

By Order dated February 19, 2020, the Board approved the modification of the Winter Period from five (5) months to eight (8) months as a result of the Company's 2019 Basic Gas Supply Service Filing.³

2021 WNC Petition

In the 2021 WNC Petition, PSE&G sought approval to refund \$1,835,733 to customers over the 2021-2022 Winter Period through its WNC rate. The base level of normal degree days is defined in PSE&G's WNC Tariff for each month in the 2021-2022 Winter Period. Any excess or deficiency is to be credited or recovered in the following year during the Winter Period through the WNC.

According to the 2021 WNC Petition, the Heating Degrees Days for the 2020-2021 Winter Period were 269.17 days less than the normal heating degree days, resulting in a margin deficiency of \$31,244,886. PSE&G made the following four (4) adjustments to the margin revenue deficiency to calculate the 2020-2021 WNC deferral and refund request in accordance with the WNC Tariff: (1) applied the WNC Tariff Earnings Test to the calculated margin revenue deficiency as a result of the warmer than normal 2020-2021 Winter period; (2) included the remaining 2019-2020 WNC refund balance that was not fully refunded to customers over the 2020-2021 Winter Period due to lower usage from higher than normal temperatures; (3) included amounts collected from customers as a result of a provisional WNC rate in effect for October and November 2020 that should be refunded over the 2021-2022 Winter Period; and (4) included interest due on amounts collected from customers as described in item 3 above due to the provisional WNC rate in effect during October and November 2020.

The margin deficit from the 2020-2021 Winter Period is offset by a remaining over-collection from the 2019-2020 winter period of \$1,835,733, which includes of a carryover excess of (\$215,043) as of September 30, 2020. Additionally, PSE&G will refund \$1,616,622 of WNC revenues as a result of the tariffs in effect for the months of October and November. The Company will also refund \$4,068 in interest due on the over-collected balance.

In accordance with the WNC Tariff, the Company represented that it trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period, and that the revised tariff sheets reflect updated Degree Day Consumption Factors for the 2021-2022 Winter Period.

In the 2021 WNC Petition, the Company proposed a WNC credit rate of \$0.001120 per balancing therm that would be applicable to RSG, GSG, and LVG customers.⁴

As the Company's 2021 WNC Petition requested a decrease to rates, public hearings were not required or held in this matter. In addition, no written comments from the public were received by the Board.

³ In re the Petition of Public Service Electric and Gas Company's 2019/2020 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. GR19060699, Order dated February 19, 2020.

⁴ All rates quoted herein include losses and Sales and Use Tax ("SUT") unless otherwise stated. Balancing therms are calculated as therms used from October through May that are above the average usage for the summer months (June through September).

STIPULATION

Following an initial review of the 2021 WNC Petition and discussions, the Parties determined that, while additional time was needed to complete a comprehensive review of the 2021 WNC Petition, it is reasonable and in the public interest for the WNC rate to be modified on a provisional basis, subject to refund. Accordingly, the Parties executed the Stipulation which provides the following:⁵

1. The Parties request that the BPU provisionally approve the refund to customers of \$1,835,733 over the 2021-2022 Winter Period.
2. The Parties request that, in order to return this over-collection, the BPU provisionally approve PSE&G's proposed WNC rate of (\$0.001050) without SUT, a WNC rate of (\$0.001120) including SUT, per balancing term for the 2021-2022 Winter Period.
3. As a result of the stipulated provisional WNC rate, PSE&G's typical residential gas heating customers using 172 therms in a winter month and 1,040 therms on an annual basis would experience a decrease in their annual bill from \$895.42 to \$894.64, a decrease of \$0.78 or approximately 0.09%, based upon Delivery Rates and BGSS-RSG charges in effect on June 1, 2021, and assuming the customer receives gas commodity service from PSE&G.
4. The Parties further agree that upon Board approval of the above provisional rate, the Company is authorized to issue revised Gas WNC Tariff Sheet Nos. 45, 46, and 47 to reflect the revised provisional WNC rate delineated in Paragraph 2 of the Stipulation applicable to gas customers to be effective on October 1, 2021. Copies of the proposed tariff sheets are attached to the Stipulation as Exhibit A.
5. The Parties also further agree that as the remaining over/under balance approaches zero, PSE&G will make a compliance filing in this docket to set the WNC rate to zero and roll any remaining over or under recovery balance, including interest, from the upcoming 2021-2022 Winter Period into the Company's initial Gas Conservation Incentive Program ("CIP") filing, as established in I/M/O the Petition of PSE&G for Approval of its Clean Energy Future – Energy Efficiency Program on a Regulated Basis, Docket Nos. GO18101112 and EO18101113, Order Adopting Stipulation (September 23, 2020), for rates scheduled to be in effect on October 1, 2022.
6. The Parties understand that these changes are on a provisional basis and subject to an opportunity for a full review of all issues in this matter at the Office of Administrative Law, if applicable and necessary, and final approval by the Board.

