



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
**www.nj.gov/bpu/**

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC )  
SERVICE ELECTRIC AND GAS COMPANY'S )  
2018/2019 ANNUAL BGSS COMMODITY CHARGE )  
FILING FOR ITS RESIDENTIAL GAS CUSTOMERS )  
UNDER ITS PERIODIC PRICING MECHANISM AND )  
FOR CHANGES IN ITS BALANCING CHARGE )  
DECISION AND ORDER  
APPROVING STIPULATION  
FOR PROVISIONAL RATES  
DOCKET NO. GR18060606

**Parties of Record:**

**Matthew M. Weissman, Esq.**, on behalf of Public Service Electric and Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:<sup>1</sup>

On June 1, 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition ("2018 BGSS Petition") with the New Jersey Board of Public Utilities ("Board") seeking approval to modify its Basic Gas Supply Service ("BGSS") Residential Gas Service ("BGSS-RSG") rate as well as its Balancing Charge. By this Decision and Order, the Board considers a Stipulation for Provisional Rates ("Stipulation") executed by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, the "Parties") requesting that the Board approve changes in the BGSS-RSG Balancing Charge rates on a provisional basis, subject to refund with interest.

**BACKGROUND**

By Order dated January 6, 2003,<sup>2</sup> in Docket No. GX01050304 ("January 2003 BGSS Order"), the Board directed each of New Jersey's four (4) gas distribution companies ("GDC's"), to submit to the Board June 1 its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October 1. In addition, the January 2003 BGSS Order authorizes each GDC to self-implement up to a five (5) percent BGSS rate increase effective December 1 of the

<sup>1</sup> Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

<sup>2</sup> In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act N.J.S.A. 48:3-49 et seq. – BGSS Pricing, BPU Docket No. GX01050304 (January 6, 2003).

current year and February 1 of the following year with one (1) month's advance notice to the Board and the New Jersey Division of Rate Counsel ("Rate Counsel") and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

Pursuant to the January 2003 BGSS Order, on June 1, 2018, the Company filed the instant petition with the Board seeking approval to decrease its current BGSS-RSG rate per therm from \$0.368938<sup>3</sup> to \$0.349579 effective October 1, 2018.

The 2018 BGSS Petition also sought authority to increase its Balancing Charge, from the current charge of \$0.090052 per therm to \$0.102825 per therm effective October 1, 2018. The Balancing Charge is applicable only for the period November through March. The impact of the requested BGSS-RSG Charge and Balancing Charge change for a typical residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in their monthly winter bill of \$7.07. A typical residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see a decrease in their annual bill of \$11.71 (both calculations based upon rates in effect on September 1, 2018 and assuming the customer receives BGSS service from PSE&G).

Subsequent to the June 1, 2018 filing, the Company made a compliance filing in response to the Board's Order in the Company's Petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program ("Energy Strong") in Docket Nos. ER18040358 and GR18040359. As a result of the settlement of Energy Strong, the Company's BGSS-RSG Commodity Charge was decreased from \$0.368938 per therm (including losses and SUT) to \$0.368937 per therm, effective September 1, 2018.<sup>4</sup>

After publication of notices in newspapers of general circulation in the Company's service territory, public hearings were conducted on August 21, 27, and 29, 2018, in New Brunswick, Hackensack, and Mt. Holly, New Jersey, respectively. Six (6) members of the public spoke and expressed general concerns regarding utility bills and service shutoffs for lack of payment. No member of the public commented specifically on the BGSS Petition.

## **STIPULATION**

Following further review and discussion, the Parties determined that additional time is needed to complete a review of the Company's Petition. Accordingly, on September 11, 2018, the Parties executed the Stipulation for Provisional rates, which provides for the following.<sup>5</sup>

1. The Company's BGSS Commodity Service, tariff rate BGSS-RSG, shall provisionally be decreased from \$0.368937 per therm (including losses and SUT)

<sup>3</sup> All rates quoted herein include losses and Sales and Use Tax ("SUT") unless otherwise stated.

