



Agenda Date: 2/14/24

Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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 FOR)
APPROVAL OF CHANGES IN ITS ELECTRIC TAX)
ADJUSTMENT CREDIT AND GAS TAX)
ADJUSTMENT CREDIT ("2023 TAC FILING"))

DECISION AND ORDER APPROVING
STIPULATION
BPU DOCKET NOS. ER23090634 and
GR23090635

Parties of Record:

Aaron I. Karp, Esq., Public Service Electric and Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 1, 2023, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval for rate changes associated with the Electric Tax Adjustment Credit ("ETAC") and Gas Tax Adjustment Credit ("GTAC") (collectively, "TACs") to establish revised rates for 2024 ("September 2023 TAC Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by PSE&G, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties"), intended to resolve the Company's requests in the September 2023 TAC Petition.

BACKGROUND

On December 22, 2017, the Tax Cuts and Job Act, P.L. 115 c. 97 ("2017 Act"), was signed into law, with an effective date of January 1, 2018. The 2017 Act set forth changes to the Federal Internal Revenue Tax Code, including a reduction in the maximum corporate tax rate from 35% to 21%. The Board reviewed the 2017 Act, and on January 31, 2018, issued an Order finding that the 2017 Act resulted in a savings to New Jersey public utilities through an over-collection of tax revenue not paid in federal income taxes.¹ As such, the Consideration Order directed several New Jersey public utilities, including PSE&G, to make filings to ensure that any tax savings resulting from the 2017 Act are provided to the ratepayers.

¹ In re the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001, Order dated January 31, 2018 ("Consideration Order").

On March 2, 2018, the Company filed a petition pursuant to the Consideration Order that included a proposed plan as well as tariff sheets reducing its electric and gas distribution rates to reflect the impact of the 2017 Act. By Order dated March 26, 2018, the Board found that PSE&G's proposed plan should be reviewed in the Company's 2018 Base Rate Case.² The March 2018 Order also directed the Company to file tariffs reflecting its proposed rate reduction to be effective April 1, 2018, on an interim basis, subject to the outcome of its 2018 Base Rate Case. Pursuant to the March 2018 Order, the Company reduced its base rates effective April 1, 2018 to eliminate any further over-collection. PSE&G deferred the over-collection for the period January 1, 2018 through March 31, 2018 ("Stub Period") on the books for return to customers.

By Order dated October 29, 2018, the Board approved a stipulation in PSE&G's 2018 Base Rate Case, which included the initial implementation of the TACs along with a revenue requirement increase.³ Additionally, pursuant to the 2018 Base Rate Case Order, the excess income tax recovery for the Stub Period was refunded to customers over a two (2) month period, November and December 2018, with interest. The TACs were to reset in January 2019.

By Order dated January 22, 2020, the Board approved the implementation of revised ETAC and GTAC rates on a provisional basis, effective on and after February 1, 2020, subject to refund, with interest on any net over recovered balance.⁴ By Order dated July 15, 2020, the Board approved a stipulation finalizing the review of PSE&G's 2019 TAC filing.⁵ As approved in the July 2020 Order, PSE&G's TAC rates were updated to reflect the impact of the Internal Revenue Service ("IRS") Private Letter Ruling ("PLR") which provided guidance on the treatment of both the deficient deferred taxes related to cost of removal, and the excess deferred taxes associated with accounting method changes related to repair deductions and capitalization of mixed service costs that are not subject to the tax normalization rules ("PLR Update"). As a result of the updated 2019 TAC schedules, including actuals through June 30, 2019 and the PLR Update, the total impact of adjusting the TACs resulted in an overall refund.

² In re the Petition of Public Service Electric and Gas Company for Approval of Revised Rates (Effective on an Interim Basis April 1, 2018) to Reflect the Reduction Under the Tax Cut and Jobs Act of 2017, BPU Docket No. ER18030231, Order dated March 26, 2018 ("March 2018 Order").

³ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in the Tariffs for Electric and Gas Service, B.P.U.N.J. No. 16 Electric and B.P.U.N.J. No. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 and GR18010030, Order dated October 29, 2018 ("2018 Base Rate Case Order").

⁴ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2019 TAC Filing"), BPU Docket No. ER19091302 and GR19091303, Order dated January 22, 2020.

⁵ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2019 TAC Filing"), BPU Docket No. ER19091302 and GR19091303, Order dated July 15, 2020 ("July 2020 Order").

