



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF PUBLIC SERVICE ELECTRIC)	DECISION AND ORDER
AND GAS COMPANY'S 2014/2015 ANNUAL BGSS)	APPROVING STIPULATION
COMMODITY CHARGE FILING FOR ITS)	FOR FINAL BGSS-RSG
RESIDENTIAL GAS CUSTOMERS UNDER ITS)	RATES
PERIODIC PRICING MECHANISM)	
)	BPU DKT NO. GR14050512
)	OAL DKT NO. PUC 16108-14

Parties of Record:

Alexander C. Stern, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

BACKGROUND

Per the generic Order of the Board of Public Utilities ("Board") dated January 6, 2003, Docket No. GX01050304 ("January BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs") submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing by June 1 for the BGSS year beginning October 1. In addition, the January BGSS Order authorizes each GDC to self-implement up to a 5% BGSS increase effective December 1 and February 1, with one month's advance notice to the Board and the Division of Rate Counsel ("Rate Counsel"). Each GDC may implement a decrease in its BGSS rates at any time, without prior Board approval after notice to the Board and Rate Counsel.

Public Service Electric and Gas Company ("PSE&G" or "the Company") filed a petition with the Board on May 29, 2014 ("May Petition") requesting a decrease to its BGSS default commodity

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

rate for Residential Service (“RSG”) from 54.4051 cents per therm (including losses and Sales and Use Tax or SUT) to 45.1880 cents per therm², based upon the Company’s projection of a \$105.0 million decrease in BGSS revenues needed to recover its costs for BGSS service during the 2014-2015 BGSS year.

Subsequent to filing the May Petition, the Company made a compliance filing on July 1, 2014 in response to the Board’s Order in the Company’s Capital Infrastructure Investment Program Extension (“CIP II”) in Docket Nos. ER13111108 and GR13111109. As a result of the settlement of the CIP II matter, the Company’s BGSS-RSG Commodity Charge was reduced from 54.4051 cents per therm to 54.4009 cents per therm.

On July 2, 2014, the Retail Energy Supply Association (“RESA”) filed a motion to intervene in this proceeding. RESA, on behalf of its third party supplier (“TPS”) members, contended that it qualified to intervene in this matter because customers use the BGSS price offered by the Company and the other gas utilities for comparison purposes when deciding whether to switch to a TPS. RESA sought modifications to the notice provisions preceding the self-implemented bill adjustments in the Company’s BGSS tariff so that TPS can better compete in PSE&G’s gas service territory. The Company and Rate Counsel opposed the motion contending that the relief RESA was requesting was unrelated to the issue in this proceeding – the review of PSE&G’s recovery of its BGSS gas costs – and requests to modify the BGSS process should be addressed in a proceeding that includes all of the gas utilities, not just the Company.

After publication of notice in newspapers of general circulation in PSE&G’s service territory, public hearings were scheduled and conducted in Hackensack, New Brunswick, and Mt. Holly, on August 11, 12, and 14, 2014, respectively. Two members of the public appeared at the hearings held in both Hackensack and New Brunswick. No member of the public commented directly on this filing.

The Company, New Jersey Rate Counsel and Board Staff (collectively, the “Parties”) determined that additional time was needed to complete a review of the Company’s filing, and that until the review completed, the current BGSS-RSG rate of 54.4009 cents per therm should be decreased to 45.1880 cents per therm on a provisional basis. The stipulation providing for the provisional rate of 45.1880 cents per therm was approved by the Board in its Order dated September 30, 2014.

On October 23, 2014, the Company notified the Board that it would be providing a three-month bill credit of 28.0 cents per therm for its BGSS-RSG customers to be effective November 1, 2014 through January 31, 2015.

On November 26, 2014, the Board transmitted the matter to the Office of Administrative Law (“OAL”) as a contested case where it was subsequently assigned to the Honorable Tiffany M. Williams, Administrative Law Judge (“ALJ”).

On January 22, 2015 and March 24, 2015, the Company further notified the Board that it would be extending the 28.0 cents per therm bill credit through April 30, 2015.

² All quoted rates include SUT.