<sup>4</sup> As a result of the BGSS-RSG commodity decrease approved in the Board's Order in the Energy Strong Matter, a typical residential gas heating customer using 100 therms per month during the winter months and 610 therms on annual basis would see no change in the monthly winter bill. Further, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see no change in their annual bill.

<sup>5</sup> Although summarized in this Order, should there be any conflict between this summary and this Stipulation, the terms of the Stipulation control subject to the findings and conclusion in this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

to \$0.349579 per therm (including losses and SUT). This BGSS-RSG Commodity Charge is on a provisional basis, subject to refund with interest on any net over-recovered BGSS-RSG balance.

2. The Company's Balancing Charge, which recovers the cost of providing storage and peaking services and is assessed for the five winter months -- November 1 to March 31 -- shall be increased on a provisional basis, subject to refund with interest on any net over or under-recovered balance, from the current charge of \$0.090052 per therm (including losses and SUT) to a charge of \$0.102825 per therm (including losses and SUT).
3. There will be an opportunity for full review of all the changes requested by the Company at the Office of Administrative Law, if applicable and necessary and final approval by the Board.
4. The residential customer impact of this action is as follows: MONTHLY – a residential customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in their monthly winter bill of \$0.87. ANNUAL – a residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see a decrease in their annual bill of \$11.71 (both calculations based upon rates in effect on September 1, 2018 and assuming the customer receives BGSS service from PSE&G). The agreed-upon provisional rate would result in a decrease in BGSS revenues during the 2018-2019 BGSS year of approximately \$24.8 million (excluding losses and SUT). The Company requests that the provisional rate become effective as of October 1, 2018, or as soon as possible upon the issuance of a Board Order approving the Stipulation.
5. The Board, in its January 6, 2003 BGSS Order, granted approval to increase the BGSS-RSG Commodity Charge to be effective December 1 of the year of the annual BGSS filing, and/or February 1 of the year following the annual BGSS filing, on a self-implementing basis, with each such increase being subject to a maximum rate increase of 5% of the average rate based on a typical 100 therms per month average (1,200 therms annual usage) residential customer's total bill. Such rate increases shall be preconditioned upon written notice by PSE&G to Board Staff and Rate Counsel no later than November 1 and/or January 1 of its intention to apply a December 1 or a February 1 self-implementing rate increase, respectively, and of the approximate amount of the increases based upon then-current market data. The Company is permitted to decrease its BGSS-RSG Commodity Charge at any time, upon five (5) days' notice to the Board and Rate Counsel. Pursuant to the Board's January 2003 BGSS Order, any self-implementing increases or decreases would be provisional, and subject to reconciliation during the Company's next annual BGSS filing.
6. The Company will provide updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the provisional rate of \$0.349579 per therm (including losses and SUT) for the BGSS-RSG Commodity Charge and \$0.102825 per therm (including losses and SUT) for the Balancing Charge agreed to by the parties in the Stipulation. The proposed tariff sheets are attached hereto as Exhibit A to the Stipulation.

**DISCUSSION AND FINDING**

The Board has carefully reviewed the record to date in this proceeding and the attached Stipulation. The Board **HEREBY FINDS** Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation, attached hereto as its own, as though fully set forth herein.

The Board **HEREBY ORDERS** that PSE&G's BGSS-RSG per therm rate should be provisionally decreased to \$0.349579 per therm and the Balancing Charge be increased to \$0.102825 per therm. The above changes shall be made effective for services rendered on and after October 1, 2018. Any net over-recovered BGSS-RSG or Balancing Charge balance at the end of the BGSS period shall be subject to refund with interest.