DISCUSSION AND FINDING

The Board, having carefully reviewed the record to date in this proceeding, including the 2021 WNC Petition and attached Stipulation, **HEREBY FINDS** that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as if fully set forth herein.

⁵ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

The Board **HEREBY APPROVES** on a provisional basis, subject to refund, the Company's implementation of a WNC credit rate of \$0.001120 applicable to Rate Schedules RSG, GSG, and LVG for the 2021-2022 Winter Period to be effective for service rendered on and after October 1, 2021.

As a result of the Stipulation, a typical residential gas heating customer using 172 therms in a winter month and 1,040 therms on an annual basis would see a decrease in their annual bill of \$0.78, or approximately 0.09%.

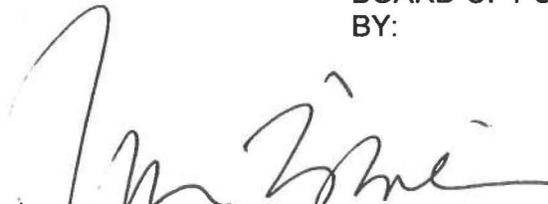
The Board **HEREBY DIRECTS** the Company to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2021.

The Company's costs, including those related to WNC, 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.

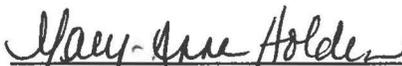
The effective date of this Order is September 21, 2021.

DATED: September 14, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



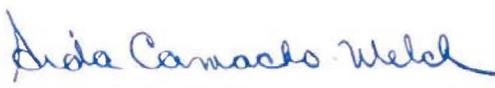
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
TO REVISE ITS WEATHER NORMALIZATION CHARGE FOR THE 2021-2022
ANNUAL PERIOD

BPU DOCKET NO. GR21060952

SERVICE LIST

Public Service Electric and Gas Company

80 Park Plaza,
Newark, New Jersey 07102

Matthew Weissman, Esq.
matthew.weissman@pseg.com

Katherine Smith
katherine.smith@pseg.com

Caitlyn White
caitlyn.white@pseg.com

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Brian Lipman, Esq., Acting Director
blipman@rpa.nj.gov

Sarah Steindel, Esq.
ssteindel@rpa.nj.gov

Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625

Pamela Owen, ASC, DAG
pamela.owen@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Board Secretary
board.secretary@bpu.nj.gov

Robert Brabston, Esq., Executive Director
robert.brabston@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of General Counsel

Abe Silverman, Esq., General Counsel
abe.silverman@bpu.nj.gov

Carol Artale, Esq., Deputy General Counsel
carol.artale@bpu.nj.gov

Heather Weisband, Esq., Senior Counsel
heather.weisband@bpu.nj.gov

Division of Energy

Oneil Hamilton
oneil.hamilton@bpu.nj.gov

Matthew M. Weissman
Managing Counsel - State Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T5, Newark, New Jersey 07102-4194
tel: 973-430-7052 fax: 973-430-5983
email: matthew.weissman@pseg.com



September 7, 2021

In The Matter of the Petition of
Public Service Electric and Gas Company
to Revise its Weather Normalization Charge
for the 2021-2022 Annual Period
BPU Docket No. GR21060952

VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Attached please find the fully executed Stipulation and attachment in the above-referenced matter. The following parties have signed the Stipulation: Public Service Electric and Gas Company, the Staff of the New Jersey Board of Public Utilities, and the New Jersey Division of Rate Counsel.