By Order dated August 18, 2021, the Board approved a revision of the Company's ETAC and GTAC rates, effective on and after September 1, 2021.⁶

By Order dated June 8, 2022, the Board approved a revision of the Company's ETAC and GTAC rates, effective on and after June 15, 2022.⁷

By Order dated July 12, 2023, the Board approved the current ETAC and GTAC rates, effective on and after August 1, 2023.⁸

September 2023 TAC Petition

In the September 2023 TAC Petition, the Company proposed to establish revised rates for 2024, based upon actual information through June 30, 2023 and forecasted information through December 31, 2024.

For the ETAC, the proposed refund amounted to approximately \$41.4 million, which, when added to PSE&G's estimated under-collected balance including interest at December 31, 2023 of \$7.3 million, resulted in a total refund of approximately \$34.1 million to customers. This reflected an annualized reduction in the credit to electric customers of approximately \$61 million compared to the current ETAC. For the GTAC, the proposed refund amounted to approximately \$78.3 million, which, when added to PSE&G's estimated over-collected balance including interest at December 31, 2023 of \$17.1 million, resulted in a total refund of approximately \$95.4 million to customers. This reflected an annualized reduction in the credit to gas customers of approximately \$43.8 million compared to the current GTAC.

Through the course of the proceeding, PSE&G updated its revenue requirements to incorporate actual results through November 30, 2023, and forecasted amounts from December 1, 2023 through December 31, 2024 ("Update"). As a result of the Update, the proposed ETAC refund was approximately \$41.4 million, which, when added to PSE&G's estimated under-collected balance including interest at December 31, 2023 of \$12.7 million, resulted in a total refund of approximately \$28.7 million to customers. This reflected an annualized reduction in the credit to electric customers of approximately \$66.4 million compared to the current ETAC. For the GTAC, the proposed refund was approximately \$78.3 million, which, when added to PSE&G's estimated over-collected balance including interest at December 31, 2023 of \$21.3 million, resulted in a total refund of approximately \$99.7 million to customers. This reflected an annualized reduction in the credit to gas customers of approximate \$39.6 million compared to the current GTAC.

Following publication of notice in newspapers of general circulation within PSE&G's service territory and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on

⁶ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2020 TAC Filing"), BPU Docket No. ER20100685 and GR20100686, Order dated August 18, 2021.

⁷ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2021 TAC Filing"), BPU Docket No. ER21101201 and GR21101202, Order dated June 8, 2022.

⁸ In re the Petition of Public Service Electric and Gas Company for Approval of Changes in its Electric and Gas Tax Adjustment Credit ("2022 TAC Filing"), BPU Docket No. ER22100667 and GR22100668, Order dated July 12, 2023.

November 28, 2023.⁹ No members of the public attended or filed written comments with the Board.

STIPULATION

Following a review of the September 2023 TAC Petition, updates thereto, and discovery responses, the Parties executed the Stipulation, which provides:¹⁰

1. The electric tariff rates proposed in the Company's September 1, 2023 filing, as reflected in Attachment 1 of the Stipulation, including the proposed tariff rate TAC-RS of (\$0.001976) per kWh [including Sales and Use Tax ("SUT")] will be effective upon Board approval.
2. The gas tariff rates, as proposed in the Company's September 1, 2023 filing and as updated in the Update, as reflected in Attachment 1 of the Stipulation, including the TAC-RSG rate of (0.049438) per therm (including SUT), will be effective upon Board approval.
3. The bill impacts of the proposed rates on typical residential electric customers are as set forth in Attachment 2, page 1 of 2 of the Stipulation. A typical residential electric customer using 740 kWh in a summer month and 577 kWh in an average month (6,920 kWh annually), would experience an increase in their average monthly bill from \$117.48 to \$119.57, or \$2.09 or approximately 1.78% [based upon Delivery Rates and Basic Generation Service Residential Small Commercial Pricing ("BGS-RSCP") charges in effect December 1, 2023, assuming the customer receives BGS-RSCP service from PSE&G].
4. The bill impacts of the proposed rates on typical residential gas customers are as set forth in Attachment 2, page 2 of 2 of the Stipulation. A typical residential gas heating customer using 172 therms in a winter month and 87 therms in an average month (1,040 therms annually), would experience an increase in their average monthly bill from \$93.22 to \$94.92, or \$1.70 or approximately 1.82% [based upon current Delivery Rates and Basic Gas Supply Service ("BGSS-RSG") charges in effect December 1, 2023, assuming the customer receives BGSSRSG service from PSE&G].
5. The Company will submit its next TAC annual cost recovery filing no later than October 31, 2024 based upon actual results from December 1, 2023 through June 30, 2024, and a forecast through December 31, 2025, in accordance with the terms of the 2018 Base Rate Case settlement.