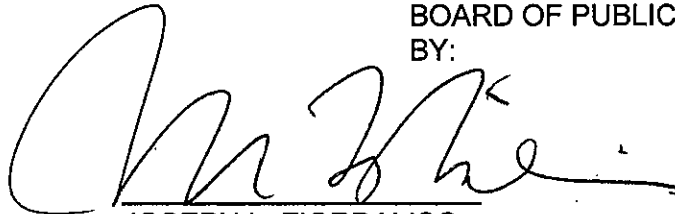
The Board **HEREBY DIRECTS** the Company to file tariff sheets consistent with the Board's Order by October 1, 2018.

The Company's costs, including those related to BGSS, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions deemed to be appropriate as a result of any such audit.

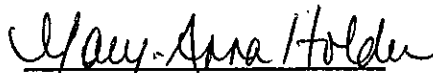
The effective date of this Order is September 27, 2018.

DATED: 9/17/18

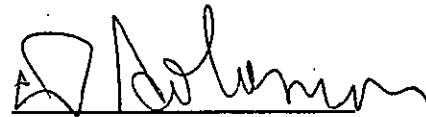
BOARD OF PUBLIC UTILITIES  
BY:



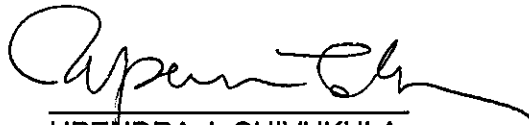
JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER

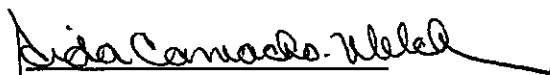


DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
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 2018/2019  
ANNUAL BGSS COMMODITY CHARGE FILING FOR ITS RESIDENTIAL GAS CUSTOMERS  
UNDER ITS PERIODIC PRICING MECHANISM AND FOR CHANGES IN ITS BALANCING  
CHARGE

BPU DOCKET No. GR18060606

SERVICE LIST

**New Jersey Division of Rate Counsel**

140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Felicia Thomas-Friel, Esq.  
[ftomas@rpa.nj.gov](mailto:ftomas@rpa.nj.gov)

Sarah H. Steindel Esq.  
[sarah.steindel@rpa.nj.gov](mailto:sarah.steindel@rpa.nj.gov)

Brian O. Lipman, Litigation Manager  
[brian.lipman@rpa.nj.gov](mailto:brian.lipman@rpa.nj.gov)

**PSE&G Gas**

Matthew M. Weissman, Esq.  
Associate General Regulatory Counsel  
PSE&G Services Corporation  
80 Park Plaza-T5  
Newark, NJ 07102  
[matthew.weissman@pseg.com](mailto:matthew.weissman@pseg.com)

Michele Falcao  
PSE&G  
80 Park Plaza, T8C  
P.O. Box 570  
Newark, NJ 07102  
[michele.falcao@pseg.com](mailto:michele.falcao@pseg.com)

**New Jersey Board of Public Utilities**

44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350

Aida Camacho-Welch  
Secretary of the Board  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Director  
Division of Energy  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Beverly Tyndell  
Division of Energy  
[beverly.tyndell@bpu.nj.gov](mailto:beverly.tyndell@bpu.nj.gov)

Megan Lupo, Esq.  
Counsel's Office  
[megan.lupo@bpu.nj.gov](mailto:megan.lupo@bpu.nj.gov)

**Division of Law**

Department of Law & Public Safety  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029

Alex Moreau, DAG.  
[alex.moreau@law.njoag.gov](mailto:alex.moreau@law.njoag.gov)

Emma Xiao, DAG  
[emma.xiao@law.njoag.gov](mailto:emma.xiao@law.njoag.gov)

Geoffrey R. Gersten, DAG  
[Geoffrey.gersten@law.njoag.gov](mailto:Geoffrey.gersten@law.njoag.gov)

Justin B. Incardone  
Associate General Regulatory Counsel

Law Department  
80 Park Plaza, T-5G, Newark, New Jersey 07102-4194  
Tel: 973.430.6163 fax: 973.430.5983  
Email: Justin.Incardone@pseg.com



September 12, 2018

Via Overnight Mail

In the Matter of Public Service Electric and  
Gas Company's 2018/2019 Annual BGSS Commodity  
Charge Filing for its Residential Gas Customers  
Under its Periodic Pricing Mechanism

BPU Docket No. GR18060606

Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing by Public Service Electric and Gas Company ("Company"), please find an original and ten copies of the Company's fully-executed Stipulation for Provisional BGSS Rates in the captioned matter.