Consistent with the Order issued by the New Jersey Board of Public Utilities (“BPU or Board”) in connection with In the Matter of the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this filing is being electronically filed with the Secretary of the Board. No paper copies will follow.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Matthew Weissman".

Matthew M. Weissman

c: Attached Service List (E-Mail)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)	STIPULATION FOR
PUBLIC SERVICE ELECTRIC AND GAS)	PROVISIONAL WEATHER
COMPANY TO REVISE ITS WEATHER)	NORMALIZATION CHARGE
NORMALIZATION CHARGE)	BPU Docket No. GR21060952
FOR THE 2021-2022 ANNUAL PERIOD)	

APPEARANCES:

Matthew M. Weissman, Esq., Managing Counsel, State Regulatory, and **Katherine E. Smith**, Esq., Associate General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

Brian O. Lipman, Esq., Acting Director, and **Sarah H. Steindel**, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Andrew J. Bruck**, Acting Attorney General of New Jersey)

On June 30, 2021, Public Service Electric and Gas Company (“PSE&G” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting approval to refund to customers \$1,835,733 over the 2021-2022 Winter Period (*i.e.*, October 1-May 31) (“2021 WNC Petition”). The Weather Normalization Charge (“WNC”) is recovered from PSE&G gas customers receiving service under Rate Schedules: Residential Service (“RSG”), General Service (“GSG”), and Large Volume Gas (“LVG”) during the 2021-2022 Winter Period.

As part of its 2021 WNC Petition, PSE&G proposed a WNC of (\$0.001050) per balancing therm excluding New Jersey Sales and Use Tax (“SUT”) [(\$0.001120) per balancing therm including SUT].

The WNC Tariff was first approved by the Board on July 9, 2010 as part of the Stipulation of Settlement of PSE&G’s 2009 base rate case. See Decision and Order Adopting Initial Decision with Modifications for Gas Decision, *I/M/O the Petition of PSE&G for Approval of an*

Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, Dkt. No. GR09050422 (“July 2010 Order”). The BPU approved the current 2020-2021 PSE&G WNC tariff rate of \$0.000000 per balancing therm without New Jersey SUT (a rate of \$0.000000 per balancing therm with SUT) on November 18, 2020. See Decision and Order, *I/M/O the Petition of PSE&G to Revise Its Weather Normalization Charge for the 2020-2021 Annual Period*, Docket No. GR20060470 (November 18, 2020).

In calculating the proposed WNC, PSE&G represents that it utilized calculations required by the July 2010 Order and reflected in its WNC Tariff. Specifically, PSE&G is required to calculate, at the end of each Winter Period, the level by which margin revenues differed from what would have resulted if normal weather had occurred. The base level of normal degree days for the 2020-2021 Winter Period is defined in PSE&G’s WNC Tariff. As approved by the Board, any excess or deficiency is to be credited or recovered in the following year during the Winter Period through the WNC.

In accordance with the WNC Tariff, PSE&G represents that it trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period. In addition, the revised WNC tariff sheets developed by PSE&G and included in the 2021 WNC Petition reflect updated Degree Day Consumption Factors for the 2021-2022 Winter Period.

These calculations establish a margin revenue deficiency of \$31,244,886 for the 2020-2021 Winter Period. In calculating the 2021-2022 WNC request for recovery, PSE&G represents that it has made four (4) adjustments to the margin revenue deficiency in accordance with the WNC tariff. Specifically, the Company has:

- a. Applied the WNC Tariff Earnings Test to the calculated margin revenue deficiency as a result of the warmer than normal 2020-2021 Winter Period;
- b. Included the remaining 2019-2020 WNC refund balance that was not fully refunded to customers over the 2020-2021 Winter Period due to lower usage from higher than normal temperatures;
- c. Included amounts collected from customers as a result of a provisional WNC rate in effect for October and November 2020, that should now be refunded over the 2021-2022 Winter Period; and
- d. Included interest due on amounts collected from customers as described in item c. above due to the provisional WNC rate in effect during October and November 2020.