STIPULATION FOR FINAL BGSS-RSG COMMODITY CHARGE RATES³

Subsequent to discovery and substantive discussions of the issues, on March 24, 2015 the Parties executed a Stipulation for Final BGSS-RSG rates ("Stipulation") that provides for the following:

The Parties agree that the Company's BGSS Commodity Service, Tariff rate BGSS-RSG, of 45.1880 cents per therm will remain in effect and be deemed final upon the effective date of the Board's written Order approving this Stipulation or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEC Update Report (also known as S-PSCHART-1), attached to the Stipulation as Exhibit A; and 2) a monthly report of unitized credits to the BGSS (ISG, CSG, Cogeneration, TSG-F, Off System Sales, Capacity Releases, Gas to Electric and Supplier Refunds) and the associated dollar amounts, attached to the Stipulation as Exhibit B. "Exhibit A" is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. "Exhibit B" is to be submitted to the Parties on approximately the 15th of the following month.

The Parties agree that an update of the Company's Balancing Charge and Gas Supply Administrative and General Charge should be included in next year's BGSS filing expected to be made on or about June 1, 2015. The Company will include updated calculations for both Charges in the filing as well as updated tariff sheets to reflect the change.

Attached to the Stipulation as "Exhibit C" is the Company's Revised Tariff Sheet No. 54 reflecting the Board's September 30, 2014 provisional approval of the BGSS-RSG Commodity Charge.

On March 27, 2015, ALJ Tiffany M. Williams issued an Initial Decision approving the Stipulation finding that the Parties had voluntarily agreed to the terms of the Stipulation and that the Stipulation fully disposes of all matters and is consistent with law.

DISCUSSION AND FINDINGS

Before turning to a review of the Stipulation and Initial Decision, the Board must decide RESA's motion to intervene which, inadvertently, was not transmitted to the OAL to be decided by the assigned ALJ in conformity with the Board's practice and N.J.A.C. 1:1-8.2. Under the process approved in the January BGSS Order, annual filings like the one currently before the Board are used to review the gas company's costs of providing BGSS and setting the necessary rates. Given the relief requested by RESA changes to the BGSS process and procedure, the Board agrees with the Company and Rate Counsel that such relief is beyond the scope of the proceeding and, if addressed within the proceeding, would delay that review. More importantly, any proposed changes to the BGSS structure should be vetted in a proceeding including all of the gas utilities as well as other interested parties. Accordingly, the Board **HEREBY DENIES** RESA's motion to intervene.

³ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of Stipulation control, subject to the findings and conclusion in this Order.

Having reviewed the Stipulation and the Initial Decision, and being persuaded that the Parties have thoroughly reviewed the BGSS costs for the period at issue, the Board **HEREBY FINDS** that the attached Initial Decision and Stipulation are reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY ORDERS** that the existing after-tax per therm BGSS-RSG commodity rate of 45.1880 cents per therm remain in effect until further Order of the Board, and shall be deemed the final BGSS-RSG commodity rate for the period covered by the filing. Any net over-recovered BGSS balance at the end of the BGSS period shall be subject to refund with interest.

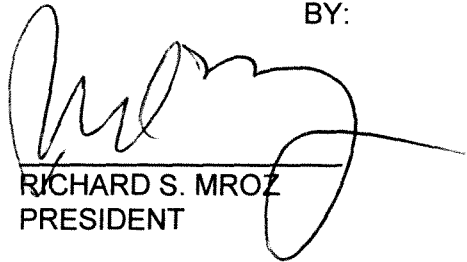
The Board **HEREBY APPROVES** the tariff sheet attached to the Stipulation as conforming to the terms and conditions of this Order.

The Company's gas costs will remain subject to audit by the Board.

This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

DATED: 4/15/15


BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER




MARY-ANNA HOLDEN
COMMISSIONER



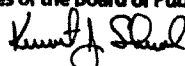
DIANNE SOLOMON
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S 2014/2015
ANNUAL BGSS COMMODITY CHARGE FILING FOR ITS RESIDENTIAL GAS CUSTOMERS
UNDER ITS PERIODIC PRICING MECHANISM - DOCKET NO. GR14050512

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March 25, 2015

Via Overnight Mail

In the Matter of Public Service Electric and
Gas Company's 2014/2015 Annual BGSS Commodity
Charge Filing for its Residential Gas Customers
Under its Periodic Pricing Mechanism

BPU Docket No. GR14050512
OAL Dkt. No. PUC 16108-14

Honorable Tiffany M. Williams, ALJ
Office of Administrative Law
33 Washington Street
Newark, New Jersey 07102

Dear Judge Williams:

Enclosed for filing please find Public Service Electric and Gas Company's fully-executed Stipulation for Final BGSS Rates.

Respectfully submitted,

A handwritten signature in cursive script that reads "Alexander C. Stern".

Attach.