Very truly yours,

A handwritten signature in black ink, appearing to be the initials "JBI" in a stylized, cursive font.

Justin B. Incardone

Attach.

C Service List (Electronic)

**BPU**

Aida Camacho-Weich  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-0350  
[aida.camacho@bpu.nj.gov](mailto:aida.camacho@bpu.nj.gov)

**BPU**

Beverly Tyndell-Broomfield  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08265-0350  
(609) 777-1689  
[beverly.tyndell@bpu.nj.gov](mailto:beverly.tyndell@bpu.nj.gov)

**DAG**

Alex Moreau DAG  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street, 5th Flr.  
P.O. Box 45029  
Newark NJ 07101  
(973) 648-3762  
[Alex.Moreau@dol.lps.state.nj.us](mailto:Alex.Moreau@dol.lps.state.nj.us)

**PSE&G**

Justin Incardone Esq.  
PSEG Services Corporation  
80 Park Plaza, T5  
P.O. Box 570  
Newark NJ 07102  
(973) 430-6163  
[justin.incardone@pseg.com](mailto:justin.incardone@pseg.com)

**Rate Counsel**

Lisa Gurkas  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
[lgurkas@rpa.state.nj.us](mailto:lgurkas@rpa.state.nj.us)

**Rate Counsel**

Sarah Steindel  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
[ssteinde@rpa.state.nj.us](mailto:ssteinde@rpa.state.nj.us)

**BPU**

Megan Lupo  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-0350  
[megan.lupo@bpu.nj.gov](mailto:megan.lupo@bpu.nj.gov)

**DAG**

Geoffrey Gersten  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street, 5th Flr.  
P.O. Box 45029  
Newark NJ 07101  
(973) 648-3510  
[geoffrey.gersten@dol.lps.state.nj.us](mailto:geoffrey.gersten@dol.lps.state.nj.us)

**DAG**

Caroline Vachier DAG  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street, 5th Flr.  
P.O. Box 45029  
Newark NJ 07101  
(973) 648-3709  
[caroline.vachier@dol.lps.state.nj.us](mailto:caroline.vachier@dol.lps.state.nj.us)

**PSE&G**

Matthew M. Weissman Esq.  
PSEG Services Corporation  
80 Park Plaza, T5  
P.O. Box 570  
Newark NJ 07102  
(973) 430-7052  
[matthew.weissman@pseg.com](mailto:matthew.weissman@pseg.com)

**Rate Counsel**

Brian O. Lipman  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

**Rate Counsel**

Felicia Thomas-Friel  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
[ftomas@rpa.nj.gov](mailto:ftomas@rpa.nj.gov)

**BPU**

Stacy Peterson  
Board of Public Utilities  
44 South Clinton Avenue  
3rd Floor, Suite 314  
P.O. Box 350  
Trenton NJ 08625-0350  
(609) 292-4517  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

**DAG**

Patricia A. Krogman DAG  
NJ Dept of Law & Public Safety  
Division of Law  
124 Halsey Street, 5th Flr.  
P.O. Box 45029  
Newark NJ 07101  
(973) 648-3441  
[patricia.krogman@dol.lps.state.nj.us](mailto:patricia.krogman@dol.lps.state.nj.us)

**DAG**

Emma Xiao DAG  
NJ Dept of Law & Public Safety  
Division of Law  
124 Halsey Street, 2nd Floor  
Newark NJ 07101  
[emma.xiao@law.njoag.gov](mailto:emma.xiao@law.njoag.gov)