PSE&G, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”), the only parties to this proceeding, discussed certain matters at issue herein. As a result of those discussions, the Parties determined that additional time is needed to complete the review of the proposed WNC rate.

NOW THEREFORE, THE PARTIES STIPULATE AND AGREE AS FOLLOWS:

- 1) The Parties request that the BPU provisionally approve the refund to customers of \$1,835,733 over the 2021-2022 Winter Period.
- 2) The Parties request that, in order to return this over-collection, the BPU provisionally approve PSE&G’s proposed WNC rate of (\$0.001050) without SUT, a WNC rate of (\$0.001120) including SUT, per balancing term for the 2021-2022 Winter Period.
- 3) As a result of the stipulated provisional WNC rate, PSE&G’s typical residential gas heating customers using 172 therms in a winter month and 1,040 therms on an annual basis would experience a decrease in their annual bill from \$895.42 to \$894.64, a decrease of \$0.78 or

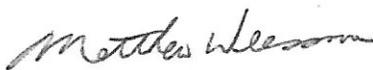
approximately 0.09%, based upon Delivery Rates and BGSS-RSG charges in effect on June 1, 2021, and assuming the customer receives gas commodity service from PSE&G.

- 4) The Parties further agree that upon Board approval of the above provisional rate, the Company is authorized to issue revised Gas WNC Tariff Sheet Nos. 45, 46, and 47 to reflect the revised provisional WNC rate delineated in Paragraph 2 above applicable to gas customers to be effective on October 1, 2021. Copies of the proposed tariff sheets are attached hereto as Exhibit A.
- 5) The parties also further agree that as the remaining over/under balance approaches zero, PSE&G will make a compliance filing in this docket to set the WNC rate to zero and roll any remaining over or under recovery balance, including interest, from the upcoming 2021-2022 Winter Period into the Company's initial Gas Conservation Incentive Program ("CIP") filing, as established in *I/M/O the Petition of PSE&G for Approval of its Clean Energy Future – Energy Efficiency Program on a Regulated Basis*, Docket Nos. GO18101112 and EO18101113, Order Adopting Stipulation (September 23, 2020), for rates scheduled to be in effect on October 1, 2022.
- 6) The Parties understand that these changes are on a provisional basis and subject to an opportunity for a full review of all issues in this matter at the Office of Administrative Law, if applicable and necessary, and final approval by the Board.
- 7) The Parties agree that this settlement for the provisional WNC rate reflects mutually balancing interests and contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this settlement is not accepted and approved in its entirety by the Board, this settlement shall be null and void, and the Parties shall be placed in the same position that they were in immediately prior to its execution.

- 8) The Parties further agree that a Board Order approving this settlement will become effective upon the service of said Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.
- 9) The Parties further agree that this settlement for the provisional WNC rate has been made exclusively for the purpose of this proceeding and that this settlement, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this settlement for the provisional WNC.

PUBLIC SERVICE ELECTRIC AND GAS
COMPANY

ANDREW J. BRUCK,
ACTING ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the Board of Public
Utilities

BY: 
Matthew M. Weissman
Managing Counsel - State Regulatory

BY: 
Matko Ilic
Deputy Attorney General

DATED: September 3, 2021

DATED: September 3, 2021

NEW JERSEY DIVISION OF RATE COUNSEL,
BRIAN O. LIPMAN, ACTING DIRECTOR

BY: *Sarah H. Steindel*
Sarah H. Steindel
Assistant Deputy Rate Counsel

DATED: September 3, 2021

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

**XXX Revised Sheet No. 45
Superseding
XXX Revised Sheet No. 45**

WEATHER NORMALIZATION CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Balancing Therm)**

	Weather Normalization Charge	Weather Normalization Charge including SUT
October 1, 2020 <u>2021</u> through May 31, 2021 <u>2022</u>	(\$0.001050) <u>0.000000</u>	(\$0.001120) <u>0.000000</u>
June 1, 2021 <u>2022</u> through September 30, 2021 <u>2022</u>	\$0.000000	\$0.000000

Weather Normalization Charge

This charge shall be applicable to the rate schedules listed above. 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. The weather normalization charge shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Degree Days (DD)

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

2. Actual Calendar Month Degree Days

- the accumulation of the actual Degree Days for each day of a calendar month.

