no longer is any need or reason to discount back to August 1999. As stated before, those over-recovered MTC collections should be deferred at undiscounted, nominal dollar values.

The monthly undiscounted MTC recoveries collected after December 2001[4] and through July 2003 are shown in the first column of Schedule RPA-3 (Updated for Actuals Through 7/31/03) in Attachment-6 and amount to a total undiscounted pre-tax MTC over-recovery amount of $298.977 million. This is $101.376 million higher than the final updated pre-tax MTC over-recovery amount of $197.601 million calculated via PSE&G's "total discounting" methodology. Of this $101.376 million pre-tax MTC over-recovery difference, $32.412 million is due to the use of the monthly (vs. annual) discounting calculation method, calculated on Schedule RPA-1 (Updated for Actuals through 7/31/03) in Attachment-4. The remaining $68.964 million difference is due to the premise that all MTC collections after full recovery of the $540 million NPV transition premium should have

[4] December 2001 is the month of full recovery of the $540 million NPV transfer premium based on the monthly discounting approach.

been accrued at undiscounted, nominal dollar values, similar to the treatment prescribed by the Restructuring Order for other over- and under-recoveries incurred during the Transition Period.

The monthly undiscounted MTC recoveries collected after January 2002 (the month of full recovery of the $540 million NPV amount based on PSE&G's annual discounting approach) total approximately $285.217 million,[5] which is $87.616 million higher than the final updated pre-tax MTC over-recovery amount of $197.601 million calculated via PSE&G's "total discounting" methodology.

In its June 13, 2005 initial comments, PSE&G asserts that the Restructuring Order included "a determination that discounting the MTC collection to its August 1, 1999 value should continue throughout the four year transition period, without regard to whether or not the Company was fully reimbursed...."[6] PSE&G bases this assertion on the following statement made in paragraph 14, page 120 of the Restructuring Order:

> At the end of the Transition Period, the recovery of the $540 million will be reconciled to actual collections based on actual sales, the net present value of recovery from both the MTC, exclusive of the NTC, and collections from the 2.0 mill per kWh retail adder for all customers retained on the BGS, and the depreciation amortization.

Based on the above-quoted Restructuring Order language, PSE&G concludes that "[t]here were no requirements to book any ratepayer over collection on a monthly or annual basis"[7] and that "it is clear that in issuing the Restructuring Order, the Board directed that MTC collections would be calculated via an annual discounting throughout the transition period...."[8]

The Ratepayer Advocate disagrees with PSE&G's assertions and conclusions. Nowhere in the Restructuring Order does the Board require that <u>all</u> MTC collections in the Transition Period,

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[5] Total pre-tax MTC over-recovery of $298.977 million less December 2001 pre-tax MTC over-recovery of $13.760 million. *See Schedule RPA-3 (Updated for Actuals Through 7/31/03) in Attachment-6.*
[6] PSE&G June 13, 2005 initial comments, page 9, point 2.
[7] PSE&G June 13, 2005 initial comments, page 4, Answer to Question 2.
[8] *Id.* at page 10, last paragraph.

including any potential MTC over-collections, must be discounted back to their August 1, 1999 value in the determination of the ratepayer refund of over-collections. Since the Restructuring Order is not specific on what exact MTC over-collection calculation method should be used, PSE&G has come up with its own "interpretation" of the Order and has boldly concluded that the Board really meant to order that all Transition Period MTC collections, even the MTC over-collections, should be discounted back to August 1, 1999 in determining the ratepayer refund amount. The Restructuring Order statement that "[a]t the end of the Transition Period, the recovery of the $540 million will be reconciled to actual collections based on actual sales, the net present value of recovery from both the MTC, exclusive of the NTC, and collections from the 2.0 mill per kWh retail adder for all customers retained on the BGS, and the depreciation amortization" does not prescribe the reconciliation methodology that PSE&G has used.

On the contrary, the Ratepayer Advocate submits that this Board-ordered reconciliation process implied that present value discounting should be applied only to all MTC collections required to pay back the August 1999 transfer premium of $540 million and that all Transition Period MTC collections after this point be booked and accrued at undiscounted, nominal values. Not only is this the correct reconciliation approach based on sound financial principles, it is also consistent with the reconciliation approach prescribed by the Restructuring Order for other Transition Period over- and under-recoveries. For example, any over- or under-recoveries for such Transition Period rates as PSE&G's Non-utility Generation Transition Charge (NTC), Social Programs, Decommissioning, and DSM rates were booked and deferred at undiscounted, nominal dollar values.