**Rate Counsel**

Stefanie A. Brand  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
[sbrand@rpa.state.nj.us](mailto:sbrand@rpa.state.nj.us)

**Rate Counsel**

Shelly Massey  
Division of Rate Counsel  
140 East Front Street, 4th Flr.  
P.O. Box 003  
Trenton NJ 08625  
(609) 984-1460  
[smassey@rpa.nj.gov](mailto:smassey@rpa.nj.gov)

**Rate Counsel Consultant**

Andrea Crane  
The Columbia Group, Inc.  
2805 East Oakland Park Blvd., #401  
Ft. Lauderdale FL 33306  
203-917-9709  
[ctecolumbia@aol.com](mailto:ctecolumbia@aol.com)

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF PUBLIC SERVICE	)	
ELECTRIC AND GAS COMPANY'S	)	
2018/2019 ANNUAL BGSS COMMODITY	)	STIPULATION FOR
CHARGE FILING FOR ITS RESIDENTIAL	)	PROVISIONAL BGSS RATES
GAS CUSTOMERS UNDER ITS PERIODIC	)	
PRICING MECHANISM AND FOR CHANGES IN	)	BPU DOCKET NO. GR18060606
ITS BALANCING CHARGE	)	

**APPEARANCES:**

**Matthew M. Weissman, Esq.**, General State Regulatory Counsel, and **Justin B. Incardone, Esq.**, Associate General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

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

**Alex Moreau, Patricia Krogman, and Emma Yao Xiao**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal, Attorney General of New Jersey**)

On June 1, 2018, Public Service Electric and Gas Company ("PSE&G" or "the Company") made a filing in the above-referenced matter requesting a decrease in annual Basic Gas Supply Service ("BGSS") gas revenues of approximately \$24.8 million (excluding losses and New Jersey Sales and Use Tax ("SUT")) to be implemented for service rendered on and after October 1, 2018 or earlier, should the New Jersey Board of Public Utilities ("BPU" or "Board") deem it appropriate. Additionally, the Company requested an increase in its Balancing Charge. More specifically, in the June 1<sup>st</sup> filing, the Company requested to: (1) decrease the BGSS Commodity Charge to Residential Service Customers ("BGSS-RSG") from \$0.368938 per therm (including losses and SUT) to \$0.349579 per therm (including losses and SUT); and (2) increase its Balancing Charge, which recovers the cost of providing storage and peaking services, from the current charge of \$0.090052 per therm (including losses and SUT) to a charge of \$0.102825 per therm (including losses and SUT).



As filed, the proposed change would decrease the annual bill for a typical residential heating customer using 165 therms per winter months and 1,010 therms annually from \$879.16 to \$867.45, a decrease of \$11.71, or approximately 1.3% (based upon rates in effect on June 1, 2018 and assuming the customer receives BGSS service from PSE&G). The proposed change as filed would decrease the annual bill for a residential heating customer using 100 therms per month during the winter months and 610 therms annually from \$558.56 to \$551.49, a decrease of \$7.07, or approximately 1.3% (based upon rates in effect on June 1, 2018 and assuming the customer receives BGSS service from PSE&G). Notice setting forth the Company's June 1, 2018 request for the BGSS Commodity Charge decrease and Balancing Charge increase, including the date, time, and place of public hearings, 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 New Brunswick, Hackensack, and Mt. Holly on August 21, 27, and 29, 2018, respectively. Six members of the public spoke and expressed general concerns regarding utility bills and service shutoffs for lack of payment. No member of the public commented specifically on this BGSS filing.