3. Normal Calendar Month Degree Days

- the level of calendar month degree days to which this clause applies.

The normal calendar month Degree Days used in this clause will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually in the Weather Normalization Clause (WNC) proceeding. The base level of normal degree days for the defined winter period months for the ~~2020~~2021-~~2021~~2022 Winter Period are set forth in the table below:

	Normal Degree Days
Oct - 2021	235.50 <u>237.73</u>
Nov - 2021	516.42 <u>526.11</u>
Dec - 2021	818.04 <u>829.32</u>
Jan - 2122	992.26 <u>1,004.41</u>
Feb - 2122	833.48 <u>838.29</u>
Mar - 2122	693.11 <u>693.37</u>
Apr - 2122	356.57 <u>354.96</u>
May - 2122	128.06 <u>125.01</u>

4. Winter Period

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance –PSE&G
80 Park Plaza, Newark, New Jersey 07102

Effective:

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 46

B.P.U.N.J. No. 16 GAS

Superseding

XXX Revised Sheet No. 46

**WEATHER NORMALIZATION CHARGE
(Continued)**

5. Degree Day Dead Band

- shall be one-half (1/2 %) percent of the sum of the cumulative Normal Calendar Month Degree Days for the Winter Period and shall be allocated to each winter month in the same proportion as the ratio of the normal degree days for that month to the total normal degree days.

6. Degree Day Consumption Factors

- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the ~~2020~~2021-2021~~2022~~ Winter Period are set forth below and presented as therms per degree day:

Month	RSG-Residential		Commercial			Industrial		
	Heating	Non-Heating	GSG		LVG	GSG		LVG
			Heating	Non-Heating		Heating	Non-Heating	
Oct.- 2021	133,337 157,174	(2,565) (2,282)	- 20,172	878 874	90,689 88,054	440 446	-	7,116 7,783
Nov.- 2021	222,287 248,714	2,959 3,549	38,241 36,363	2,569 2,550	90,689 88,054	1,167 1,166	140 136	7,116 7,783
Dec.- 2021	246,925 247,054	4,020 4,468	50,426 50,391	3,654 3,626	90,689 88,054	2,186 2,178	202 196	7,116 7,783
Jan.- 21 22	286,636 288,954	4,356 4,382	56,485 65,414	3,840 3,831	90,864 88,805	2,588 2,589	230 229	7,233 7,624
Feb.- 21 22	282,495 283,804	3,981 4,006	51,991 51,917	3,968 3,959	90,864 88,805	1,758	235 234	7,233 7,624
Mar.- 21 22	281,861 277,989	4,025 4,072	54,157 54,744	3,985 3,974	90,864 88,805	2,213	237 235	7,233 7,624
Apr.- 21 22	272,046 275,716	4,430 4,461	57,958 57,510	4,044 4,027	90,864 88,805	1,741 1,739	235 233	7,233 7,624
May- 21 22	196,181 195,966	3,402 3,417	- 7,264	4,003 3,961	90,864 88,805	967 960	143 136	7,233 7,624

The consumption factors established in advance of each Winter Period shall be based on the forecast number of customers by rate schedule. These factors shall be trued-up at the end of the Winter Period for which the factors apply in order to reflect the actual average number of customers by rate schedule.

7. Margin Revenue Factor

- the weighted average of the Distribution Charges as quoted in the individual rate schedules to which this clause applies net of applicable taxes. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges of each rate schedule to which this clause applies by each rate schedule's percentage of total consumption of all the rate schedules to which this clause applies for the winter period and summing this result for all the rate schedules to which this clause applies. The Margin Revenue Factors shall be redetermined each time new base rates are put into effect.