The premise that NPV discounting should be limited to just those MTC collections needed to fully recover the $540 million transfer premium as of August 1999 and not to the overcollected amounts after full recovery would appear to be supported by PSE&G's own statement in the second full paragraph on page 8 of its June 13, 2005 initial comments that:

> In exchange for paying a "transfer premium" of $540 million, Genco [PSEG Power] received the right to collect market transition charge ("MTC") revenues during the Transition Period, <u>but only until it was reimbursed the $540 million premium. Any collections above that figure would be retained by Public Service to be refunded to customers after the end of the transition period</u>....
>
> [emphasis supplied]

<u>**Question No. 3**</u>

Should interest have been booked on the ratepayer MTC over-recovery occurring in each year of the transition period, and if so, what is the appropriate rate? If not, why not.

Answer:

The Ratepayer Advocate believes that interest should have been accrued, at a rate equal to the rate on 7-year constant maturity Treasury notes plus 60 basis points, on all cumulative monthly undiscounted (nominal value) MTC over-recovery balances booked after the point in time that the $540 million NPV amount had been fully recovered. From the moment PSE&G collects MTC over-recoveries that are due ratepayers, the earnings power of the deferred over-recovered MTC balances also belongs to ratepayers, and any earnings accrued on these deferred balances should be passed on to ratepayers along with the deferred MTC over-recoveries themselves. The Ratepayer Advocate takes the reasonable position that, while it is appropriate to use a rate of 8.42% for discounting purposes in calculating the recovery of the $540 million NPV stranded cost amount, this 8.42% overall rate of return would no longer be appropriate to use as an earnings rate once the stranded costs are fully recovered. Instead, the earnings rate to be applied to the deferred MTC over-recovery balances accumulated after the recovery of the $540 million NPV stranded cost should be the rate on 7-year constant maturity Treasury notes plus 60 basis points, the Board-approved rate for accruing interest on deferred balances during the Transition Period. See Restructuring Order, pages 117 and 118.

On Schedule RPA-3 (Updated for Actuals Through 7/31/03) in Attachment-6, the Ratepayer Advocate has calculated, in accordance with the above-described methodology, the total interest amount accrued on the average monthly deferred MTC over-recovery balances from December 2001 (the point in time that the $540 million NPV amount was fully recovered based on the monthly discounting approach) through July 2003, the end of the Transition Period. As shown on this schedule, the calculations indicate total interest accruals of $12.983 million. If the Board agrees with the Ratepayer Advocate that interest should be accrued on all deferred MTC over-recovery balances and flowed through to the ratepayers, this increases the total ratepayer refund amount by that same amount.

The Ratepayer Advocate also respectfully urges the Board to require PSE&G to continue to accrue interest on the MTC over-recovery for the period beginning August 1, 2003, *i.e.*, the post-Transition Period, at the Board-approved interest rate for PSE&G's other deferred balances.

<u>Question No. 5</u>

Is it appropriate to adjust the determination of the MTC recovery to reflect the fact that under IRS rulings and court decisions, monies properly belonging to ratepayers, such as fuel cost overrecoveries, are not taxable? See United States Tax Court decision, in Florida Progress Corporation and Subsidiaries v. Commissioner of Internal Revenue, No. 2961-97, June 30, 2000; affirmed Florida Progress Corp. and Subsidiaries, v. C.I.R., 348 F.3d 954 (11th Cir. Oct. 21, 2003) (No. 02-14910,02-14911). Please explain in detail, with supporting documentation.

Answer:

The August 18, 2005 letter from the Board Secretary notes that "The issue of the appropriate treatment of Investment Tax Credits associated with the divested generating units will be addressed as part of another proceeding for all for electric utilities." The Ratepayer Advocate discussed this issue in our June 28, 2005 reply comments. The reply comments addressed the possible tax effects of this issue on PSE&G's MTC deferred balance as well as other non-MTC deferred balance accounts and requested the Board to require PSE&G to provide additional information. The Ratepayer Advocate also requested the Board to allow further comments after the additional information is provided. Ratepayer Advocate June 28, 2005 reply comments, p. 17. To the extent that those issues have not been transferred to the other open Investment Tax Credit proceedings mentioned by the Board Secretary,[9] the Ratepayer Advocate reiterates those comments here and requests the Board to require PSE&G to supply the information sought by the Ratepayer Advocate and permit additional comments by all parties.