DISCUSSION AND FINDINGS

Having carefully reviewed the record in this matter, including the September 2023 TAC Petition, the Update, and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY APPROVES**

⁹ Public Hearings were held virtually due to the COVID-19 pandemic.

¹⁰ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. The paragraphs are lettered and/or numbered to coincide with the Stipulation.

the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

Accordingly, the Board **HEREBY APPROVES** the ETAC and GTAC rates as set forth in the Stipulation. These changes shall become effective as of March 1, 2024.

As a result of the Stipulation, the typical residential electric customer using 740 kWh in a summer month and 577 kWh in an average month, (6,920 kWh annually), will experience an average monthly increase of \$2.09, approximately 1.78%. The typical residential gas heating customer using 172 therms in a winter month and 87 therms in an average month (1,040 therms annually) will experience an average monthly increase of \$1.70, approximately 1.82%.


The Board **HEREBY ORDERS** PSE&G to file revised tariff sheets conforming to the terms of the Stipulation prior to March 1, 2024.

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

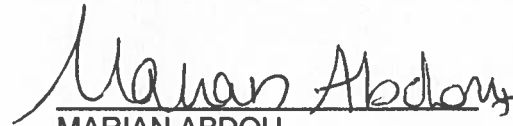
This Order shall be effective February 21, 2024.

DATED: February 14, 2024

BOARD OF PUBLIC UTILITIES
BY:

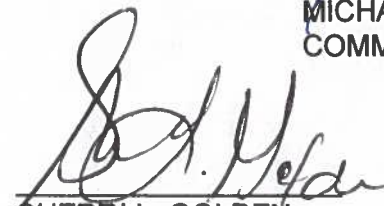

CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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 THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF
CHANGES IN ITS ELECTRIC TAX ADJUSTMENT CREDIT AND GAS TAX ADJUSTMENT CREDIT ("2023 TAC
FILING")

BPU DOCKET NOS. ER23090634 and GR23090635

SERVICE LIST

PSE&G

80 Park Plaza, T5
Post Office Box 570
Newark, NJ 07102

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

Aaron Karp, Esq.
Aaron.karp@pseg.com

Michele Falcao
michele.falcao@pseg.com

Bernard Smalls
bernard.smalls@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Division of Rate Counsel

140 E. Front Street
Post Office Box 003
Trenton, NJ 08625-0003

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

David T. Wand, Esq., Managing Attorney
dwand@rpa.nj.gov

Bethany Rocque-Romaine, Esq.
bromaine@rpa.nj.gov

Debora Layugan
dlayugan@rpa.nj.gov

Annette Cardec
acardec@rpa.nj.gov

Rate Counsel Consultant

Dante Mugrace, Senior Consultant
PCMG and Associates, LLC
90 Moonlight Court
Toms River, NJ 08753
dmugrace@pcmgregcon.com

Board of Public Utilities

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

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

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

Counsel's Office

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

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

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

Division of Revenue and Rates

Bart Kilar
bart.kilar@bpu.nj.gov

Anthony DeAnni
Anthony.DeAnni@bpu.nj.gov

Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625-0112

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

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

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

Terel Klein, DAG
terel.klein@law.njoag.gov

Aaron I. Karp
Associate Counsel - Regulatory

Law Department
PSEG Services Corporation
80 Park Plaza – T10
Newark, NJ 07102-4194
T: 973-430-8970
Email: aaron.karp@pseg.com

The logo for PSEG Services Corporation features a stylized orange sunburst icon to the left of the text "PSEG" in a bold, black, sans-serif font. Below "PSEG" is the text "Services Corporation" in a smaller, orange, serif font.

January 19, 2024

In The Matter of the Petition of
Public Service Electric and Gas Company
for Approval of Changes in its Electric Tax Adjustment
Credit and Gas Tax Adjustment Credit
“2023 TAC Filing”

BPU Docket Nos. ER23090634 and GR23090635

VIA ELECTRONIC MAIL

Sherri Golden, Secretary
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

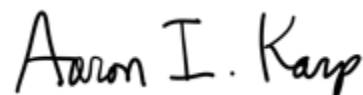
Dear Secretary Golden:

Attached is the fully executed Stipulation in the above-reference matter resolving all aspects of this matter. All the 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 and the New Jersey Division of Rate Counsel. 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.