Margin Revenue Factors:

Rate Schedule RSG	\$0.391767
Rate Schedule GSG	\$0.304859
Rate Schedule LVG	\$0.043213

8. Annual Period

- shall be the 12 consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

9. Average 13 Month Common Equity Balance

- shall be calculated by adding the Net Gas Utility Plant in Service (Gas Plant in Service, excluding plant held for future use and excluding plant for which the Company receives recovery from clause mechanisms that provide for a return on investment outside of base rates, less Accumulated Depreciation Reserve) less Accumulated Deferred Income Taxes plus working capital associated with Materials and Supplies Inventory and Prepayments at the beginning of the Annual Period (i.e., October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13), and multiplying by 54% (the equity percentage of the Company's capital structure).

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 16 GAS

XXX Revised Sheet No. 47
Superseding
XXX Revised Sheet No. 47

WEATHER NORMALIZATION CHARGE
(Continued)

II. DETERMINATION OF THE WEATHER NORMALIZATION RATE

At the end of the Winter Period during the Annual Period, a calculation shall be made that determines for all months of the Winter Period the level by which margin revenues differed from what would have resulted if normal weather (as determined by reference to the Degree Day Dead Band) occurred. This calculation is made by multiplying the monthly Degree Day Consumption Factor by the difference between Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, and Actual Calendar Month Degree Days and, in turn, multiplying the result by the Margin Revenue Factor. To the extent the Actual Calendar Month Degree Days exceeds Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, an excess of margin revenues exist. To the extent Actual Calendar Month Degree Days were less than Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, a deficiency of marginal revenue exists. The sum of the monthly calculations represents the total revenue excess or deficiency for the Winter Period. If, at the end of the Winter Period of the Annual Period, the degree day variation from normal weather is less than the Degree Day Dead Band, the weather normalization clause will not be in effect.

The WNC shall not operate to permit the Company to recover any portion of a margin revenue deficiency that will cause the Gas Utility to earn in excess of its allowed rate of return on common equity of 9.6% for the Annual Period; any portion which is not recovered shall not be deferred. For purposes of this section, the Gas Utility's rate of return on common equity shall be calculated by dividing the Gas Utility's regulated jurisdictional net income for the Annual Period by the Gas Utility's average 13 month common equity balance for such Annual Period. The Gas Utility's regulated jurisdictional net income shall be calculated by subtracting from total net income of the Gas Utility net income derived from clause mechanisms, currently the Green Programs Recovery Charge, that provide for a return on investment outside of base rates.

The total WNC balance at September 30 of the Annual Period shall be divided by the estimated applicable balancing therm sales from the rate schedules subject to this clause for the Annual Period over which this rate will be in effect, multiplied by a factor to adjust for increases in taxes and assessments. The product of this calculation shall be the Weather Normalization Charge. However, the Weather Normalization Charge will at no time exceed three (3%) percent of the then applicable RSG total per therm rate, including RSG-BGSS charges and 73.332% of the Balancing Charge. To the extent that the effect of this rate cap precludes the Company from fully recovering the WNC balance for the Annual Period, the unrecovered balance will be added to the WNC balance used to calculate the weather normalization rate for the next Winter Period. The Weather Normalization Charge, so calculated, will be in effect for the immediately following Annual Period.

III. TRACKING THE OPERATION OF THE WEATHER NORMALIZATION CLAUSE

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Weather Normalization Charge shall be accumulated for each month of the Winter Period when this charge is in effect and applied against the margin revenue excess or deficiency from the immediately preceding Winter Period and any cumulative balances remaining from prior Winter Periods.

The annual filing for the adjustment to the weather normalization charge will be filed by July 1 of each year.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 45

B.P.U.N.J. No. 16 GAS

Superseding

XXX Revised Sheet No. 45

WEATHER NORMALIZATION CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG
(Per Balancing Therm)**

	Weather Normalization Charge	Weather Normalization Charge including SUT
October 1, 2021 through May 31, 2022	(\$0.001050)	(\$0.001120)
June 1, 2022 through September 30, 2022	\$0.000000	\$0.000000

Weather Normalization Charge

This charge shall be applicable to the rate schedules listed above. 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. The weather normalization charge shall be determined as follows:

I. DEFINITION OF TERMS AS USED HEREIN

1. Degree Days (DD)

- the difference between 65°F and the mean daily temperature for the day. The mean daily temperature is the simple average of the 24 hourly temperature observations for a day.

2. Actual Calendar Month Degree Days

- the accumulation of the actual Degree Days for each day of a calendar month.

3. Normal Calendar Month Degree Days

- the level of calendar month degree days to which this clause applies.

The normal calendar month Degree Days used in this clause will be the twenty-year average of the National Oceanic and Atmospheric Administration (NOAA) First Order Weather Observation Station at the Newark airport and will be updated annually in the Weather Normalization Clause (WNC) proceeding. The base level of normal degree days for the defined winter period months for the 2021-2022 Winter Period are set forth in the table below:

	Normal Degree Days
Oct - 21	235.50
Nov - 21	516.42
Dec - 21	818.04
Jan - 22	992.26
Feb - 22	833.48
Mar - 22	693.11
Apr - 22	356.57
May - 22	128.06

4. Winter Period

- shall be the eight consecutive calendar months from October of one calendar year through May of the following calendar year.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

**XXX Revised Sheet No. 46
Superseding
XXX Revised Sheet No. 46**

**WEATHER NORMALIZATION CHARGE
(Continued)**

5. Degree Day Dead Band

- shall be one-half (1/2 %) percent of the sum of the cumulative Normal Calendar Month Degree Days for the Winter Period and shall be allocated to each winter month in the same proportion as the ratio of the normal degree days for that month to the total normal degree days.

6. Degree Day Consumption Factors

- the use per degree day component of the gas sales equations by month used in forecasting firm gas sales for the applicable rate schedules. These factors will be updated annually in the WNC proceeding. Degree day Consumption Factors for the 2021-2022 Winter Period are set forth below and presented as therms per degree day:

Month	RSG-Residential		Commercial			Industrial		
	Heating	Non-Heating	GSG		LVG	GSG		LVG
			Heating	Non-Heating		Heating	Non-Heating	
Oct.-21	133,337	(2,565)	-	878	90,689	440	-	7,116
Nov.-21	222,287	2,959	38,241	2,569	90,689	1,167	140	7,116
Dec.-21	246,925	4,020	50,426	3,654	90,689	2,186	202	7,116
Jan.-22	286,636	4,356	56,485	3,840	90,864	2,588	230	7,233
Feb.-22	282,495	3,981	51,991	3,968	90,864	1,758	235	7,233
Mar.-22	281,861	4,025	54,157	3,985	90,864	2,213	237	7,233
Apr.-22	272,046	4,430	57,958	4,044	90,864	1,741	235	7,233
May-22	196,181	3,402	-	4,003	90,864	967	143	7,233

The consumption factors established in advance of each Winter Period shall be based on the forecast number of customers by rate schedule. These factors shall be trued-up at the end of the Winter Period for which the factors apply in order to reflect the actual average number of customers by rate schedule.

7. Margin Revenue Factor

- the weighted average of the Distribution Charges as quoted in the individual rate schedules to which this clause applies net of applicable taxes. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges of each rate schedule to which this clause applies by each rate schedule's percentage of total consumption of all the rate schedules to which this clause applies for the winter period and summing this result for all the rate schedules to which this clause applies. The Margin Revenue Factors shall be redetermined each time new base rates are put into effect.

Margin Revenue Factors:

Rate Schedule RSG	\$0.391767
Rate Schedule GSG	\$0.304859
Rate Schedule LVG	\$0.043213

8. Annual Period

- shall be the 12 consecutive months from October 1 of one calendar year through September 30 of the following calendar year.

9. Average 13 Month Common Equity Balance

- shall be calculated by adding the Net Gas Utility Plant in Service (Gas Plant in Service, excluding plant held for future use and excluding plant for which the Company receives recovery from clause mechanisms that provide for a return on investment outside of base rates, less Accumulated Depreciation Reserve) less Accumulated Deferred Income Taxes plus working capital associated with Materials and Supplies Inventory and Prepayments at the beginning of the Annual Period (i.e., October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13), and multiplying by 54% (the equity percentage of the Company's capital structure).