NON-UTILITY GENERATION (NUG) CONTRACT COST RECOVERY AND RESTRUCTURING AND RENEGOTIATION

The Ratepayer Advocate requested further examination and consideration by the parties and the BPU concerning other issues related to the Company's NUG contracts cost recovery and PSE&G's efforts to restructure and renegotiate its NUG contracts. Ratepayer Advocate June 28, 2005 reply comments, pp. 22-24. The issues were discussed in the Phase II audit report and also in the June 13, 2005 Ratepayer Advocate's initial comments. The Ratepayer Advocate reiterates those concerns herein. The Ratepayer Advocate requests the Board to continue the examination of those issues in this matter as requested previously, or that they be examined fully in a separate open docket concerning PSE&G's deferred balances, such as Docket No. GR05080686 concerning the electric NTC and the electric and gas SBC deferred balances.

[9] Compare, BPU Docket Nos. EX02060363, EA02060364, EA02060365, EA02060366 and EA02060367.

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CONCLUSION

The Ratepayer Advocate respectfully urges the Board to adopt the recommendations contained in the instant comments and in our initial and reply comments in this matter and to require PSE&G to supplement its filings with the additional information the Ratepayer Advocate has requested that is necessary to complete a full review of the Phase II audit report. PSE&G should be required to increase the MTC over-recovery refund by $114,359,000 as of July 31, 2003 and to continue to accrue interest on the total MTC over-recovery after that date at the Board-approved interest rate for the utility's other deferred balances. After the Ratepayer Advocate and other interested parties have received the additional information from PSE&G, the Ratepayer Advocate respectfully urges the Board to provide additional time for our office and the other interested parties to file additional comments concerning the new information provided by PSE&G.

Respectfully submitted,

SEEMA M. SINGH, ESQ.
RATEPAYER ADVOCATE

By: Badrhn M. Ubushin
Badrhn M. Ubushin, Esq.
Asst. Deputy Ratepayer Advocate

c: President Jeanne M. Fox
Commissioner Frederick F. Butler
Commissioner Connie O. Hughes
Commissioner Joseph L. Fiordaliso
Commissioner Christine V. Bator
Service list (by hand delivery or US regular mail)

Judy Ann Baird

ATTACHMENT-1

Schedule RCK-D-9
Original

SCHEDULE RCK-D-9

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MTC Deferral Wor[illegible]millions)