Subsequent to the June 1, 2018 Filing, the Company made a compliance filing on August 31, 2018 in response to the Board's Order in the Company's petition for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program ("Energy Strong Matter") in Docket Nos. ER18040358 and GR18040359. As a result of the settlement of the Energy Strong Matter, the Company's BGSS-RSG Commodity Charge was decreased from \$0.368938 per therm (including losses and SUT) to \$0.368937 per therm (including losses and SUT) effective September 1, 2018.<sup>1</sup>

---

<sup>1</sup> As a result of the BGSS-RSG commodity decrease approved in the Board's Order in the Energy Strong Matter, a typical residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see no change in

PSE&G, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "the Parties") have determined that additional time is needed to complete the review of the Company's proposed BGSS-RSG Commodity Charge and Balancing Charge. However, the Parties also agree that action with respect to the Company's BGSS-RSG Commodity Charge for the 2018-2019 BGSS year and Balancing Charge, on a provisional basis, is reasonable at this time and HEREBY AGREE as follows:

1. The Company's BGSS Commodity Service, tariff rate BGSS-RSG, shall provisionally be decreased from \$0.368937 per therm (including losses and SUT) to \$0.349579 per therm (including losses and SUT). This BGSS-RSG Commodity Charge is on a provisional basis, subject to refund with interest on any net over-recovered BGSS-RSG balance.

2. The Company's Balancing Charge, which recovers the cost of providing storage and peaking services and is assessed for the five winter months -- November 1 to March 31 -- shall be increased on a provisional basis, subject to refund with interest on any net over or under-recovered balance, from the current charge of \$0.090052 per therm (including losses and SUT) to a charge of \$0.102825 per therm (including losses and SUT).

3. There will be an opportunity for full review of all the changes requested by the Company at the Office of Administrative Law, if applicable and necessary, and final approval by the Board.

4. The residential customer impact of this action is as follows: MONTHLY – a residential customer using 100 therms per month during the winter months and 610 therms on an annual basis would see a decrease in their monthly winter bill of \$0.87. ANNUAL – a residential customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see a decrease in their annual bill of \$11.71 (both calculations based upon rates in effect on

---

the monthly winter bill. Further, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see no change in their annual bill.

September 1, 2018 and assuming the customer receives BGSS service from PSE&G). The agreed-upon provisional rate would result in a decrease in BGSS revenues during the 2018-2019 BGSS year of approximately \$24.8 million (excluding losses and SUT). The Company requests that the provisional rate become effective as of October 1, 2018, or as soon as possible upon the issuance of a Board Order approving this Stipulation.

5. The Board, in its generic Order in Docket No. GX01050304 dated January 6, 2003, granted approval to increase the BGSS-RSG Commodity Charge to be effective December 1 of the year of the annual BGSS filing, and/or February 1 of the year following the annual BGSS filing, on a self-implementing basis, with each such increase being subject to a maximum rate increase of 5% of the average rate based on a typical 100 therms per month average (1,200 therms annual usage) residential customer's total bill. Such rate increases shall be preconditioned upon written notice by PSE&G to BPU Staff and Rate Counsel no later than November 1 and/or January 1 of its intention to apply a December 1 or a February 1 self-implementing rate increase, respectively, and of the approximate amount of the increases based upon then-current market data. The Company is permitted to decrease its BGSS-RSG Commodity Charge at any time, upon five (5) days' notice to the Board and Rate Counsel. Pursuant to the Board's January 2003 Order, any self-implementing increases or decreases would be provisional, and subject to reconciliation during the Company's next annual BGSS filing.

6. The Company will provide updated tariff sheets within five (5) business days of the effective date of the Board's Order in this docket reflecting the provisional rate of \$0.349579 per therm (including losses and SUT) for the BGSS-RSG Commodity Charge and \$0.102825 per therm (including losses and SUT) for the Balancing Charge agreed to by the parties in this Stipulation. The proposed tariff sheets are attached hereto as Exhibit A to this Stipulation.

7. The undersigned Parties recommend to the Board that this matter be transmitted to the Office of Administrative Law for an opportunity for full review of all issues, including the provisional rate approved by the Board.


8. The undersigned agree that this Stipulation for a Provisional BGSS-RSG Commodity Charge and Balancing Charge contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. If 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.