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE)
ELECTRIC AND GAS COMPANY'S) STIPULATION FOR
2014/2015 ANNUAL BGSS COMMODITY) FINAL BGSS RATES
CHARGE FILING FOR ITS RESIDENTIAL)
GAS CUSTOMERS UNDER ITS PERIODIC)BPU DOCKET NO. GR14050512
PRICING MECHANISM)OAL DKT NO. PUC16108-14

APPEARANCES:

Alexander C. Stern, Esq., for the Petitioner, Public Service Electric and Gas Company

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel, and **Christine M. Juarez, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Stefanie A. Brand, Director**)

Alex Moreau and T. David Wand, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey)

On May 29, 2014, Public Service Electric and Gas Company (“Public Service” or “the Company”) made a filing in the above-referenced matter, requesting a decrease in Annual BGSS gas revenues of approximately \$105.0 million (excluding losses and New Jersey Sales and Use Tax, SUT) to be implemented for service rendered on and after October 1, 2014 or earlier, should the Board deem it appropriate. In the May 29th filing, the Company requested to decrease the BGSS-RSG Commodity charge from \$0.544051 per therm including losses and SUT to \$0.451880 per therm including losses and SUT. As filed, this proposed change would decrease the bill for a typical residential heating customer using 160 therms per winter

month and 1050 therms annually by 8.9%. The proposed change as filed would lower the annual bill for a residential heating customer using 100 therms per month during the winter months and 660 therms annually by 8.6%. Notice setting forth the Company's May 29, 2014 request for the BGSS Commodity charge decrease, including the date, time and place of the public hearing, was placed in newspapers having a circulation within the Company's gas service territory and was served on the county executives and clerks of all municipalities within the Company's gas service territory.

Public hearings were scheduled and conducted in Hackensack, New Brunswick and Mount Holly on August 11, 12, and 14, 2014, respectively. Four members of the public expressed general concerns about high utility rates and the Company's provision of service. No members of the public appeared and commented directly on this filing.

Subsequent to the May 29, 2014 Filing, the Company made a Compliance Filing on July 1, 2014 in response to the Board's Order in the Company's Capital Infrastructure Investment Program Extension ("CIP II") in Docket Nos. ER13111108 and GR13111109. As a result of the settlement of the CIP II Matter, the Company's BGSS-RSG Commodity Charge was reduced from \$0.544051 per therm (including losses and SUT) to \$0.544009 per therm (including losses and SUT) effective July 1, 2014.¹

¹ As a result of the BGSS RSG commodity decrease approved in the Board's Order in the CIP II Matter, a typical residential gas heating customer using 100 therms per month during the winter months and 660 therms on an annual basis would see a decrease in the monthly winter commodity bill of \$0.01. Further, a

Public Service, Board Staff, and the Division of Rate Counsel (Rate Counsel) (collectively, the “Parties”) determined that additional time was needed to complete the review of the Company’s proposed BGSS-RSG Commodity charge.² However, the Parties also agreed that action with respect to the Company’s BGSS-RSG Commodity charge for the 2014-2015 BGSS year, on a provisional basis, was reasonable and therefore agreed to implement the BGSS-RSG Commodity charge filed as of October 1, 2014, or as soon as possible upon the issuance of a Board Order approving the Stipulation for Provisional BGSS-RSG Commodity Charge (“Stipulation”). The Stipulation was approved at the Board agenda meeting on September 30, 2014 and the BGSS charge was decreased from \$0.544009 per therm including losses and SUT to \$0.451880 per therm including losses and SUT effective for service rendered on and after October 1, 2014.

Consistent with the Board’s January 6, 2003 Order Approving BGSS Price Structure (“Price Structure Order”) at page 4, under Docket No. GX01050304 and paragraph 9 of the BGSS Pricing Proposal appended as Attachment A to and approved in the Price Structure Order, on October 23, 2014 the Company notified the Board that it would be providing a three-month bill credit of \$0.28 per therm (including New Jersey SUT) for its BGSS-RSG customers to be effective November 1, 2014 through January 31, 2015. On January 22, 2015 and March 24, 2015, the Company further notified the Board that it would be extending the \$0.28 per therm

typical residential gas heating customer using 160 therms per month during the winter months and 1,050 therms on an annual basis would see a decrease in their annual commodity bill of \$0.06.

² A motion to intervene filed by the Retail Energy Supply Association (“RESA”) has remained pending with the Board. The Company and Rate Counsel filed opposition.

bill credit (including New Jersey SUT) for its BGSS-RSG customers through April 30, 2015.