Sincerely,

A handwritten signature in black ink that reads "Aaron I. Karp". The signature is written in a cursive, slightly slanted style.

cc: Attached service list

BPU

Robert Brabston
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625
robert.brabston@bpu.nj.gov

BPU

Son Lin Lai
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2098
son-lin.lai@bpu.nj.gov

BPU

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
Heather.Weisband@bpu.nj.gov

PSE&G

Aaron I. Karp Esq.
PSEG Services Corporation
80 Park Plaza T10
P.O. Box 570
Newark NJ 07102
(973)-430-8970
aaron.karp@pseg.com

PSE&G

Caitlyn White
PSEG Services Corporation
80 Park Plaza, T-10
P.O. Box 570
Newark NJ 07102
(973)-430-5659
caitlyn.white@pseg.com

Rate Counsel

Annette Cardec
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
acardec@rpa.state.nj.us

BPU

Michael Beck
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
michael.beck@bpu.nj.gov

BPU

Malike Cummings
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton NJ 08625-0350
Malike.cummings@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

Bernard Smalls
PSEG Services Corporation
80 Park Plaza-T10
Newark NJ 07102-4194
(973) 430-5930
bernard.smalls@pseg.com

Rate Counsel

Bethany Rocque-Romaine, Esq.
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
bromaine@rpa.state.nj.us

Rate Counsel

David T. Wand
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
dwand@rpa.state.nj.us

BPU

Bart Kilar
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
bart.kilar@bpu.nj.gov

BPU

Jacqueline O'Grady
Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-2947
jackie.ogrady@bpu.nj.gov

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

Matthew M. Weissman Esq.
PSEG Services Corporation
80 Park Plaza-T10
Newark NJ 07102-4194
(973) 430-7052
matthew.weissman@pseg.com

Rate Counsel

Debora Layugan
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
dlayugan@rpa.state.nj.us

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

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF PUBLIC)	STIPULATION
SERVICE ELECTRIC AND GAS COMPANY FOR)	OF SETTLEMENT
APPROVAL OF CHANGES IN ITS ELECTRIC TAX)	
ADJUSTMENT CREDIT AND GAS TAX)	BPU DOCKET NOS.
ADJUSTMENT CREDIT (“2023 TAC FILING”))	ER23090634 & GR23090635

STIPULATION AND AGREEMENT

APPEARANCES:

Aaron I. Karp, Esq., Associate Counsel - Regulatory, for the Petitioner, Public Service Electric and Gas Company.

T. David Wand, Esq., Managing Attorney – Rate Counsel and Bethany Rocque-Romaine, Esq., Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director).

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

BACKGROUND

On September 1, 2023, 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”) requesting a reset of the Company’s Electric Tax Adjustment Credit (“ETAC”) and Gas Tax Adjustment Credit (“GTAC”) (collectively, “TACs”) (“2023 TAC Petition”). The 2023 TAC Petition was filed pursuant to the Board’s October 29, 2018 Order approving the Stipulation of Settlement in PSE&G’s 2018 Base Rate Case.¹ Among other things, the Rate Case Order included the terms and operation of the TACs applicable to electric and gas rates

¹ In re the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in Tariffs for Electric and Gas Service, B.P.U.N.J. NO. 16 Electric and B.P.U.N.J. NO. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A 48:2-21, and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief, BPU Docket Nos. ER18010029 & GR18010030, Order dated October 29, 2018 (“Rate Case Order”).

pursuant to the Tax Cuts and Jobs Act of 2017 (“2017 Tax Act”). Additionally, the Company was directed to flow back to customers unprotected excess deferred income tax savings over the course of five (5) years by way of the TACs. The TAC amounts are allocated to each rate class and then refunded to customers on a dollar per kilowatt-hour (“kWh”) or therm basis for each rate schedule.

In accordance with the Rate Case Order, the initial TACs were implemented on November 1, 2018. The excess income tax recovered for the first quarter of 2018, due to the tax rate change mandated by the 2017 Tax Act, was refunded to customers over the two (2) month period of November and December 2018, with interest. The TACs were then reset in January 2019. Pursuant to the Rate Case Order, the Company was directed to file all future annual TAC recovery filings on an annual schedule.