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP - Corporate Planning, Strategy and Utility Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102

Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
B.P.U.N.J. No. 16 GAS

XXX Revised Sheet No. 47
Superseding
XXX Revised Sheet No. 47

WEATHER NORMALIZATION CHARGE
(Continued)

II. DETERMINATION OF THE WEATHER NORMALIZATION RATE

At the end of the Winter Period during the Annual Period, a calculation shall be made that determines for all months of the Winter Period the level by which margin revenues differed from what would have resulted if normal weather (as determined by reference to the Degree Day Dead Band) occurred. This calculation is made by multiplying the monthly Degree Day Consumption Factor by the difference between Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, and Actual Calendar Month Degree Days and, in turn, multiplying the result by the Margin Revenue Factor. To the extent the Actual Calendar Month Degree Days exceeds Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, an excess of margin revenues exist. To the extent Actual Calendar Month Degree Days were less than Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, a deficiency of marginal revenue exists. The sum of the monthly calculations represents the total revenue excess or deficiency for the Winter Period. If, at the end of the Winter Period of the Annual Period, the degree day variation from normal weather is less than the Degree Day Dead Band, the weather normalization clause will not be in effect.

The WNC shall not operate to permit the Company to recover any portion of a margin revenue deficiency that will cause the Gas Utility to earn in excess of its allowed rate of return on common equity of 9.6% for the Annual Period; any portion which is not recovered shall not be deferred. For purposes of this section, the Gas Utility's rate of return on common equity shall be calculated by dividing the Gas Utility's regulated jurisdictional net income for the Annual Period by the Gas Utility's average 13 month common equity balance for such Annual Period. The Gas Utility's regulated jurisdictional net income shall be calculated by subtracting from total net income of the Gas Utility net income derived from clause mechanisms, currently the Green Programs Recovery Charge, that provide for a return on investment outside of base rates.

The total WNC balance at September 30 of the Annual Period shall be divided by the estimated applicable balancing therm sales from the rate schedules subject to this clause for the Annual Period over which this rate will be in effect, multiplied by a factor to adjust for increases in taxes and assessments. The product of this calculation shall be the Weather Normalization Charge. However, the Weather Normalization Charge will at no time exceed three (3%) percent of the then applicable RSG total per therm rate, including RSG-BGSS charges and 73.33% of the Balancing Charge. To the extent that the effect of this rate cap precludes the Company from fully recovering the WNC balance for the Annual Period, the unrecovered balance will be added to the WNC balance used to calculate the weather normalization rate for the next Winter Period. The Weather Normalization Charge, so calculated, will be in effect for the immediately following Annual Period.

III. TRACKING THE OPERATION OF THE WEATHER NORMALIZATION CLAUSE

The revenues billed, or credits applied, net of taxes and assessments, through the application of the Weather Normalization Charge shall be accumulated for each month of the Winter Period when this charge is in effect and applied against the margin revenue excess or deficiency from the immediately preceding Winter Period and any cumulative balances remaining from prior Winter Periods.

The annual filing for the adjustment to the weather normalization charge will be filed by July 1 of each year.

BPU

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4517
stacy.peterson@bpu.nj.gov

DAG

Pamela Owen
NJ Dept of Law & Public Safety
Division of Law, Public Utilities Section
R.J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton NJ 08625
Pamela.Owen@law.njoag.gov

PSE&G

Katherine E. Smith
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6996
katherine.smith@pseg.com

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

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

BPU

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625
heather.weisband@bpu.nj.gov

PSE&G

Michele Falcao
PSEG Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark NJ 07102
(973) 430-6119
michele.falcao@pseg.com

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

Rate Counsel

Maura Caroselli Esq.
Division of Rate Counsel
140 East Front Street
4th Floor
Trenton NJ 08625
mcaroselli@rpa.nj.gov

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

DAG

Matko Ilic
NJ Dept. of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton NJ 08625
matko.ilic@law.njoag.gov

PSE&G

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T5
Newark NJ 07102-4194
(973) 430-5930
bernard.smalls@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-5
P.O. Box 570
Newark NJ 07102
(973)-430-5659
caitlyn.white@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
b lipman@rpa.nj.gov