On November 26, 2014 the Board transmitted the matter over to the Office of Administrative Law as a contested case where it was subsequently assigned to the Honorable Tiffany M. Williams, Administrative Law Judge (“ALJ”). ALJ Williams held a telephonic prehearing conference on March 9, 2015. The Parties represented that they were close to settlement. ALJ Williams scheduled a subsequent telephone status conference for March 30, 2015 so she could verify the Parties’ progress if necessary. Prior to the March 30, 2015 telephone status conference, the Parties completed their review of the Petition and responses to discovery and discussed the matter, and now HEREBY AGREE as follows:

1. The Company’s BGSS Commodity Service, Tariff rate BGSS-RSG of \$0.451880 per therm (including losses and SUT) will remain in effect at this time. The Parties agree that the aforementioned BGSS-RSG Commodity charge shall be deemed final upon the effective date of the Board’s written Order approving this Settlement or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

2. The current residential customer impact, as of February 1, 2015, of this action is as follows: MONTHLY – a residential customer using 100 therms per month during the winter months and 660 therms on an annual basis will see no change in the monthly winter bill of \$91.14. ANNUAL – a residential customer using 160 therms per

month during the winter months and 1,050 therms on an annual basis will see no change in the annual bill of \$950.24.³

3. Attached as Exhibit C to this Stipulation is the Company's Corrected Sixteenth Revised Tariff Sheet No. 54 for the BGSS RSG Commodity Charge effective February 1, 2015 which reflects the Board's September 30, 2014 provisional approval of the BGSS-RSG Commodity Charge.

4. The Parties agree that an update of the company's Balancing Charge and Gas Supply Administrative and General ("A&G") charge should be included in next year's BGSS filing expected to be made on or about June 1, 2015. The Company will include updated calculations for both in the filing, as well as updated tariff sheets to reflect the change.

5. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-PSCHART-1) attached hereto as Exhibit A; and 2) a monthly report of unitized credits to the BGSS (ISG, CSG, Cogeneration, TSG-F, Off System Sales, Capacity Releases, Gas to Electric and Supplier Refunds) and the associated dollar amounts (attached hereto as Exhibit B). The chart reflected on Exhibit A is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B is to be submitted to the Parties on approximately the 15th of the following month.

³ Customer bill impacts do not include bill credits. As reflected in the January 22, 2015 notification to the Board, the \$0.28 per therm bill credit will be removed effective April 1, 2014 and, absent a further bill credit, the Board authorized BGSS-RSG commodity charge of \$0.451880 per therm (including SUT) will remain in effect for the balance of the period.

6. The undersigned agree that this Stipulation for a Final BGSS-RSG Commodity charge contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, this Stipulation shall be null and void, and the parties shall be placed in the same position that they were in immediately prior to its execution.


7. The undersigned further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.


8. The undersigned parties further HEREBY AGREE that this Stipulation for a Final BGSS-RSG Commodity charge has been made exclusively for the purpose of this proceeding and that this Stipulation, in total or specific item, is in no way

binding upon them in any other proceeding, except to enforce the terms of this Stipulation for a Final BGSS-RSG Commodity charge.

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

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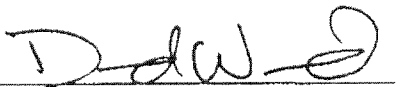
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BY: 
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DATED: March 24, 2015

DATED: March 25, 2015

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

BY: 
T. David Wand
Deputy Attorney General

DATED: 3/24/15

**BGSS NYMEX Update Report
as of February 6, 2015**

<u>Month</u>	<u>a</u> <u>BGSS</u>	<u>b</u> <u>NYMEX</u>	<u>c = b - a</u> <u>Incr/</u> <u>(Decr)</u>	<u>% Chg</u>	<u>d</u> <u>Sales</u> <u>forecast (dths)</u>	<u>e</u> <u>Receipts</u> <u>(dths)</u>	<u>f</u> <u>Hedged</u> <u>volume (dths)</u>	<u>g = e - f</u> <u>Unhedged</u> <u>volume (dths)</u>	<u>h = c x g</u> <u>Change in</u> <u>value unhedged</u>
Oct-13	\$3.498	\$3.498	\$0.000		6,124	8,214	4,708	3,506	\$0
Nov-13	\$3.496	\$3.496	\$0.000		15,486	14,059	6,509	7,550	\$0
Dec-13	\$3.818	\$3.818	\$0.000		21,675	13,267	6,726	6,541	\$0
Jan-14	\$4.407	\$4.407	\$0.000		29,279	19,045	6,726	12,320	\$0
Feb-14	\$5.557	\$5.557	\$0.000		24,249	14,508	6,075	8,433	\$0
Mar-14	\$4.855	\$4.855	\$0.000		21,028	15,349	6,726	8,624	\$0
Apr-14	\$4.584	\$4.584	\$0.000		9,798	12,760	4,573	8,187	\$0
May-14	\$4.795	\$4.795	\$0.000		4,267	11,285	4,725	6,560	\$0
Jun-14	\$4.434	\$4.619	\$0.185		3,500	10,843	4,573	6,271	\$1,160
Jul-14	\$4.439	\$4.400	(\$0.039)		3,117	9,669	4,725	4,944	(\$193)
Aug-14	\$4.436	\$3.808	(\$0.628)		3,274	8,397	4,725	3,672	(\$2,306)
Sep-14	\$4.413	\$3.957	(\$0.456)		3,388	7,564	4,573	2,991	(\$1,364)
Avg Total \$	\$4.394	\$4.316	(\$0.078)	-1.8%	145,184	144,961	65,362	79,599	(\$2,703)
Oct-14	\$4.422	\$3.984	(\$0.438)		5,945	8,960	4,725	4,235	(\$1,855)
Nov-14	\$4.467	\$3.728	(\$0.739)		16,958	14,686	6,500	8,185	(\$6,049)
Dec-14	\$4.573	\$4.282	(\$0.291)		19,958	17,972	6,717	11,255	(\$3,275)
Jan-15	\$4.640	\$3.189	(\$1.451)		28,361	9,050	6,717	2,333	(\$3,385)
Feb-15	\$4.614	\$2.866	(\$1.748)		19,693	6,583	6,067	516	(\$902)
Mar-15	\$4.519	\$2.579	(\$1.940)		16,805	13,919	6,717	7,203	(\$13,973)
Apr-15	\$4.072	\$2.602	(\$1.470)		7,965	9,772	4,278	5,494	(\$8,077)
May-15	\$4.046	\$2.645	(\$1.401)		4,362	10,490	4,421	6,069	(\$8,503)
Jun-15	\$4.064	\$2.695	(\$1.369)		2,569	9,079	4,278	4,801	(\$6,572)
Jul-15	\$4.088	\$2.756	(\$1.332)		2,497	9,284	4,421	4,864	(\$6,479)
Aug-15	\$4.083	\$2.772	(\$1.311)		2,463	9,277	4,421	4,856	(\$6,367)
Sep-15	\$4.068	\$2.765	(\$1.303)		2,583	9,268	4,278	4,990	(\$6,502)
Avg Total \$	\$4.305	\$3.072	(\$1.233)	-28.6%	130,160	128,340	63,538	64,803	(\$71,940)

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing

d: Sales forecast (includes fuel requirement)

e: Receipt volumes and projections

f: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

g: 'Unhedged' volume consists of receipts volume forecast less 'hedged' volume

h: Not necessarily representative of a change in under/over-recovery value

Public Service Electric and Gas Company**Unitized Credits to BGSS-RSG****February 2015**

<u>Contribution Category</u>	BGSS-RSG		Unitized
	Share of the	Unitized	
	<u>Credits</u>	<u>Volumes</u>	<u>Credits</u>
	(\$ 000)	(MDth)	(\$/Dth)
Interruptible Service Gas (ISG)	\$52	75	\$0.696
Cogeneration	\$1,583	1,679	\$0.942
Transportation Service Gas-Firm (TSG-F)	\$243	231	\$1.049
Off-System Sales	\$28,534	2,461	\$11.596
Capacity Release	\$7,851	7,053	\$1.113
Gas to Electric	\$2,368	8,885	\$0.267
CSG Non Power	\$98	381	\$0.258
Supplier Refunds	(\$17)	n/a	n/a

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

Seventeenth Revised Sheet No. 54

Superseding

B.P.U.N.J. No. 15 GAS

Corrected Sixteenth Revised Sheet No. 54

BGSS-RSG

BASIC GAS SUPPLY SERVICE-RSG

COMMODITY CHARGES APPLICABLE TO RATE SCHEDULE RSG

(Per Therm)