On October 31, 2022, PSE&G filed a petition with the Board seeking approval for electric and gas rate changes associated with the 2022 TACs to establish new rates for 2023. By Order, the Board approved a stipulation for final rates entered into by PSE&G, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”), ordering those rates to become effective as of August 1, 2023.²

2023 TAC PETITION

On September 1, 2023, the Company filed the 2023 TAC Petition proposing modifications to the TAC rates effective January 1, 2024 based upon actual results through June 30, 2023 and a forecast through December 31, 2024.

For the ETAC, the Company proposed a refund from January 1, 2024 through December 31, 2024 of approximately \$41.4 million, which, when added to the Company’s

² In re the Petition of Public Service Electric and Gas Company for the Approval of Changes in Its Electric Tax Adjustment Credit and Gas Tax Adjustment Credit (“2022 TAC Filings”), BPU Docket Nos. ER22100667 & GR22100668, Order dated July 12, 2023.

estimated under-collected balance with interest at December 31, 2023 of approximately \$7.3 million, would result in a total refund to customers of approximately \$34.1 million. Based upon the 2023 TAC Petition, this represents an approximate \$61.0 million increase in revenues compared with current ETAC rates on an annualized basis.

For the GTAC, the Company proposed a refund from January 1, 2024 through December 31, 2024 of approximately \$78.3 million, which, when added to the Company's estimated over-collected balance with interest at December 31, 2023 of \$17.1 million, would result in a total refund to customers of approximately \$95.4 million. Based upon the 2023 TAC Petition, this represents an approximate \$43.8 million increase in revenues compared with current GTAC rates on an annualized basis.

Virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on November 28, 2023 ("Public Hearings"). Notice of the Public Hearings was placed in newspapers having a circulation within the Company's electric and gas service territories, and served on the Clerks of the municipalities, the Clerks of the Board of County Commissioners, and the County Executives within the Company's electric and gas service territories. No members of the public provided comments during the public hearings, nor filed written comments with the Board.

Subsequently, the Company updated the 2023 TAC Petition revenue requirements to incorporate actual results through November 30, 2023 ("Update").³ For the ETAC, the Update resulted in a refund from January 1, 2024 through December 31, 2024 of approximately \$41.4 million, which when added to the Company's estimated under-collected balance with interest at December 31, 2023 of \$12.7 million, would result in a total refund to customers of approximately \$28.7 million. This represents an approximate \$66.4 million increase in revenues

³ See the Company's discovery response titled INF-0001, submitted December 18, 2023.

(less of a credit) compared with current ETAC rates on an annualized basis and an increase from the amount noticed of approximately \$5.4 million.

For the GTAC, the Update resulted in a refund from January 1, 2024 through December 31, 2024 of approximately \$78.3 million, which, when added to the Company's estimated over-collected balance with interest at December 31, 2023 of \$21.3 million, would result in a total refund to customers of approximately \$99.7 million. This represents an approximate \$39.6 million increase in revenues compared with current GTAC rates on an annualized basis and a decrease (more of a credit) from the amount noticed of approximately \$4.3 million.

STIPULATION

The Parties completed their review of the 2023 TAC Petition and responses to discovery, and HEREBY STIPULATE AND AGREE as follows:

1. The electric tariff rates proposed in the Company's September 1, 2023 filing, as reflected in Attachment 1, including the proposed tariff rate TAC-RS of (\$0.001976) per kWh [including Sales and Use Tax ("SUT")] will be effective upon Board approval.
2. The gas tariff rates, as proposed in the Company's September 1, 2023 filing and as updated in the Update, as reflected in Attachment 1, including the TAC-RSG rate of (0.049438) per therm (including SUT), will be effective upon Board approval.
3. The bill impacts of the proposed rates on typical residential electric customers are as set forth in Attachment 2, page 1 of 2. A typical residential electric customer using 740 kWh in a summer month and 577 kWh in an average month (6,920 kWh annually), would experience an increase in their average monthly bill from \$117.48 to \$119.57, or \$2.09 or approximately 1.78% [based upon Delivery Rates and Basic Generation Service

Residential Small Commercial Pricing (BGS-RSCP) charges in effect December 1, 2023, assuming the customer receives BGS-RSCP service from PSE&G].