	MTC Net Revenues from Customers	Carrying Cost Due to Delay in Securitization	Net MTC Revenues	Depreciation MTC	Retail Adder	Total Pre-tax MTC	Tax on MTC	After Tax MTC	Annual Sum	NPV of After-tax MTC @ 8.42%
Aug-99	61.321	-	61.321	-	8.201	69.522	28.400	41.122		
Sep-99	30.721	-	30.721	-	6.702	37.423	15.287	22.136		
Oct-99	44.044	-	44.044	-	6.277	50.321	20.556	29.765		
Nov-99	41.466	-	41.466	-	6.002	47.468	19.391	28.077		
Dec-99	44.224	-	44.224	-	6.409	50.633	20.684	29.949	151.050	146.046
Jan-00	39.384	(28.470)	10.914	14.764	6.187	31.866	13.017	18.849		
Feb-00	40.787	(28.470)	12.317	14.764	5.467	32.548	13.296	19.252		
Mar-00	43.783	(28.470)	15.313	14.764	5.475	35.552	14.523	21.029		
Apr-00	34.525	(28.470)	6.055	14.764	5.008	25.827	10.550	15.277		
May-00	41.219	(28.470)	12.749	14.764	5.367	32.881	13.432	19.449		
Jun-00	43.594	(28.470)	15.124	14.764	6.871	36.758	15.016	21.743		
Jul-00	46.789	(28.470)	18.319	14.764	7.068	40.150	16.401	23.749		
Aug-00	50.098	(28.470)	21.628	14.764	7.122	43.514	17.775	25.738		
Sep-00	45.257	(28.470)	16.787	14.764	6.247	37.798	15.440	22.357		
Oct-00	42.639	(28.470)	14.169	14.764	5.683	34.616	14.140	20.475		
Nov-00	42.770	(28.470)	14.300	14.764	5.711	34.774	14.205	20.569		
Dec-00	47.309	(28.470)	18.839	14.764	6.142	39.744	16.236	23.509	251.996	224.727
Jan-01	48.177	(28.470)	19.707	14.764	6.247	40.718	16.633	24.084		
Feb-01	12.343		12.343	14.764	5.716	32.823	13.408	19.415		
Mar-01	9.878		9.878	14.764	6.117	30.759	12.565	18.194		
Apr-01	6.507		6.507	14.764	5.903	27.174	11.100	16.073		
May-01	7.642		7.642	14.764	6.112	28.518	11.649	16.868		
Jun-01	5.145		5.145	14.764	7.969	27.878	11.388	16.490		
Jul-01	7.253		7.253	14.764	7.783	29.800	12.173	17.626		
Aug-01	2.717		2.717	14.764	8.905	26.386	10.778	15.607		
Sep-01	(0.089)		(0.089)	14.764	6.656	21.331	8.714	12.617		
Oct-01	(0.043)		(0.043)	14.764	6.535	21.256	8.683	12.573		
Nov-01	0.887	-	0.887	14.764	6.204	21.855	8.928	12.927		
Dec-01	0.273		0.273	14.764	6.561	21.598	8.823	12.775	195.250	160.599
Jan-02	(0.693)		(0.693)	17.285	6.561	23.154	9.458	13.695		
Feb-02	(0.429)		(0.429)	17.285	5.929	22.785	9.308	13.477		
Mar-02	(0.132)		(0.132)	17.285	6.291	23.444	9.577	13.867		
Apr-02	(0.332)		(0.332)	17.285	6.254	23.208	9.480	13.727		
May-02	(0.189)		(0.189)	17.285	6.264	23.360	9.543	13.817		
Jun-02	(3.665)		(3.665)	17.285	7.337	20.958	8.561	12.396		
Jul-02	(3.810)		(3.810)	17.285	8.855	22.330	9.122	13.208		
Aug-02	(23.684)		(23.684)	17.285	-	(6.399)	(2.614)	(3.785)		
Sep-02	(18.563)		(18.563)	17.285		(1.278)	(0.522)	(0.756)		
Oct-02	(13.565)		(13.565)	17.285		3.720	1.520	2.201		
Nov-02	(14.936)		(14.936)	17.285		2.349	0.960	1.390		
Dec-02	(15.266)		(15.266)	17.285		2.019	0.825	1.194	94.434	71.642
Jan-03	(13.639)		(13.639)	34.480		20.841	8.514	12.327		
Feb-03	(12.218)		(12.218)	34.480		22.262	9.094	13.168		
Mar-03	(12.951)		(12.951)	34.480		21.529	8.795	12.734		
Apr-03	(12.220)		(12.220)	34.480		22.260	9.093	13.167		
May-03	(12.264)		(12.264)	34.480		22.216	9.075	13.141		
Jun-03	(19.451)		(19.451)	34.480		15.029	6.139	8.890		
Jul-03	(22.479)		(22.479)	34.480		12.001	4.902	7.099	80.526	58.277
Total	$ 640.134	$ (370.110)	$ 270.024	$ 803.117	$ 234.137	$ 1,307.278	$ 534.023	$ 773.255		$ 661.292
Authorized Unsecuritized Stranded Cost Recovery										$ 540.000
Difference										$ 121.292
Revenue Level										$ 205.058

ATTACHMENT-2

Schedule RCK-D-9
Updated through January 31, 2003

MTC Deferral Workshee millions)