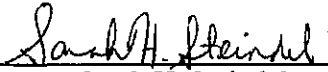
9. The undersigned further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

10. The undersigned Parties further HEREBY AGREE that this Stipulation for a Provisional BGSS-RSG Commodity Charge and Balancing 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 Provisional BGSS-RSG Commodity Charge and Balancing Charge.

PUBLIC SERVICE ELECTRIC AND  
GAS COMPANY

STEFANIE A. BRAND  
DIRECTOR,  
DIVISION OF RATE COUNSEL

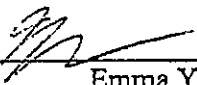
BY:   
Justin B. Incardone  
Associate General Regulatory Counsel

BY:   
Sarah H. Steindel  
Assistant Deputy Rate Counsel

DATED: September 10, 2018

DATED: September 12, 2018

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the Board of Public Utilities

BY:   
Emma Yao Xiao  
Deputy Attorney General

DATED: September 10, 2018

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 54

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

Superseding

XXX 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 .....	\$ 0.056548
Capital Adjustment Charge (See Tariff Sheet Nos. 48 to 49) .....	<u>0.000000</u>
Adjusted Non-Gulf Coast Cost of Gas .....	0.056548
Estimated Gulf Coast Cost of Gas .....	0.250273
Adjustment to Gulf Coast Cost of Gas .....	0.000000
Prior period (over) or under recovery .....	<u>0.014480</u>
Adjusted Cost of Gas .....	0.321301
 Commodity Charge after application of losses: (Loss Factor = 2.0%).....	 \$ 0.327858
Commodity Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.349579</u>

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)
April 1, 2018 through April 30, 2018	(\$0.140680)	(\$0.150000)
May 1, 2018	\$0.000000	\$0.000000

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 65

Superseding

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

XXX Revised Sheet No. 65

**RATE SCHEDULE RSG  
RESIDENTIAL SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

Firm delivery service for residential purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

**DELIVERY CHARGES:**

**Service Charge:**

\$5.46 in each month [\$5.82 including New Jersey Sales and Use Tax (SUT)].

**Distribution Charges:**

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.300406	\$0.320308	per therm

**Balancing Charge:**

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

**Margin Adjustment Charge:**

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs per the Board Order in Docket No. EO08030164. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

**Weather Normalization Charge:**

This charge is designed to adjust base rate recoveries to offset the effects of abnormal weather on sales. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period. Refer to the Weather Normalization Charge sheet of this Tariff for the current charge.

The Weather Normalization Charge will be combined with the Balancing Charge for billing.

The Societal Benefits Charge, the Margin Adjustment Charge and the Green Programs Recovery Charge will be combined with the Distribution Charge for billing.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 72  
Superseding  
XXX Revised Sheet No. 72

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

**RATE SCHEDULE GSG  
GENERAL SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

Firm delivery service for general purposes where: 1) customer does not qualify for RSG and 2) customer's usage does not exceed 3,000 therms in any month. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

**DELIVERY CHARGES:**

**Service Charge:**

\$11.28 in each month [\$12.03 including New Jersey Sales and Use Tax (SUT)].

**Distribution Charges:**

<u>Pre-July 14, 1997 *</u>		<u>All Others</u>		
<u>Charge</u>	<u>Charge Including SUT</u>	<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.247120	\$0.263492	\$0.247120	\$0.263492	per therm

\* Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

**Balancing Charge:**

<u>Charge</u>	<u>Charge Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

**Margin Adjustment Charge:**

This charge shall credit net revenue associated with Rate Schedule Non-Firm Transportation Gas Service (TSG-NF) to customers on Rate Schedules RSG, GSG, LVG, SLG and TSG-F. Refer to the Margin Adjustment Charge sheet of this Tariff for the current charge.

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs per the Board Order in Docket No. EO08030164. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:



PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 79

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

Superseding

XXX Revised Sheet No. 79

**RATE SCHEDULE LVG  
LARGE VOLUME SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

Firm delivery service for general purposes. Customers may either purchase gas supply from a Third Party Supplier (TPS) or from Public Service's Basic Gas Supply Service default service as detailed in this rate schedule.