4. The bill impacts of the proposed rates on typical residential gas customers are as set forth in Attachment 2, page 2 of 2. A typical residential gas heating customer using 172 therms in a winter month and 87 therms in an average month (1,040 therms annually), would experience an increase in their average monthly bill from \$93.22 to \$94.92, or \$1.70 or approximately 1.82% [based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2023, assuming the customer receives BGSS-RSG service from PSE&G].
5. The Company will submit its next TAC annual cost recovery filing no later than October 31, 2024 based upon actual results from December 1, 2023 through June 30, 2024, and a forecast through December 31, 2025, in accordance with the terms of the 2018 Base Rate Case settlement.
6. This Stipulation represents a mutual balancing of interests, contains interdependent provisions, and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion.
7. More particularly, in the event that this Stipulation is not adopted in its entirety by the Board in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.
8. The Stipulation is binding for all purposes herein.

9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, PSE&G, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein, in total or by specific item.
10. Further, this Stipulation is in no way binding upon the Parties in any other proceeding, except to enforce the terms of this Stipulation.
11. A Board order approving this Final Stipulation shall 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.

**PUBLIC SERVICE ELECTRIC
AND GAS COMPANY**

**MATTHEW J. PLATKIN
ATTORNEY GENERAL OF
NEW JERSEY
Attorney for the Staff of the New
Jersey Board of Public Utilities**

BY: Aaron I. Karp
Aaron I. Karp, Esq.
Associate Counsel - Regulatory

BY: Matko Ilic
Matko Ilic
Deputy Attorney General

DATED: January 18, 2024

DATED: January 19, 2024

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

BY: Bethany Rocque-Romaine
Bethany Rocque-Romaine, Esq.
Assistant Deputy Rate Counsel

DATED: January 19, 2024

PSE&G 2023TAC - ER23090634

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 69

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

Superseding

XXX Revised Sheet No. 69

TAX ADJUSTMENT CREDIT

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour including SUT</u>
RS.....	(\$0.001853)	(\$0.001976)
	(\$0.005250)	(\$0.005598)
RHS.....	(\$0.002623)	(\$0.002797)
	(\$0.006603)	(\$0.007040)
RLM.....	(\$0.001739)	(\$0.001854)
	(\$0.004760)	(\$0.005075)
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	(\$0.001234)	(\$0.001316)
	(\$0.003743)	(\$0.003994)
GLP.....	(\$0.000614)	(\$0.000655)
	(\$0.001622)	(\$0.001729)
LPL - Secondary.....	(\$0.000347)	(\$0.000370)
	(\$0.000929)	(\$0.000994)
LPL - Primary.....	(\$0.000222)	(\$0.000237)
	(\$0.000600)	(\$0.000640)
HTS - Subtransmission.....	(\$0.000205)	(\$0.000219)
	(\$0.000563)	(\$0.000600)
HTS – High Voltage & HTS - Transmission.....	(\$0.000080)	(\$0.000085)
	(\$0.000224)	(\$0.000239)
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.000459)	(\$0.000489)
	(\$0.001418)	(\$0.001512)
PSAL.....	(\$0.000000)	(\$0.000000)

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

Effective:

Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – 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

XXX Revised Sheet No. 69

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

Superseding

XXX Revised Sheet No. 69

TAX ADJUSTMENT CREDIT

<u>Rate Schedule</u>	<u>Charge per kilowatt-hour</u>	<u>Charge per kilowatt-hour including SUT</u>
RS.....	(\$0.001853)	(\$0.001976)
RHS.....	(\$0.002623)	(\$0.002797)
RLM.....	(\$0.001739)	(\$0.001854)
WH.....	(\$0.000000)	(\$0.000000)
WHS.....	(\$0.000000)	(\$0.000000)
HS.....	(\$0.001234)	(\$0.001316)
GLP.....	(\$0.000614)	(\$0.000655)
LPL - Secondary.....	(\$0.000347)	(\$0.000370)
LPL - Primary.....	(\$0.000222)	(\$0.000237)
HTS - Subtransmission.....	(\$0.000205)	(\$0.000219)
HTS – High Voltage & HTS - Transmission.....	(\$0.000080)	(\$0.000085)
BPL.....	(\$0.000000)	(\$0.000000)
BPL-POF.....	(\$0.000459)	(\$0.000489)
PSAL.....	(\$0.000000)	(\$0.000000)

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – 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

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

**XXX Revised Sheet No. 51
Superseding
XXX Revised Sheet No. 51**

TAX ADJUSTMENT CREDIT

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	(\$0.046366)	(\$0.049438)
	(\$0.064753)	(\$0.069043)
GSG.....	(\$0.039352)	(\$0.041959)
	(\$0.054983)	(\$0.058626)
LVG.....	(\$0.018403)	(\$0.019622)
	(\$0.025916)	(\$0.027633)
SLG.....	(\$0.068269)	(\$0.072792)
	(\$0.094749)	(\$0.101026)
TSG-F.....	(\$0.016605)	(\$0.017705)
	(\$0.022261)	(\$0.023736)
TSG-NF.....	(\$0.008389)	(\$0.008945)
	(\$0.011569)	(\$0.012335)
CIG.....	(\$0.012281)	(\$0.013095)
	(\$0.017044)	(\$0.018173)
CSG.....	(\$0.000923)	(\$0.000984)
	(\$0.001181)	(\$0.001259)

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue: Issued by SCOTT S. JENNINGS, SVP – Finance, Planning & Strategy – 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

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

**XXX Revised Sheet No. 51
Superseding
XXX Revised Sheet No. 51**

TAX ADJUSTMENT CREDIT

<u>Rate Schedule</u>	<u>Charge per Therm</u>	<u>Charge per Therm Including SUT</u>
RSG.....	(\$0.046366)	(\$0.049438)
GSG.....	(\$0.039352)	(\$0.041959)
LVG.....	(\$0.018403)	(\$0.019622)
SLG.....	(\$0.068269)	(\$0.072792)
TSG-F.....	(\$0.016605)	(\$0.017705)
TSG-NF.....	(\$0.008389)	(\$0.008945)
CIG.....	(\$0.012281)	(\$0.013095)
CSG.....	(\$0.000923)	(\$0.000984)

Tax Adjustment Credit

This mechanism is designed to return net tax benefits from the Tax Cuts and Jobs Act of 2017, and other income tax related adjustments to customers. The charge will be reset on an annual basis. Interest at the weighted average of the interest rates on PSE&G's commercial paper and bank credit lines utilized in the prior month will be accrued monthly on any under or over recovered balances. The interest rate shall be reset each month.

Date of Issue:

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

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

Effective:

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed changes in the Tax Adjustment Credit (TAC) on typical residential Electric bills, if approved by the Board, is illustrated below:

Residential Electric Service - Average Monthly Bill				
If Your Average Monthly kWhr Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
144	\$32.96	\$33.48	\$0.52	1.58 %
289	60.96	62.01	1.05	1.72
577	117.48	119.57	2.09	1.78
650	131.90	134.25	2.35	1.78
1,042	210.46	214.22	3.76	1.79

(1) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect December 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes increase in the TAC.

Residential Electric Service - Monthly Summer Bill				
If Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
185	\$41.86	\$42.53	\$0.67	1.60 %
370	78.79	80.13	1.34	1.70
740	154.56	157.24	2.68	1.73
803	167.98	170.89	2.91	1.73
1,337	281.95	286.79	4.84	1.72

(3) Based upon current Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) and Delivery Rates in effect December 1, 2023, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes increase in the TAC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the Tax Adjustment Credit (TAC) on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service - Average Monthly Bill				
If Your Average Monthly Therm Use Is:	Then Your Present Monthly Bill (1) Would Be:	And Your Proposed Monthly Bill (2) Would Be:	Your Monthly Bill Change Would Be:	And Your Percent Change Would Be:
14	\$22.23	\$22.50	\$0.27	1.21 %
28	35.82	36.38	0.56	1.56
51	58.24	59.23	0.99	1.70
87	93.22	94.92	1.70	1.82
100	106.28	108.24	1.96	1.84
151	156.30	159.27	2.97	1.90

(1) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2023, and assumes that the customer receives commodity service from Public Service.

(2) Same as (1) except includes increase in the TAC.

Residential Gas Service - Monthly Winter Bill				
If Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Percent Change Would Be:
25	\$33.15	\$33.64	\$0.49	1.48 %
50	57.68	58.66	0.98	1.70
100	107.85	109.81	1.96	1.82
172	179.30	182.68	3.38	1.89
201	208.17	212.11	3.94	1.89
300	306.29	312.17	5.88	1.92

(3) Based upon Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect December 1, 2023, and assumes that the customer receives commodity service from Public Service.

(4) Same as (3) except includes increase in the TAC.