	MTC Net Revenues from Customers	Carrying Cost Due to Delay in Securitization	Net MTC Revenues	Depreciation MTC	Retail Adder	Total Pre-tax MTC	Tax on MTC	After Tax MTC	Annual Sum	NPV of After-tax MTC @ 8.42%
Aug-99	61.321	-	61.321	-	8.201	69.522	28.400	41.122		
Sep-99	30.721	-	30.721	-	6.702	37.423	15.287	22.136		
Oct-99	44.044	-	44.044	-	6.277	50.321	20.556	29.765		
Nov-99	41.466	-	41.466	-	6.002	47.468	19.391	28.077		
Dec-99	44.224	-	44.224	-	6.409	50.633	20.684	29.949	151.050	146.046
Jan-00	39.384	(28.470)	10.914	14.764	6.187	31.866	13.017	18.849		
Feb-00	40.787	(28.470)	12.317	14.764	5.467	32.548	13.296	19.252		
Mar-00	43.783	(28.470)	15.313	14.764	5.475	35.552	14.523	21.029		
Apr-00	34.525	(28.470)	6.055	14.764	5.008	25.827	10.550	15.277		
May-00	41.219	(28.470)	12.749	14.764	5.367	32.881	13.432	19.449		
Jun-00	43.594	(28.470)	15.124	14.764	6.871	36.758	15.016	21.743		
Jul-00	46.789	(28.470)	18.319	14.764	7.068	40.150	16.401	23.749		
Aug-00	50.098	(28.470)	21.628	14.764	7.122	43.514	17.775	25.738		
Sep-00	45.257	(28.470)	16.787	14.764	6.247	37.798	15.440	22.357		
Oct-00	42.639	(28.470)	14.169	14.764	5.683	34.616	14.140	20.475		
Nov-00	42.770	(28.470)	14.300	14.764	5.711	34.774	14.205	20.569		
Dec-00	47.309	(28.470)	18.839	14.764	6.142	39.744	16.236	23.509	251.996	224.727
Jan-01	48.177	(28.470)	19.707	14.764	6.247	40.718	16.633	24.084		
Feb-01	12.343		12.343	14.764	5.716	32.823	13.408	19.415		
Mar-01	9.878		9.878	14.764	6.117	30.759	12.565	18.194		
Apr-01	6.507		6.507	14.764	5.903	27.174	11.100	16.073		
May-01	7.642		7.642	14.764	6.112	28.518	11.649	16.868		
Jun-01	5.145		5.145	14.764	7.969	27.878	11.388	16.490		
Jul-01	7.253		7.253	14.764	7.783	29.800	12.173	17.626		
Aug-01	2.717		2.717	14.764	8.905	26.386	10.778	15.607		
Sep-01	(0.089)		(0.089)	14.764	6.656	21.331	8.714	12.617		
Oct-01	(0.043)		(0.043)	14.764	6.535	21.256	8.683	12.573		
Nov-01	0.887		0.887	14.764	6.204	21.855	8.928	12.927		
Dec-01	0.273		0.273	14.764	6.561	21.598	8.823	12.775	195.250	160.599
Jan-02	(0.693)		(0.693)	17.285	6.561	23.154	9.458	13.695		
Feb-02	(0.429)		(0.429)	17.285	5.929	22.785	9.308	13.477		
Mar-02	(0.132)		(0.132)	17.285	6.291	23.444	9.577	13.867		
Apr-02	(0.332)		(0.332)	17.285	6.254	23.208	9.480	13.727		
May-02	(0.189)		(0.189)	17.285	6.264	23.360	9.543	13.817		
Jun-02	(3.665)		(3.665)	17.285	7.337	20.958	8.561	12.396		
Jul-02	(3.810)		(3.810)	17.285	8.855	22.330	9.122	13.208		
Aug-02	(18.553)		(18.553)	17.285	-	(1.268)	(0.518)	(0.750)		
Sep-02	(16.189)		(16.189)	17.285		1.096	0.448	0.648		
Oct-02	(16.372)		(16.372)	17.285		0.913	0.373	0.540		
Nov-02	(13.995)		(13.995)	17.285		3.290	1.344	1.946		
Dec-02	(15.391)		(15.391)	17.285		1.894	0.774	1.120	97.695	74.117
Jan-03	(16.546)		(16.546)	34.480		17.934	7.326	10.608		
Feb-03	(12.218)		(12.218)	34.480		22.262	9.094	13.168		
Mar-03	(12.951)		(12.951)	34.480		21.529	8.795	12.734		
Apr-03	(12.220)		(12.220)	34.480		22.260	9.093	13.167		
May-03	(12.264)		(12.264)	34.480		22.216	9.075	13.141		
Jun-03	(19.451)		(19.451)	34.480		15.029	6.139	8.890		
Jul-03	(22.479)		(22.479)	34.480		12.001	4.902	7.099	78.806	57.033
Total	$ 642.741	$ (370.110)	$ 272.631	$ 803.117	$ 234.137	$ 1,309.885	$ 535.088	$ 774.797		$ 662.522
Authorized Unsecuritized Stranded Cost Recovery										$ 540.000
Difference										$ 122.522
Revenue Level										$ 207.137

ATTACHMENT-3

Response to Data Request S-DBINF-1
Page 10
Updated through July 31, 2003

MTC Deferral Worksheet ($-millions)

	MTC Net Revenues from Customers	Carrying Cost Due to Delay in Securitization	Net MTC Revenues	Depreciation MTC	Retail Adder	Total Pre-tax MTC	Tax on MTC	After Tax MTC	Annual Sum	NPV of After-tax MTC @ 8.42%
Aug-99	61 321	-	61 321	-	8 201	69 522	28 400	41 122		
Sep-99	30 721	-	30 721	-	6 702	37 423	15 287	22 136		
Oct-99	44 044	-	44 044	-	6 277	50 321	20 556	29 765		
Nov-99	41 466	-	41 466	-	6 002	47 468	19 391	28 077		
Dec-99	44 224	-	44 224	-	6 409	50 633	20 684	29 949	151 050	146 046
Jan-00	39 384	(28 470)	10 914	14 764	6 187	31 866	13 017	18 849		
Feb-00	40 787	(28 470)	12 317	14 764	5 467	32 548	13 296	19 252		
Mar-00	43 783	(28 470)	15 313	14 764	5 475	35 552	14 523	21 029		
Apr-00	34 525	(28 470)	6 055	14 764	5 008	25 827	10 550	15 277		
May-00	41 219	(28 470)	12 749	14 764	5 367	32 881	13 432	19 449		
Jun-00	43 594	(28 470)	15 124	14 764	6 871	36 758	15 016	21 743		
Jul-00	46 789	(28 470)	18 319	14 764	7 068	40 150	16 401	23 749		
Aug-00	50 098	(28 470)	21 628	14 764	7 122	43 514	17 775	25 738		
Sep-00	45 257	(28 470)	16 787	14 764	6 247	37 798	15 440	22 357		
Oct-00	42 639	(28 470)	14 169	14 764	5 683	34 616	14 141	20 475		
Nov-00	42 770	(28 470)	14 300	14 764	5 711	34 775	14 205	20 569		
Dec-00	47 309	(28 470)	18 839	14 764	6 142	39 745	16 236	23 509	251 996	224 727
Jan-01	48 177	(28 470)	19 707	14 764	6 247	40 718	16 633	24 085		
Feb-01	12 343		12 343	14 764	5 716	32 823	13 408	19 415		
Mar-01	9 878		9 878	14 764	6 117	30 759	12 565	18 194		
Apr-01	6 507		6 507	14 764	5 903	27 174	11 101	16 073		
May-01	7 642		7 642	14 764	6 112	28 518	11 650	16 868		
Jun-01	5 145		5 145	14 764	7 969	27 878	11 388	16 490		
Jul-01	7 253		7 253	14 764	7 783	29 800	12 173	17 627		
Aug-01	2 717		2 717	14 764	8 905	26 386	10 779	15 607		
Sep-01	(0 089)		(0 089)	14 764	6 656	21 331	8 714	12 617		
Oct-01	(0 043)		(0 043)	14 764	6 535	21 256	8 683	12 573		
Nov-01	0 887		0 887	14 764	6 204	21 855	8 928	12 927		
Dec-01	0 273		0 273	14 764	6 561	21 598	8 823	12 775	195 252	160 601
Jan-02	(0 693)		(0 693)	17 285	6 561	23 153	9 458	13 695		
Feb-02	(0 429)		(0 429)	17 285	5 929	22 785	9 308	13 477		
Mar-02	(0 132)		(0 132)	17 285	6 291	23 444	9 577	13 867		
Apr-02	(0 332)		(0 332)	17 285	6 254	23 207	9 480	13 727		
May-02	(0 189)		(0 189)	17 285	6 264	23 360	9 542	13 817		
Jun-02	(3 665)		(3 665)	17 285	7 337	20 957	8 561	12 396		
Jul-02	(3 810)		(3 810)	17 285	8 855	22 330	9 122	13 208		
Aug-02	(18 553)		(18 553)	17 285	-	(1 267)	(0 518)	(0 750)		
Sep-02	(16 189)		(16 189)	17 285	-	1 096	0 448	0 648		
Oct-02	(16 372)		(16 372)	17 285	-	0 913	0 373	0 540		
Nov-02	(13 995)		(13 995)	17 285	-	3 291	1 344	1 946		
Dec-02	(15 391)		(15 391)	17 285	-	1 894	0 774	1 120	97 694	74 115
Jan-03	(16 546)		(16 546)	34 480	-	17 934	7 326	10 608		
Feb-03	(19 275)		(19 275)	34 480	-	15 205	6 211	8 994		
Mar-03	(14 629)		(14 629)	34 480	-	19 851	8 109	11 742		
Apr-03	(13 629)		(13 629)	34 480	-	20 851	8 517	12 333		
May-03	(13 388)		(13 388)	34 480	-	21 092	8 616	12 476		
Jun-03	(18 692)		(18 692)	34 480	-	15 788	6 449	9 338		
Jul-03	(25 147)		(25 147)	34 480	-	9 333	3 813	5 521	71 011	51 391
Net present value										
Total	$ 629.562	$ (370.110)	$ 259.452	$ 803.118	$ 234.137	$ 1,296.707	$ 529.705	$ 767.002		Recalculated $ 656.881
Authorized Unsecuritized Stranded Cost Recovery										$ 540.000
Difference										$ 116.881
Revenue Level										$ 197.601

ATTACHMENT-4

Schedule RPA-1
Updated through July 31, 2003

PSEandG DEFERRAL CASE - PHASE II
NET PRESENT VALUE COMPARISON
$000

	After-Tax MTC Collections [Sch. RCK-D-9] [Actuals Thru 7/31/03]	
Aug-99	$ 41,122	
Sep-99	22,136	
Oct-99	29,765	
Nov-99	28,077	
Dec-99	29,949	
Jan-00	18,849	
Feb-00	19,252	
Mar-00	21,029	
Apr-00	15,277	
May-00	19,449	
Jun-00	21,743	
Jul-00	23,749	
Aug-00	25,738	
Sep-00	22,357	
Oct-00	20,475	
Nov-00	20,569	
Dec-00	23,509	
Jan-01	24,085	
Feb-01	19,415	
Mar-01	18,194	
Apr-01	16,073	
May-01	16,868	
Jun-01	16,490	
Jul-01	17,627	
Aug-01	15,607	
Sep-01	12,617	
Oct-01	12,573	
Nov-01	12,927	
Dec-01	12,775	
Jan-02	13,695	
Feb-02	13,477	
Mar-02	13,867	
Apr-02	13,727	
May-02	13,817	
Jun-02	12,396	
Jul-02	13,208	
Aug-02	(750)	
Sep-02	648	
Oct-02	540	
Nov-02	1,946	
Dec-02	1,120	
Jan-03	10,608	
Feb-03	8,994	
Mar-03	11,742	
Apr-03	12,334	
May-03	12,476	
Jun-03	9,338	
Jul-03	5,521	
Total Collections	$ 767,000	
NPV	$ 676,053	Annual Discount Rate of 8.42% / 12 = 0.70167% Monthly Discount Rate
NPV - PSE&G Proposed	$ 656,881	Annually Discounted at Rate of 8.42%
NPV Difference [After-Tax]	$ 19,172	
Revenue Factor	0.5915	
NPV Diffence [Revenues]	$ 32,412	

ATTACHMENT-5

Schedule RPA-2

PSEandG DEFERRAL CASE - PHASE II
TIMING OF COLLECTION OF NPV $540 MILLION DURING TRANSITION PERIOD
$000

I. BASED ON MONTHLY DISCOUNTING:

	After-Tax MTC Collections [Sch. RCK-D-9]	Monthly Dicount Factors Based on Annual Discount Rate of 8.42%	NPV After-Tax MTC Collections
Aug-99	$ 41,122	0.993	$ 40,834
Sep-99	22,136	0.986	21,826
Oct-99	29,765	0.979	29,140
Nov-99	28,077	0.972	27,291
Dec-99	29,949	0.966	28,931
Jan-00	18,849	0.959	18,076
Feb-00	19,252	0.952	18,328
Mar-00	21,029	0.946	19,893
Apr-00	15,277	0.939	14,345
May-00	19,449	0.932	18,126
Jun-00	21,743	0.926	20,134
Jul-00	23,749	0.920	21,849
Aug-00	25,738	0.913	23,499
Sep-00	22,357	0.907	20,278
Oct-00	20,475	0.900	18,428
Nov-00	20,569	0.894	18,389
Dec-00	23,509	0.888	20,876
Jan-01	24,084	0.882	21,242
Feb-01	19,415	0.876	17,008
Mar-01	18,194	0.869	15,811
Apr-01	16,073	0.863	13,871
May-01	16,868	0.857	14,456
Jun-01	16,490	0.851	14,033
Jul-01	17,626	0.846	14,912
Aug-01	15,607	0.840	13,110
Sep-01	12,617	0.834	10,523
Oct-01	12,573	0.828	10,410
Nov-01	12,927	0.822	10,626
Dec-01	4,636	0.816	3,783
Total NPV Collections			$ 540,026

II. BASED ON ANNUAL DISCOUNTING

	After-Tax MTC Collections [Sch. RCK-D-9]	Annual Dicount Factors Based on Annual Discount Rate of 8.42%	NPV After-Tax MTC Collections [Sch. RCK-D-9]
Aug 1999 - Dec 1999	$ 151,050	0.9669	$ 146,046
Jan 2000 - Dec 2000	251,996	0.8918	224,727
Jan 2001 - Dec 2001	195,250	0.8225	160,599
Jan-02	13,695	0.7587	10,390
Total NPVCollections			$ 541,762

ATTACHMENT-6

Schedule RPA-3
Updated through July 31, 2003

BPU Docket Nos. EX02060363
and EA02060366

PSEandG DEFERRAL CASE - PHASE II
OVER-COLLECTION AND INTEREST AFTER RECOVERY OF NPV $540 MILLION
$000

	Pre-Tax MTC Over-Collections [Sch. RCK-D-9] [Actuals Thru 7/31/03]	Cumulative Over-Collections	Average Monthly Balance	Interest Rate (1)	Interest (2)	Over-Collections Including Interest
Dec-01	$ 13,760 (3)	$ 13,760	$ 6,880	5.50%	$ 32	
Jan-02	23,153	36,913	25,337	5.50%	116	
Feb-02	22,785	59,698	48,306	5.50%	221	
Mar-02	23,444	83,142	71,420	5.50%	327	
Apr-02	23,207	106,349	94,746	5.50%	434	
May-02	23,360	129,709	118,029	5.50%	541	
Jun-02	20,957	150,666	140,188	5.50%	643	
Jul-02	22,330	172,996	161,831	5.50%	742	
Aug-02	(1,267)	171,729	172,363	4.64%	666	
Sep-02	1,096	172,825	172,277	4.64%	666	
Oct-02	913	173,738	173,282	4.64%	670	
Nov-02	3,291	177,029	175,384	4.64%	678	
Dec-02	1,894	178,923	177,976	4.64%	688	
Jan-03	17,934	196,857	187,890	4.64%	727	
Feb-03	15,205	212,062	204,460	4.64%	791	
Mar-03	19,851	231,913	221,988	4.64%	858	
Apr-03	20,851	252,764	242,339	4.64%	937	
May-03	21,092	273,856	263,310	4.64%	1,018	
Jun-03	15,788	289,644	281,750	4.64%	1,089	
Jul-03	9,333	298,977	294,311	4.64%	1,138	
Total	$ 298,977				$ 12,983	$ 311,960
PSE&G's Calculated Over-Collection	$ 197,601				$ -	$ 197,601
Over-Collection Difference	$ 101,376				$ 12,983	$ 114,359

<u>Break-Out of Over-Collection Difference:</u>

- Monthly vs. Annual NPV Discounting	$ 32,412	see RPA-1
- Non-NPV Discounting of MTC Collections After Full Recovery of NPV $540 million	$ 68,964	
- Interest	$ 12,983	
- Total	$ 114,359	

(1) Annual 7-year treasury note rate plus 60 basis points
(2) Average monthly balances times1/12th of annual interest rate
(3) Per RCK-D-9 and RPA-2 for December 2001: 12,775 - 4,636 = 8,139/12,775 = 63.71% x 21,598 = 13,760

Schedule RPA-3
Updated for Actuals Through 7/31/03