**DELIVERY CHARGES:**

**Service Charge:**

\$100.12 in each month [\$106.75 including New Jersey Sales and Use Tax (SUT)].

**Demand Charge (Applicable in the months of November through March):**

<u>Charge</u>	<u>Charge</u>	
\$3.7361	including SUT	per Demand Therm
	\$3.9836	

**Distribution Charges:**

	<u>Per therm for the first 1,000 therms used in each month</u>		<u>Per therm in excess of 1,000 therms used in each month</u>	
	<u>Charges</u>	<u>Charges</u>	<u>Charges</u>	<u>Charges</u>
		<u>including SUT</u>		<u>including SUT</u>
Pre-July 14, 1997 *	\$0.041247	\$0.043980	\$0.039333	\$0.041939
Post July 14, 1997	\$0.041247	\$0.043980	\$0.039333	\$0.041939

\*Applicable to customers who have taken TPS supplied commodity service continuously since July 14, 1997.

**Balancing Charge:**

<u>Charge</u>	<u>Charge</u>	
\$0.096436	including SUT	per Balancing Use Therm
	\$0.102825	

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Societal Benefits include: 1) Social Programs, 2) Demand Side Management Programs, 3) Manufactured Gas Plant Remediation, 4) Consumer Education, and 5) Universal Service Fund. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance -- PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 112A

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

Superseding

XXX Revised Sheet No. 112A

**RATE SCHEDULE CSG  
CONTRACT SERVICE  
(Continued)**

**ECONOMICALLY VIABLE BYPASS**

**DELIVERY CHARGES:**

**Service Charge:**

\$536.21 in each month [\$571.73 including New Jersey Sales and Use Tax (SUT)]

**Distribution Charge:**

Net Alternative Delivery Cost multiplied by the applicable Net Alternative Delivery Cost Factor divided by the Contracted Monthly Therms rounded to the nearest \$0.000000 per therm.

**Maintenance Charges:**

Equals the Alternative Delivery Cost multiplied by the applicable Alternative Delivery Cost Factor divided by the Contract Monthly Therms rounded to the nearest \$0.000000 per therm.

Plus any customer site-specific ongoing or continuing cost not directly related to the operation, maintenance or inspection of the customer's planned by-pass pipeline. This shall include, but not be limited to, periodic payments for rights-of-way, easements, pipeline cost differentials, permits or other such costs. These charges shall be expressed on a monthly levelized basis over the term of service.

Public Service will also take into consideration any operational or deliverability differences that would be reasonably expected between the pipeline and/or service over Public Service's distribution system in determining Delivery Charges. In no event shall the Delivery Charges be lower than an amount sufficient to generate a return on the capital investments made by Public Service and recovery of marginal and embedded costs, including depreciation, to provide service to the customer over the term of each CSG agreement.

**Balancing Charge:**

Applicable only if the customer is provided Public Service's Basic Gas Supply Service – Firm (BGSS-F) default service.

<u>Charge</u>	<u>Charge</u> <u>Including SUT</u>	
\$0.096436	\$0.102825	per Balancing Use Therm

**Societal Benefits Charge:**

This charge shall recover costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by government. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Societal Benefits Charge. Refer to the Societal Benefits Charge sheet of this Tariff for the current charge and applicable exemptions.

**Green Programs Recovery Charge:**

This charge is designed to recover the revenue requirements associated with the PSE&G Green Programs per the Board Order in Docket No. EO08030164. In appropriate circumstances, the Board of Public Utilities may approve a discount from the Green Programs Recovery Charge. Refer to the Green Programs Recovery Charge sheet of this Tariff for the current charge and applicable exceptions.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G  
80 Park Plaza, Newark, New Jersey 07102  
Filed pursuant to Order of Board of Public Utilities dated  
in Docket No.

Effective: