

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC CUSTOMERS

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF ELECTRIC INFRASTRUCTURE INVESTMENT RECOVERY CHARGES PURSUANT TO THE SECOND ENERGY STRONG PROGRAM (ENERGY STRONG II)

Notice of Filing and Notice of Public Hearings | Docket No. ER20120736

PLEASE TAKE NOTICE that, on December 1, 2020, Public Service Electric and Gas Company ("Public Service," "PSE&G," or "Company") filed a petition and supporting documentation with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking Board approval for cost recovery associated with the extension of the Company's Energy Strong Program ("ES II" or "Program").

On September 11, 2019, the Board issued an Order approving ES II in Docket Nos. EO18060629 and GO18060630 ("Order"). The Order provided approval to invest up to \$842 million, with \$691.5 million recovered through the Energy Strong II Rate Mechanism and \$150.5 million within Stipulated Base to harden its electric and gas infrastructure to make it less susceptible to damage from wind, flying debris and water damage in anticipation of future major storm events and to strengthen the resiliency of PSE&G's delivery system. It was anticipated that these investments would be made over a four (4)-year period beginning on the effective date of the Board's Order, with certain investments anticipated to be made over a five (5)-year period.

Under the Company's proposal, PSE&G seeks Board approval to recover an estimated annual revenue increase of approximately \$12.7 million from the Company's electric customers through the Energy Strong II Rate Mechanism associated with approximately \$105.9 million of capitalized actual ES II investment costs incurred through January 31, 2021.

For illustrative purposes, the estimated base rates effective May 1, 2021, including New Jersey Sales and Use Tax ("SUT") for Residential Rate Schedule RS, are shown in Table #1.

Table #2 provides customers with the approximate impact of the proposed increase in rates relating to ES II, if approved by the Board. The annual percentage increase applicable to specific customers will vary according to the applicable rate schedule and the level of the customer's usage.

Under the Company's proposal, a residential electric customer using 740 kilowatt-hours per month during the summer months, and 6,920 kilowatt-hours on an annual basis, would see an increase in the annual bill from \$1,280.40 to \$1,285.92, or \$5.52, or approximately 0.43%. The approximate effect of the proposed increase on typical electric residential monthly bills, if approved by the Board, is illustrated in Table #3 below.

Any rate adjustments with resulting changes in bill impacts found by the Board to be just and reasonable as the result of the Company's filing may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:2-21 and for other good and legally sufficient reasons to any class or classes of customers of the Company. Therefore, the described charges may increase or decrease based upon the Board's decision.

The Company's filing is available for review online at the PSEG website at <http://www.pseg.com/pseandgfilings>.

Due to the COVID-19 pandemic, telephonic public hearings have been scheduled on the following date and times so that members of the public may present their views on the Company's filing.

Date: Wednesday, March 24, 2021 **Times:** 4:30 p.m. and 5:30 p.m.

Dial-in Number: (888) 475-4499 (Toll Free)

Meeting ID: 965 0346 2382 **Passcode:** 694278

Representatives from the Company, Board Staff, and the New Jersey Division of Rate Counsel will participate in the public hearings. Members of the public are invited to listen, and if they choose, express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Members of the public may email comments to the Secretary of the Board either in PDF or Word format to board.secretary@bpu.nj.gov or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need

an authorization code which can be obtained upon request by emailing the Board's IT Helpdesk at bpuihelpdesk@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>.

Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350.

Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

Table #1 – Energy Strong II Rate Mechanism for Residential RS Customers Rates if Effective May 1, 2021

		Base Rates	
		Charges in Effect February 1, 2021 Including SUT	Proposed Charges in Effect May 1, 2021 Including SUT
Service Charge	per month	\$0.00	\$0.00
Distribution 0-600, June-September	\$/kWh	0.000000	0.001868
Distribution 0-600, October-May	\$/kWh	0.000000	0.000000
Distribution Over 600, June-September	\$/kWh	0.000000	0.001868
Distribution Over 600, October-May	\$/kWh	0.000000	0.000000

Table #2 – Proposed Percentage Change in Revenue by Customer Class for Electric Service for Rates if Effective May 1, 2021

	Rate Class	Percent Change
Residential Service	RS	0.42
Residential Heating	RHS	0.44
Residential Load Management	RLM	0.29
Water Heating	WH	0.45
Water Heating Storage	WHS	0.26
Building Heating	HS	0.15
General Lighting & Power	GLP	0.11
Large Power & Lighting- Sec.	LPL-S	0.09
Large Power & Lighting- Pri.	LPL-P	0.06
High Tension-Subtr.	HTS-S	0.08
High Tension-HV	HTS-HV	0.04
Body Politic Lighting	BPL	0.02
Body Politic Lighting-POF	BPL-POF	0.04
Private Street & Area Lighting	PSAL	0.02
	Overall	0.22

The percent increases noted above are based upon February 1, 2021 Delivery Rates and assume that customers receive commodity service from Public Service Electric and Gas Company.

Table #3 – Residential Electric Service for Rates if Effective May 1, 2021

If Your Annual kWh Use Is:	And Your Monthly Summer kWh Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Increase Would Be:	And Your Monthly Summer Percent Increase Would Be:
1,732	185	\$37.73	\$38.07	\$0.34	0.90%
3,464	370	70.52	71.21	0.69	0.98
6,920	740	137.98	139.36	1.38	1.00
7,800	803	150.00	151.50	1.50	1.00
12,500	1,337	251.89	254.38	2.49	0.99

- (1) Based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect February 1, 2021 and assumes that the customer receives BGS-RSCP service from Public Service Electric and Gas Company.
- (2) Same as (1) except includes the proposed change for the Energy Strong II Program.



PUBLIC SERVICE ELECTRIC AND GAS COMPANY

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