Estimated Non-Gulf Coast Cost of Gas	\$ 0.063377
Capital Adjustment Charge (See Tariff Sheet Nos. 48 to 49)	0.000000
Adjusted Non-Gulf Coast Cost of Gas	0.063377
Estimated Gulf Coast Cost of Gas	0.424290
Adjustment to Gulf Coast Cost of Gas	0.000000
Prior period (over) or under recovery	(0.067450)
Adjusted Cost of Gas	0.420217

Commodity Charge after application of losses: (Loss Factor = 0.5%)..... \$ 0.422318

Commodity Charge including New Jersey Sales and Use Tax (SUT)..... \$ 0.451880

The above Commodity Charge will be established on a level annualized basis immediately prior to the winter season of each year for the succeeding twelve-month period. The estimated average Non-Gulf and Gulf Coast Cost of Gas will be adjusted for any under- or over-recovery together with applicable interest thereon which may have occurred during the operation of the Company's previously approved Commodity Charge filing. Further, the Company will be permitted a limited self-implementing increase to the Commodity Charge on December 1 and February 1 of each year. These limited self-implementing increases, if applied, are to be in accordance with a Board of Public Utilities approved methodology. Commodity Charge decreases would be permitted at any time if applicable.

The difference between actual costs and Public Service's recovery of these costs shall be determined monthly. If actual costs exceed the recovery of these costs, an underrecovery or a negative balance will result. If the recovery of these costs exceeds actual costs, an overrecovery or a positive balance will result. Interest shall be applied monthly to the average monthly cumulative deferred balance, positive or negative, from the beginning to the end of the annual period. Monthly interest on negative deferred balances (underrecoveries) shall be netted against monthly interest on positive deferred balances (overrecoveries) for the annual period. A cumulative net positive interest balance at the end of the annual period is owed to customers and shall be returned to customers in the next annual period. A cumulative net negative interest balance shall be zeroed out at the end of the annual period. The sum of the calculated monthly interests shall be added to the overrecovery balance or subtracted from the underrecovery balance at the end of the annual period. The positive interest balance shall be rolled into the beginning under- or over-recovery balance of the subsequent annual period.

Pursuant to the Board's January 6, 2003 Order approving the BGSS price structure under Docket No. GX01050304 and the BGSS Pricing Proposal appended as Attachment A to and approved in that Order, Public Service Electric and Gas Company may issue a bill credit for its BGSS-RSG customers as detailed below.

Effective	BGSS-RSG Credit (per therm)	BGSS-RSG Credit including SUT (per therm)
November 1, 2014 through April 30, 2015	(\$0.261682)	(\$0.280000)
May 1, 2015	\$0.000000	\$0.000000

Date of Issue: March 23, 2015

Effective: April 1, 2015

Issued by DANIEL J. CREGG, Vice President Finance – PSE&G

80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated January 6, 2003 and September 30, 2014
in Docket Nos. GX01050304 and GR14050512



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 16108-14

AGENCY DKT. NO. GR14050512

**I/M/O THE PETITION OF
PUBLIC SERVICE ELECTRIC AND GAS COMPANY'S
2014/2015 ANNUAL BASIC GAS SUPPLY SERVICE
(BGSS) COMMODITY CHARGE FILING FOR ITS
RESIDENTIAL GAS CUSTOMERS UNDER ITS PERIODIC
PRICING MECHANISM.**

Alexander C. Stern, Associate General Regulatory Counsel, for petitioner Public Service Electric & Gas Company (PSEG Services Corporation, attorneys)

David Wand and **Alex Moreau**, Deputy Attorneys General, for respondent Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey, attorneys)

Felicia Thomas-Friel, Esq., Deputy Rate Counsel for respondent

Christine M. Juarez and **Sara H. Steindel**, Assistant Deputy Rate Counsel for respondent Division of Rate Counsel (Stefanie A. Brand, Director, attorneys)

Record Closed: March 27, 2015

Decided: March 27, 2015

BEFORE TIFFANY M. WILLIAMS, ALJ:

This matter was transmitted to the Office of Administrative Law on December 3, 2014, for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

The parties agreed to an amicable resolution of the matter and submitted a Stipulation of Settlement indicating the terms thereof, which is attached and fully incorporated herein.

I have reviewed the record and the terms of settlement and I **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures or their representatives' signatures.
2. The settlement fully disposes of all issues in controversy and is consistent with the law.

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the **BOARD OF PUBLIC UTILITIES** does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

Tiffany M Williams

March 27, 2015
DATE

TIFFANY M. WILLIAMS, ALJ

Date Received at Agency:

March, 27, 2015

Date Mailed to Parties:

rr